MANDALAY MYOTHA INDUSTRIAL DEVELOPMENT PUBLIC COMPANY LIMITED

(Incorporated under Myanmar Companies Act with Reg. No. 5092/2012-2013)

(New Registration No. 116187000)

Financial Statements

For the period ended 31st March 2022

(1st October 2021 to 31st March 2022)

MANDALAY MYOTHA INDUSTRIAL DEVELOPMENT PUBLIC COMPANY LIMITED

Company Information

As at 31st March 2022

Incorporation	Incorporated under Myanmar Companies Act 1914 as a public company limited by shares with Company Registration No. 116187000 on 27th February 2013.	
Issued and paid-up capital	Kyat 130,686,010,000/- divided into 130,686,010 ordinary shares of Kyat 1,000/- each, fully paid-up.	
Board of directors	U Aung Win Khaing	Chairman / Chief Executive Officer
	Daw Phyu Phyu Myint Naing	Director
	Daw Cho Cho	Director
	U Myat Htut	Director
	U Myint Tin	Director
	U Myo Myint Oo	Director
	U Than Oo	Director
	U Tun Tun Aung	Director
Corporate governance	Dr. Maung Maung Thein	Independent Director
	U Maung Maung Aung	Independent Director
	Dr. Mon Mon Tar	Independent Director
	Dr. Tin Win	Advisor to the Board of Directors
	U Aung Khaing	Advisor to the Board of Directors
Bankers	Ayeyarwady Bank (AYA) CB Bank (CB) Innwa Bank Kanbawza Bank (KBZ) Myanma Foreign Trade Bank (MFTB) Myanma Investment and Commercial Bank (MICB) Myanmar Apex Bank (MAB) Myanmar Citizens Bank (MCB) United Amara Bank (UAB) Yoma Bank	
Auditors	W & Associates Limited - Certified Public Accountants	
Registered office	No. 514/8, 26th Street (Between 59th Street and 60th Street) Maharzayarbon Ward, Aungmyaytharzan Township, Mandalay	

Content **Page**

Report of the audit committee	2
Report of the directors	3 ~ 5
Report of the auditors	6 ~ 8
Statement of financial position	9
Statement of profit or loss	10
Statement of comprehensive income	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14 ~ 29

MANDALAY MYOTHA INDUSTRIAL DEVELOPMENT PUBLIC COMPANY LIMITED

Report of the Audit Committee

To the shareholders of Mandalay Myotha Industrial Development PCL

Mandalay Myotha Industrial Development PCL (the Company or MMID) had Audit Committee with three (3) members, who were knowledgeable in different fields and qualified independent directors according to the Notification 90/2020 of the Directorate of Investment and Company Administration dated 14th October 2020 and the Notification 2/2020 of the Securities and Exchange Commission of Myanmar dated 3rd December 2020, comprising U Maung Maung Aung as Chairman and U Myat Htut and Daw Phyu Phyu Myint Naing as members.

The Audit Committee fulfilled the responsibility according to the scope, duties and responsibilities assigned by the Board of Directors that complied with the Notification 2/2020 of the Securities and Exchange Commission of Myanmar. There were one Audit Committee meetings in the financial period ending 31st March 2022 and those meetings involved management Executives and External Auditor when appropriate, pertaining to the following issues:

- Review the interim and annual financial statements of 2021-2022 financial year;
- Review the operation information and the internal control system;
- Review compliance with laws;
- Review the risk management process;
- Review the evaluation of the anti-corruption practices;
- Review the evaluation of the anti-money laundering practices;
- Review and give opinion to connected transactions or transactions that may have conflict of interests, and information disclosure of such transactions; and
- Consider appointment of the External Auditors and their remuneration.

Observation of the performance

The Audit Committee had fulfilled the responsibility according to the scope, duties and responsibilities assigned by the Board of Directors, with knowledge and capability in following up the Company's operation in an independent manner and found that the Company disclosed financial and operation information of the Company correctly in accordance with Myanmar Financial Reporting Standards. Information was disclosed adequately and correctly, including the connected transactions and possible conflicts of interests. The Company had strictly complied with obligations, laws, and regulations under Myanmar Companies Law and of Securities and Exchange Commission of Myanmar.

In addition, the Board of Directors have performed duties with transparency and reliability by managing the Company to conduct its business according to risk management and good corporate governance principles. The Company also had an Independent External Auditor who was independent, qualified and efficient, which helped in developing the operating systems to fit with the changing business environment on a continuing basis.

On behalf of the Audit Committee



U Maung Maung Aung
Chairman of Audit Committee

Report of the Directors

On the financial statements for the period ended 31st March 2022

The directors of **Mandalay Myotha Industrial Development PCL** (the Company or MMID) present their report together with the audited financial statements of the Company for the financial period ended 31st March 2022.

The board of directors

The directors for the year and at the date of this report are: -

U Aung Win Khaing
U Tun Tun Aung
U Myat Htut
U Than Oo
U Myint Tin
U Myo Myint Oo
Daw Cho Cho
Daw Phyu Phyu Myint Naing

Directors' interest in shares or debentures

The directors of the Company holding office at the end of the financial period had no interest in the share capital of the Company as recorded in the register of director' shareholdings kept by the Company under Section 189 of the Myanmar Companies Law 2017 except as follows: -

	Number of ordinary shares	
	31st March 2022	1st October 2021
U Aung Win Khaing	30,826,518	30,776,518
U Tun Tun Aung	16,957,338	16,957,338
Daw Phyu Phyu Myint Naing	50,000	50,000
Daw Cho Cho	963,000	963,000
U Myat Htut	176,956	176,956
U Myint Tin	50,000	50,000
U Myo Myint Oo	50,000	50,000
U Than Oo	50,000	50,000

Director's contractual benefits

Since the end of the previous financial period, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest except as disclosed in the financial statements.

Arrangements to enable directors to acquire shares or debentures

Neither at the end nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company.

Result of the financial year

In the opinion of the directors, the results of the operations of the Company during the financial period have not been affected by any item, transaction or event of a material and unusual nature other than the exceptional items and extraordinary items disclosed in the financial statements and annual report. The Company has no recognized gains or losses other than the profit or loss stated in the financial statements and annual report during the financial period.

Dividends

During the financial period, no dividend was paid by the Company.

Share capital
During the financial period, no new shares were issued by the Company.

Share options
There were no options granted during the financial period to subscribe for unissued shares of the Company. No shares have been issued during the financial period by virtue of the exercise of options to take up unissued shares of the Company and there were no unissued shares of the Company under option at the end of the financial period.

Charges and contingent liabilities
Since the end of the financial period no charge on the assets of the Company has arisen, which secures the liabilities of any other person. Since the end of the financial period, no contingent liability of the Company has arisen. No contingent or other liability of the Company has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet their obligations as and when they fall due.

Risk management and internal control
The board of directors is responsible for the financial statements of the Company which have been prepared in accordance with Myanmar Financial Reporting Standards. The Board considers the accounting policies pursued to be appropriate, and that they have been applied consistently with adequate disclosure of important information in the notes to the financial statements. The Company's external auditor has reviewed and audited the financial statements and expressed their opinion in the Independent Auditor's Report. The Board oversees and reviews corporate governance as well as establishes and maintains a proactive risk management system and internal control system to ensure that accounting records are accurate, complete and timely, and that the Company's assets are properly safeguarded against fraud, operational irregularities and other risks.

Corporate governance
The Board has appointed a Corporate Governance Board and an Audit Committee consisting of independent director(s) as required under the Notification 90/2020 of the Directorate of Investment and Company Administration dated 14th October 2020 and the Notification 2/2020 of the Securities and Exchange Commission of Myanmar dated 3rd December 2020.

Audit committee
The responsibilities of the Audit Committee include but not limited to oversee appropriate accounting procedures and accounting controls of the Company; to supervise compliance with such accounting procedures and controls; to review the Company's financial statements to reflect their correctness and to disclose any related transactions or conflicts of interest, if any, by major shareholders; to monitor compliance with the laws and regulations applicable to the Company; to report to the board of directors; and to deliver opinions on any matters submitted by the Board of Directors.

The structure of the Company and the Board of Directors ensure that the financial statements of the Company represent correct and fair view of the financial position as of 31st March 2022, the results of operations, and cash flows for the period then ended prepared in accordance with Myanmar Financial Reporting Standards.

Independent Auditor
The independent auditor, W & Associates Limited - Certified Public Accountants, has expressed its willingness to accept re-appointment.

Report of the Directors

On the financial statements for the period ended 31st March 2022

Statement of the Directors

In the opinion of the directors,

1) The financial statements – including statement of financial position, related statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and disclosure notes – are drawn up so as to give a true and fair view of:
   a) the state of financial affairs of the Company as at 31st March 2022 and
   b) of the financial results and cash flows of the Company for the period then ended;

2) the books of accounts have been maintained in accordance with the Section 258 of Myanmar Companies Law 2017;

3) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due; and

4) the directors, U Aung Win Khaing and U Tun Tun Aung are authorized to sign, issue, file and distribute the accompanying financial statements, in accordance with the Section 264 of Myanmar Companies Law 2017.

For and on behalf of the Board

U Aung Win Khaing
Chairman

U Tun Tun Aung
Managing Director

Report of the Auditor

To the Shareholders of Mandalay Myotha Industrial Development PCL

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Mandalay Myotha Industrial Development PCL** (the Company), which comprise the statement of financial position as at 31st March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 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 31st March 2022, and of its financial performance and its cash flows for the period then ended in accordance with Myanmar Financial Reporting Standards (MFRSs).

Basis for Opinion

We conducted our audit in accordance with Myanmar Standards on Auditing (MSAs). 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 Section 279 (d) of Myanmar Company Law and 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 our audit of the financial statements in Myanmar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.

Description of Key Audit Matters	Auditor's Responses
Revenue Recognition The amount of revenue recognized in the year is dependent on the appropriate assessment of whether or not each contract is a sale of land use right, lease or investment in a project with co-developers. As the commercial arrangements and legal forms can be complex, significant judgment is applied in selecting the accounting basis in each case. In our view, revenue recognition is significant to our audit as the Company might inappropriately account for and this would usually lead to revenue being recognized too early.	Our audit procedures to address the risk of material misstatement relating to revenue recognition, which was considered to be a significant risk, includes through review of each contract, site visit, and detailed analysis of revenue and the timing of its recognition based on expectations derived from our industry knowledge and external market data.

Information Other than the Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 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 MSAs 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 MSAs, 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 Section 280 (b) of Myanmar Companies Law, we also report that: -

(i) We have obtained all the information and explanations we have required;
(ii) In our opinion, the financial statements referred to in the report are drawn up in conformity with applicable law;
(iii) According to the best of their information and the explanations given to us, and as shown by the books of the Company, the financial statements exhibit a true and fair view of the state of the company's affairs; and
(iv) In our opinion, the financial records have been kept by the Company as required by the Division 24 of Myanmar Companies Law.

The engagement partner on the audit resulting in this independent auditor's report is Daw Nwe' Yin Win, Certified Public Accountant and Professional Accountant in Public Practice.



Daw Nwe' Yin Win
B.Com., CPA
PAPP Registration No. 67
W & ASSOCIATES LIMITED Audit and Assurance
Firm Name Registration No. ACC-015

MANDALAY MYOTHA INDUSTRIAL DEVELOPMENT PUBLIC COMPANY LIMITED

Statement of Financial Position

As at 31st March 2022

	Note	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
ASSETS			
Current assets			
Cash and cash equivalents	4	364,269,857	1,610,655,742
Trade and other receivables	5	5,529,190,009	4,532,568,971
Other current assets	6	2,174,175,190	307,900,950
Inventories	7	1,845,901	2,567,598
Total current assets		8,069,480,957	6,453,693,261
Non-current assets			
Investments in subsidiaries	8	14,167,797,460	14,167,797,460
Property, plant and equipment	9	5,199,795,999	5,359,852,382
Land and infrastructure development costs	10	137,788,020,241	136,042,319,649
Other non-current assets		-	-
Total non-current assets		157,155,613,700	155,569,969,491
Total assets		165,225,094,656	162,023,662,752
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables	11	15,731,504,533	13,462,813,829
Current portion of long-term loans	15	3,000,000,000	3,000,000,000
Deposits and advances received from customers	12	251,102,875	251,102,875
Current income tax liability	13	-	-
Other current liabilities	14	41,757,000	41,982,000
Total current liabilities		19,024,364,408	16,755,898,704
Non-current liabilities			
Long-term loans, net of current portion	15	19,643,211,786	17,432,047,897
Other non-current liabilities		-	-
Total non-current liabilities		19,643,211,786	17,432,047,897
Total liabilities		38,667,576,195	34,187,946,602
Shareholders' equity			
Issued and paid-up capital	16	130,686,010,000	130,686,010,000
Retained earnings	17	(6,030,233,181)	(4,752,035,492)
Capital reserve		1,901,741,642	1,901,741,642
Equity attributable to owners of the Company		126,557,518,461	127,835,716,150
Non-controlling interests of the subsidiaries		-	-
Total shareholders' equity		126,557,518,461	127,835,716,150
Total liabilities and shareholders' equity		165,225,094,656	162,023,662,752

Authenticated by the Directors:

U Aung Win Khaing
Chairman

U Tun Tun Aung
Managing Director

MANDALAY MYOTHA INDUSTRIAL DEVELOPMENT PUBLIC COMPANY LIMITED

Statement of Profit or Loss

For the period ended 31st March 2022

	Note	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Revenues			
Revenue from real estate sales	18	-	35,857,800
Interest income		-	-
Other income	18	1,670,251	31,821,476
Total revenues		1,670,251	67,679,276
Costs and expenses			
Cost of infrastructure and real estate development	19	-	3,246,243
General and administrative expenses	20	1,282,773,412	2,390,561,767
Total expenses		1,282,773,412	2,393,808,010
Profit before finance income and income tax		(1,281,103,161)	(2,326,128,734)
Finance income	21	7,923,056	78,394,996
Profit before income tax		(1,273,180,105)	(2,247,733,738)
Income tax		-	-
Profit for the period		(1,273,180,105)	(2,247,733,738)
Profit attributable to:			
Equity holders of the Company		(1,273,180,105)	(2,247,733,738)
Basic earnings per share			
Profit attributable to equity holders of the Company		(10)	(17)

Authenticated by the Directors:

U Aung Win Khaing
Chairman

U Tun Tun Aung
Managing Director

MANDALAY MYOTHA INDUSTRIAL DEVELOPMENT PUBLIC COMPANY LIMITED

Statement of Comprehensive Income

For the period ended 31st March 2022

	Note	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Profit for the period		(1,273,180,105)	(2,247,733,738)
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Exchange differences on translation of financial statements in foreign currency		-	-
		-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
Less:			
Income tax		-	-
		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	-
		-	-
Other comprehensive income for the period		-	-
Total comprehensive income for the period		(1,273,180,105)	(2,247,733,738)
Total comprehensive income attributable to:			
Equity holders of the Company		(1,273,180,105)	(2,247,733,738)
Non-controlling interests of the subsidiaries		-	-

Authenticated by the Directors:

U Aung Win Khaing
Chairman

U Tun Tun Aung
Managing Director

MANDALAY MYOTHA INDUSTRIAL DEVELOPMENT PUBLIC COMPANY LIMITED

Statement of Changes in Equity

For the period ended 31st March 2022

	Issued and paid-up capital	Capital reserve	Retained Earnings	Total shareholders' equity
	(MMK)	(MMK)	(MMK)	(MMK)
Balance as at 1 October 2021	130,686,010,000	1,901,741,642	(4,752,035,492)	127,835,716,150
Previous year adjustment	-	-	(5,017,584)	(5,017,584)
Profit (Loss) for the period	-	-	(1,273,180,105)	(1,273,180,105)
Other comprehensive income (losses) for the period	-	-	-	-
Total comprehensive income (loss) for the period	-	-	(1,278,197,689)	(1,278,197,689)
Dividend to the Company's shareholders	-	-	-	-
Balance as at 31 March 2022	130,686,010,000	1,901,741,642	(6,030,233,181)	126,557,518,461

	Issued and paid-up capital	Capital reserve	Retained Earnings	Total shareholders' equity
	(MMK)	(MMK)	(MMK)	(MMK)
Balance as at 1 October 2020	130,686,010,000	1,901,741,642	(2,504,301,754)	130,083,449,888
Profit (Loss) for the year	-	-	(2,247,733,738)	(2,247,733,738)
Other comprehensive income (losses) for the year	-	-	-	-
Total comprehensive income (loss) for the year	-	-	(2,247,733,738)	(2,247,733,738)
Dividend to the Company's shareholders	-	-	-	-
Balance as at 30 September 2021	130,686,010,000	1,901,741,642	(4,752,035,492)	127,835,716,150

MANDALAY MYOTHA INDUSTRIAL DEVELOPMENT PUBLIC COMPANY LIMITED

Statement of Cash Flows

For the period ended 31st March 2022

	2020-2021 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Cash flows from operating activities		
Profit before income tax	(1,273,180,105)	(2,247,733,738)
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:		
Depreciation expense	117,285,028	244,375,763
Loss (Gain) on sales of property and equipment	(5,609,375)	(5,896,875)
Interest income	(9,785,543)	(131,643,253)
Interest expense	-	-
Previous years adjustment	(5,017,584)	-
Profit (loss) from operating activities before changes in operating assets and liabilities	(1,176,307,579)	(2,140,898,103)
Operating assets (increase) decrease:		
Inventories	721,697	(770,447)
Trade and other receivables	(996,621,038)	(356,085,818)
Other current assets	(1,866,274,240)	5,724,670
Other non-current assets	-	-
Trade and other payables	2,268,690,704	919,637,299
Deposits and advances received from customers	-	-
Other current liabilities	(225,000)	(412,500)
Other non-current liabilities	-	-
Cash from (used in) operating activities	(1,770,015,456)	(1,572,804,899)
Cash paid for income tax	-	-
Net cash from (used in) operating activities	(1,770,015,456)	(1,572,804,899)
Cash flows from investing activities		
Interest income	9,785,543	131,643,253
Increase (decrease) in short-term loans to related party	-	-
Cash paid for investment in joint venture and associates	-	-
Acquisitions of property and equipment	(24,763,400)	(11,727,470)
Proceed from Disposal of property and equipment	73,144,130	20,000,000
Land and infrastructure development costs	(1,745,700,592)	(3,080,301,751)
Net cash from (used in) investing activities	(1,687,534,318)	(2,940,385,968)
Cash flows from financing activities		
Interest expenses	-	-
Cash receipt from short-term loans from related parties	-	-
Repayment of short-term loans from related parties	-	-
Cash receipt from long-term loans	2,961,163,889	6,011,307,565
Repayment of long-term loans	(750,000,000)	-
Dividend paid to the Company's shareholders	-	-
Net cash from (used in) financing activities	2,211,163,889	6,011,307,565
Decrease in translation adjustments	-	-
Net decrease in cash and cash equivalents	(1,246,385,885)	1,498,116,698
Cash and cash equivalents at beginning of period	1,610,655,742	112,539,044
Cash and cash equivalents at end of period	364,269,857	1,610,655,742

The accompanying notes are an integral part of the financial statements.

1. Corporate information

Mandalay Myotha Industrial Development PCL (MMID or the Company) is a public company incorporated in Myanmar dated on 27th February 2013 with Registration No. 5092/2012-2013 and re-registered under Myanmar Companies Law 2017 with new Registration No. 116187000 on 25th January 2019.

The Company is principally engaged in industrial estate development. The registered office of the Company is at 514/8, 26th Street, Between 59th and 60th Street, Maharzayarbon Ward, Aungmyay-tharzan Township, Mandalay Region, Myanmar.

2. Presentation of financial statements

2.1 Basis of preparation

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies. The financial statements in English language is the official version in accordance with Section 258(a) of Myanmar Companies Law 2017.

2.2 Basis of consolidation

Subsidiaries are all entities, including structured entities, over which the Company has control as a holding company. The holding company controls an entity where the holding company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. When consolidated financial statements are unable to prepare, separate financial statements of subsidiaries are attached. Investments in subsidiaries are accounted for using the equity method.

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method.

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

The joint arrangements with co-developer are recognized as joint operations and recognise their direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Interests in joint ventures are accounted for using the equity method.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Where the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

2.3 New and amended financial reporting standards

The financial statements have been prepared in accordance with Myanmar Accounting Standards (MAS) and Myanmar Financial Reporting Standards (MFRS) issued by the Myanmar Accountancy Council with Notification 1/2020 dated 6th May 2010. No new and amendments of financial reporting standards which become effective for the reporting period commencing between 1st October 2020 to 30th September 2021.

3. Significant accounting policies

3.1 Foreign currency translation

The financial statements are presented in Myanmar currency units Kyats (MMK), which is the functional and presentation currency of the Company. Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses). Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

3.2 Revenue recognition

Revenue from infrastructure and real estate development
Revenue from land with infrastructure development are recognised as revenue in full at the point in time when the significant risks and rewards of ownership are passed to the buyer, generally upon transfer of the legal ownership. Revenue from sales of real estate is measured at the amount of the consideration received after deducting discounts and considerations payable to the customer. The terms of payment are in accordance with the payment schedule specified in the customer contract. Considerations received before transferring control of the real estate to the customer are presented under the caption of "Advances received from customers" in the statement of financial position.

Rendering of services
Service revenues, which include management of common areas of the industrial estates, waste management, and electricity, which are included in revenue from utility services, are recognised when services have been rendered taking into account the stage of completion.

Rental income
Rental income which consists of land rental, rental of factory building, office building and other commercial building is recognised as an income on straight-line basis over the lease term.

Dividend income
Dividends are recognised when the right to receive the dividends is established.

Interest income
Interest income is recognised on an accrual basis based on the effective interest rate.

3.3 Cost of infrastructure and real estate development

Cost of infrastructure and real estate development included acquisition costs, land compensation, land improvement costs, infrastructure costs, construction costs, costs directly related to a specific property development activity, and costs attributable to the development activities in general that can be allocated on a reasonable basis including borrowing costs. The anticipated total development costs, taking into account of actual costs incurred to date, are attributed to units sold on the basis of the salable area.

Infrastructure and real estate development costs are carried at the lower of the anticipated total development costs less any accumulated impairment loss. Infrastructure and real estate development are at varying stages of development, ranging from land on which there is no development to those which are in an advanced stage of development. Those development costs include costs associated with the acquisition of land and/or development rights, costs directly related to a specific property development activity, costs attributable to the development activities in general that can be allocated on a reasonable basis and borrowing costs.

3.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and deposits held at call with banks and financial institutions, and other short-term highly liquid investments with original maturity of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

3.5 Trade and other receivables

Trade and other receivables are stated at net realisable value derived from the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less allowance for doubtful accounts. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of aging.

3.6 Other current assets

Other current assets include prepayments and advances and are stated at the net realisable value.

3.7 Inventories

Inventories are stated at cost or net realisable value whichever is lower. Cost includes costs of purchase net of trade discounts received, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

3.8 Investments

Investments in subsidiaries, associates and joint ventures are initially accounted for at cost and net of allowance for impairment loss, if any.

3.9 Property and equipment

Land are stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when 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. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives: -

Building and structure	20 - 40 years
Transmission line and sub-station	48 years
Furniture and fixtures	20 years
Machinery and equipment	10 years
Computer, printer and accessories	5 years
Vehicles	8 years

No depreciation is provided on the assets under construction.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in the income statement when the asset is derecognised.

The residual value and useful live of assets are reviewed, and adjusted if appropriate, at the end of each reporting period. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss. When revalued assets are sold, any amounts included in other reserves in respect of those assets are transferred to retained earnings.

3.10 Impairment of assets

At the end of each reporting period, the Company perform impairment reviews in respect of the assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the fair value of the asset less costs to sell and its value in use, is less than the carrying amount. An impairment loss is recognised in the income statement.

3.11 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

3.12 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

3.13 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax for the current and prior periods are recognised as a liability to the extent that it has not yet been settled, and as an asset to the extent that the amounts already paid exceed the amount due. Current tax assets and liabilities are estimated based on the taxable profits determined in accordance with tax legislations using tax rate that have been enacted or substantially enacted at the reporting date.

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rate enacted at the end of the reporting period.

The Company recognised deferred tax liabilities for all taxable temporary differences while recognised deferred tax assets for all deductible temporary differences, unused tax credits and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax credits and losses carried forward can be utilised.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefits of part or all of that deferred tax asset to be utilized. Any such reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable profit will be available.

3.14 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at time requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual result could differ from these estimates. Significant judgements and estimates are as follows:

Infrastructure and real estate development costs estimation

In determining infrastructure and real estate development costs, the Company is required to make estimates of all project development costs. Cost consists of the cost of acquisition, land improvement costs, utilities, and other related expenses. The management estimates these costs based on their experience in the business and revisits the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

3.14 Significant accounting judgements and estimates (Continued)

Buildings and equipment, investment properties and depreciation

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of buildings and equipment and to review estimate useful lives and residual values when there are any changes. In addition, the management is required to review buildings and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

3.15 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company. They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that give them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company' operations.

The followings are relationships with enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

Name of the entities	Nature of relationship
MSMP International Company Limited	70% subsidiary company
Royal Hi-tech Group Company Limited	Body corporates controlled by U Aung Win Khaing and/or family members
Royal Hi-tech Group Industries Company Limited	
Hi-tech Forest Industries Company Limited	
Mandalay Red Lion Cement Company Limited	
Mandalay Cement Industries Company Limited	
Royal Chamber Construction Group Company Limited	Co-developer and body corporates where U Aung Win Khaing and/or family member is(are) shareholder(s).
Myotha Investment Group Company Limited	
Royal Mandalay Myotha Golf Estate Development Company Limited	
Myotha Aya Resort Company Limited	

3.16 Change of financial year

Under the 2021-2022 National Planning Law, Myanmar had changed its fiscal year from 1 October - 30 September to 1 April - 31 March starting from 1 October 2021. Accordingly, the annual reporting period of the company had been changed to 1 October 2021 - 31 March 2022 in current financial period and financial statements are prepared for 6-months period. Therefore, the comparative information presented in prior financial year and current financial period in the financial statements were not entirely comparable.

4 Cash and cash equivalents

	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Cash at bank	301,659,984	1,472,046,131
Cash in hand	62,609,873	138,609,612
	364,269,857	1,610,655,742
It is made up of:		
Local currency	345,603,647	1,576,761,548.59
Foreign currency	18,666,210	33,894,194
	364,269,857	1,610,655,742

5 Trade and other receivables

	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Trade receivables		
Trade receivables: Shophouse and wholesale	132,326,955	132,326,955
Trade receivables: Factory	846,070,955	846,070,955
Trade receivables: Phase-1A	48,344,445	48,344,445
Trade receivables: Port Link Road Land	52,160,000	52,160,000
	1,078,902,355	1,078,902,355
Other receivables		
Receivable: IFC	100,000	100,000
Receivable: Others	2,120,805,649	1,453,528,787
Receivable: Co-developers	2,000,037,829	2,000,037,829
Receivable: Commercial tax	329,344,176	-
	4,450,287,654	3,453,666,616
	5,529,190,009	4,532,568,971

6 Other current assets

	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Contribution to MIMC	1,868,400,000	-
Advance: Pontoon	300,000,000	300,000,000
Advance: Others	5,615,190	7,090,950
Advance: Staff loans	160,000	810,000
	2,174,175,190	307,900,950

7 Inventories

	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Inventories: Fuel and supplies	1,845,901	2,567,598
	1,845,901	2,567,598

8 Investments in subsidiaries

	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Investment in subsidiaries	14,167,797,460	14,167,797,460
	14,167,797,460	14,167,797,460

Investments in susidiaries represents 85% of equity interest in MSMP International Company Limited which is a joint venture company between MMID and International Finance Corporation ("IFC") where MMID shall hold 70% and IFC shall hold 30% in accordance with Joint Venture Agreement.

9 Property, plant and equipment

	SEMEIKHON PORT		INDUSTRIAL PARK						Total
	Building and structures	Roads	Building and structure	Furniture and fixture	Machinery and equipment	Power Transmission line	Computer and printers	Vehicles	
	(MMK)	(MMK)	(MMK)	(MMK)	(MMK)		(MMK)	(MMK)	(MMK)
2021-2022									
Cost									
Balance at beginning of the period	-	-	1,308,159,192	54,715,895	149,906,903	4,141,511,511	56,328,018	794,557,319	6,505,178,838
Additions	-	-	24,506,400	-	257,000	-	-	-	24,763,400
Disposals / write-off	-	-	-	-	-	(59,144,130)	-	(53,700,000)	(112,844,130)
Reclassification	-	-	-	-	-	-	-	-	-
Adjustments / transfers	-	-	-	-	-	-	-	-	-
Balance at end of the period	-	-	1,332,665,592	54,715,895	150,163,903	4,082,367,381	56,328,018	740,857,319	6,417,098,108
Accumulated depreciation									
Balance at beginning of the period	-	-	217,993,713	17,089,881	103,102,923	303,627,033	54,854,498	448,658,408	1,145,326,456
Charges for the period	-	-	17,738,568	1,367,898	7,508,195	42,456,621	232,040	47,981,707	117,285,028
Disposal / write-off	-	-	-	-	-	-	-	(45,309,375)	(45,309,375)
Adjustment / transfer	-	-	-	-	-	-	-	-	-
Balance at end of the period	-	-	235,732,281	18,457,778	110,611,118	346,083,654	55,086,538	451,330,740	1,217,302,109
Net book value									
Balance at end of the period	-	-	1,096,933,311	36,258,117	39,552,785	3,736,283,727	1,241,480	289,526,579	5,199,795,999
Balance at beginning of the period	-	-	1,090,165,479	37,626,014	46,803,980	3,837,884,478	1,473,520	345,898,911	5,359,852,382
2020-2021									
Cost									
Balance at beginning of the year	-	-	1,308,159,191.8	54,715,895.0	149,524,903.0	4,130,543,611.0	55,430,418.0	848,027,349.5	6,546,401,368
Additions	-	-	-	-	382,000.0	10,967,900.0	897,600.0	-	12,247,500
Disposals / write-off	-	-	-	-	-	-	-	(53,470,030.0)	(53,470,030)
Reclassification	-	-	-	-	-	-	-	-	-
Adjustments / transfers	-	-	-	-	-	-	-	-	-
Balance at end of the year	-	-	1,308,159,191.8	54,715,895.0	149,906,903.0	4,141,511,511.0	56,328,018.0	794,557,319.4	6,505,178,838
Accumulated depreciation									
Balance at beginning of the year	-	-	183,741,898.1	14,354,085.8	88,131,333.3	217,483,594.0	54,432,288.0	381,654,369.0	939,797,568
Charges for the year	-	-	34,251,815.0	2,735,795.0	14,971,590.0	86,143,439.0	422,210.0	105,850,914.0	244,375,763
Disposal / write-off	-	-	-	-	-	-	-	(38,846,875.0)	(38,846,875)
Adjustment / transfer	-	-	-	-	-	-	-	-	-
Balance at end of the year	-	-	217,993,713.1	17,089,880.8	103,102,923.3	303,627,033.0	54,854,498.0	448,658,408.0	1,145,326,456
Net book value									
Balance at end of the year	-	-	1,090,165,479	37,626,014	46,803,980	3,837,884,478	1,473,520	345,898,911	5,359,852,382
Balance at beginning of the year	-	-	1,124,417,294	40,361,809	61,393,570	3,913,060,017	998,130	466,372,980	5,606,603,800

10 Land and infrastructure development costs

	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Development costs - Myotha Industrial Park		
Initial development cost (MIP)	75,174,345,177	75,174,345,177
Infrastructure cost, design fees, etc.	1,036,043,951	1,034,834,855
Port link road	4,090,453,508	4,090,453,508
Entrance gates	271,159,198	271,159,198
Roads	613,798,200	467,879,972
Driange	51,604,253	47,924,878
Dams	244,102,735	244,102,735
Pond pipe and culvert	13,884,000	13,884,000
Road and land clearance	10,223,250	10,223,250
Consultant fee	136,915,000	136,915,000
Land compensation	3,144,177,500	3,144,177,500
Land title cost (MNGED/RMMED)	177,368,040	177,368,040
Boundry	25,120,625	-
Golf course entrance and boundary road	392,793,675	391,416,925
Project management fees	3,937,783,800	3,424,333,800
Interest expense	5,916,362,397	4,883,420,111
	95,236,135,310	93,512,438,949
Development costs - Semeikhon Port		
Initial development cost	14,715,038,942	14,715,038,942
Infrastructure cost, design fees, etc.	245,138,011	245,138,011
Preoperation cost	333,778,879	311,774,648
	15,293,955,832	15,271,951,601
Development costs - Co-developers		
Initial development cost (MNGED/RMMED)	17,063,104,000	17,063,104,000
Initial development cost (RCC)	5,283,499,819	5,283,499,819
Initial development cost (MIGC)	818,025,280	818,025,280
Initial development cost (AYA Resort)	4,093,300,000	4,093,300,000
	27,257,929,099	27,257,929,099
	137,788,020,241	136,042,319,649

11 Trade and other payables

	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Deferred income : MMID 80%	517,342,225	436,093,005
Payable: Contractors	282,578,951	104,644,716
Payable: Others	1,363,067,381	1,377,882,019
Payable: Commercial tax	329,344,176	-
Payable: MSMP	2,647,244,787	2,798,315,348
Payable: MIMC	2,026,631,008	153,131,008
Payable: RCC	229,363	14,405,277
Payable: RHG	-	220,158,837
Payable: EKK	(40,680)	(40,680)
Payable: EKK 20%	28,903,437	28,903,437
Provision for infrastructure costs	8,381,458,571	7,897,477,678
Accrued expenses	154,745,314	431,843,185
	15,731,504,533	13,462,813,829

12 Deposits and advances received from customers

	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Advance receipts form customers	251,102,875	251,102,875
	251,102,875	251,102,875

13 Current income tax liability

	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Previous year taxation	-	-
Current year taxation	-	-
	-	-

14 Other current liabilities

	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Balance at beginning of year	41,982,000	42,394,500
Approved interim dividend during the year		
Dividend paid during the year (2014-2015)	(100,000)	-
Dividend paid during the year (2015-2016)	(125,000)	(412,500)
Dividend paid during the year (2016-2017)	-	-
Balance at end of year	41,757,000	41,982,000
It is made up of		
Dividend payable (2014-2015)	14,712,000	14,812,000
Dividend payable (2015-2016)	27,045,000	27,170,000
	41,757,000	41,982,000

15 Long term loans

	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Amount due to related parties, with interest	4,830,150,018	2,618,986,129
Amount due to related parties, without interest	493,061,769	493,061,769
Term-loans	17,320,000,000	17,320,000,000
	22,643,211,786	20,432,047,897
Term-loans, current portion	3,000,000,000	3,000,000,000
	19,643,211,786	17,432,047,897

Amount due to related parties with interest, were part of borrowings from and payable to Kanbawza bank under the name of Royal Hi-tech Group Company Limited secured with the properties not owned by the Company. The interest rate was 13% per annum.

Amount due to related parties without interest, were temporary borrowings from and payable to Royal Hi-tech Group Company Limited, non-trade nature, unsecured and have no fixed term of repayment.

Term-loans represents 5-years term loan taken from Myanmar MAB Bank with the interest rate of 13% repayable after 24 months after first utilization date in 4 equal installments mortgaged with golf course developed on 492.689 acres of land.

16 Issued and paid-up capital

	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Ordinary shares, MMK 1,000 each		
Issued and fully paid-up		
Balance at beginning of period	130,686,010,000	130,686,010,000
2021-2022: 130,686,010 shares; 2020-2021: 130,686,010 shares		
Add:		
Shares issued during the period	-	-
2021-2022: 0 shares; 2020-2021: 0 shares		
Balance at end of period		
2021-2022: 130,686,010 shares; 2020-2021: 130,686,010 shares	130,686,010,000	130,686,010,000

17 Retained earnings (losses)

	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Balance at beginning of period	(4,752,035,492)	(2,504,301,754)
Previous year adjustments	(5,017,584)	-
Net profit (loss) for the period	(1,273,180,105)	(2,247,733,738)
Dividend paid during the period	-	-
Balance at end of period	(6,030,233,181)	(4,752,035,492)

18 Revenue from real estate development

	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Income: Real estate development	-	35,857,800
Income: Late fee, service fee and others	1,670,251	31,821,476
	1,670,251	67,679,276

19 Cost of infrastructure and real estate development

	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Land initial development cost	-	2,499,243
Contribution to MIMC	-	747,000
	-	3,246,243

20 General and administrative expenses

	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Accommodation expense	4,356,300	7,558,400
Annual fee	158,000	-
Annual general meeting expense	630,784	4,490,282
Audit fee	10,506,068	19,271,000
Advertising and marketing expense	9,286,000	8,492,040
Board meeting fee	15,000	17,500,000
Boundry	2,290,824	-
Communication expense	1,095,919	2,569,132
Consultant/Technician expense	6,000,000	12,000,000
CSR expenses	13,427,308	105,191,456.00
Courier and postage expense	75,250	76,500
Director benefit	2,000,000	17,759,914
Directors remuneration	33,000,000	73,100,000
Entertainment expense	31,300,027	30,638,422
Fuel expense	22,848,723	30,000,245
General expense	28,230,658	44,412,429
Gift and present expense	22,828,019	49,807,260
Honorary fees	39,000,000	78,000,000
Insurance expense	-	1,823,080
Legal and professional fee	80,432,294	168,232,021
Licence and registration expense	3,434,250	3,467,300
Management fee	513,450,000	838,710,000
Meal allowance	451,999	2,464,071
Public relation and information expense	3,000,000	6,000,000
Printing and stationery expense	577,550	848,850
Project development cost	42,000,000	84,000,000
Rental fee	59,226,452	102,625,806
Repairs and maintenance expense	38,595,628	73,242,672
Salary and benefits	155,672,535	308,590,571
Social security	1,472,160	2,423,520
Security expense	20,790,366	42,609,565
Staff training	-	430,000
Transport and labour expense	2,856,273	10,474,344
Travel expense	7,740,021	3,305,307
Utilities expense	12,870,458	8,224,644
Depreciation expense	117,285,028	244,375,763
Exchange (gain)/loss	1,478,893	(6,255,952)
Gain on disposal	(5,609,375)	(5,896,875)
	1,282,773,412	2,390,561,767

21 Finance income (expense)

	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Interest income	9,785,543	131,643,253
Bank service charges	(351,344)	(53,122,257)
Bank loan expenses	(1,511,143)	(126,000)
	7,923,056	78,394,996

22 Related party transactions

The amount of outstanding balances with related parties at the reporting dates and their nature were as follows: -

	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Debit (Credit) Balance		
MSMP International Co., Ltd.		
Investment	14,167,797,460	14,167,797,460
Other receivables	206,674,340	206,674,340
Other payables	(2,647,244,787)	(2,798,315,348)
Royal Mandalay Myotha Estate Development Co., Ltd.		
Construction in progress: Initial development cost	17,063,104,000	17,063,104,000
Construction in progress: Land title cost	177,368,040	177,368,040
Other receivables	204,581,829	194,698,529
Royal Hi-tech Group Co., Ltd.		
Management fees	4,451,233,800	4,263,043,800
Other receivables	178,391,380	177,673,879
Other payables	-	(220,158,837)
Long term loans, unsecured, with 13% p.a. interest	(4,830,150,018)	(2,618,986,129)
Long term loans, unsecured, without interest	(493,061,769)	(493,061,769)
Royal Chamber Construction Group Co., Ltd.		
Construction in progress: Initial development cost	5,283,499,819	5,283,499,819
Other receivables	10,323,304	4,172,617
Receivable, Co-developers	1,661,399,029	1,661,399,029
Other payables	(229,363)	(14,405,277)
Myotha Aya Resort Co., Ltd.		
Initial development cost	4,093,300,000	4,093,300,000
Receivable, Co-developers	371,685,226	257,384,659

MANDALAY MYOTHA INDUSTRIAL DEVELOPMENT PUBLIC COMPANY LIMITED

(Incorporated under Myanmar Companies Act with Reg. No. 5092/2012-2013)

(New Registration No. 116187000)

Financial Statements

For the period ended 31st March 2023
(1st April 2022 to 31st March 2023)

MANDALAY MYOTHA INDUSTRIAL DEVELOPMENT PUBLIC COMPANY LIMITED

Company Information

As at 31st March 2023

Incorporation	Incorporated under Myanmar Companies Act 1914 as a public company limited by shares with Company Registration No. 116187000 on 27th February 2013.	
Issued and paid-up capital	Kyat 130,686,010,000/- divided into 130,686,010 ordinary shares of Kyat 1,000/- each, fully paid-up.	
Board of directors	U Aung Win Khaing	Chairman / Chief Executive Officer
	Daw Phyu Phyu Myint Naing	Director
	Daw Cho Cho	Director
	U Myat Htut	Director
	U Myint Tin	Director
	U Myo Myint Oo	Director
	U Than Oo	Director
	U Tun Tun Aung	Director
Corporate governance	Dr. Maung Maung Thein	Independent Director
	U Maung Maung Aung	Independent Director
	Dr. Mon Mon Tar	Independent Director
	Dr. Tin Win	Advisor to the Board of Directors
	U Aung Khaing	Advisor to the Board of Directors
Bankers	Ayeyarwady Bank (AYA) CB Bank (CB) Innwa Bank Kanbawza Bank (KBZ) Myanma Foreign Trade Bank (MFTB) Myanma Investment and Commercial Bank (MICB) Myanmar Apex Bank (MAB) Myanmar Citizens Bank (MCB) United Amara Bank (UAB) Yoma Bank	
Auditors	W & Associates Limited - Certified Public Accountants	
Registered office	No. 514/8, 26th Street (Between 59th Street and 60th Street) Maharzayarbon Ward, Aungmyaytharzan Township, Mandalay	

Content **Page**

Report of the audit committee	2
Report of the directors	3 ~ 5
Report of the auditors	6 ~ 8
Statement of financial position	9
Statement of profit or loss	10
Statement of comprehensive income	11
Statement of changes in equity	12
Statement of cash flows	13
Notes to the financial statements	14 ~ 29

Report of the Audit Committee

To the shareholders of Mandalay Myotha Industrial Development PCL

Mandalay Myotha Industrial Development PCL (the Company or MMID) had Audit Committee with three (3) members, who were knowledgeable in different fields and qualified independent directors according to the Notification 90/2020 of the Directorate of Investment and Company Administration dated 14th October 2020 and the Notification 2/2020 of the Securities and Exchange Commission of Myanmar dated 3rd December 2020, comprising U Maung Maung Aung as Chairman and U Myat Htut and Daw Phyu Phyu Myint Naing as members.

The Audit Committee fulfilled the responsibility according to the scope, duties and responsibilities assigned by the Board of Directors that complied with the Notification 2/2020 of the Securities and Exchange Commission of Myanmar. There were six Audit Committee meetings in the financial period ending 31st March 2023 and those meetings involved management Executives and External Auditor when appropriate, pertaining to the following issues:

- Review the interim and annual financial statements of 2022-2023 financial year;
- Review the operation information and the internal control system;
- Review compliance with laws;
- Review the risk management process;
- Review the evaluation of the anti-corruption practices;
- Review the evaluation of the anti-money laundering practices;
- Review and give opinion to connected transactions or transactions that may have conflict of interests, and information disclosure of such transactions; and
- Consider appointment of the External Auditors and their remuneration.

Observation of the performance

The Audit Committee had fulfilled the responsibility according to the scope, duties and responsibilities assigned by the Board of Directors, with knowledge and capability in following up the Company's operation in an independent manner and found that the Company disclosed financial and operation information of the Company correctly in accordance with Myanmar Financial Reporting Standards. Information was disclosed adequately and correctly, including the connected transactions and possible conflicts of interests. The Company had strictly complied with obligations, laws, and regulations under Myanmar Companies Law and of Securities and Exchange Commission of Myanmar.

In addition, the Board of Directors have performed duties with transparency and reliability by managing the Company to conduct its business according to risk management and good corporate governance principles. The Company also had an Independent External Auditor who was independent, qualified and efficient, which helped in developing the operating systems to fit with the changing business environment on a continuing basis.

On behalf of the Audit Committee



U Maung Maung Aung
Chairman of Audit Committee

Report of the Directors

On the financial statements for the period ended 31st March 2023

The directors of **Mandalay Myotha Industrial Development PCL** (the Company or MMID) present their report together with the audited financial statements of the Company for the financial year ended 31st March 2023.

The board of directors

The directors for the year and at the date of this report are: -

U Aung Win Khaing
U Tun Tun Aung
U Myat Htut
U Than Oo
U Myint Tin
U Myo Myint Oo
Daw Cho Cho
Daw Phyu Phyu Myint Naing

Directors' interest in shares or debentures

The directors of the Company holding office at the end of the financial period had no interest in the share capital of the Company as recorded in the register of director' shareholdings kept by the Company under Section 189 of the Myanmar Companies Law 2017 except as follows: -

	Number of ordinary shares	
	31st March 2023	1st April 2022
U Aung Win Khaing	30,826,518	30,776,518
U Tun Tun Aung	16,957,338	16,957,338
Daw Phyu Phyu Myint Naing	50,000	50,000
Daw Cho Cho	963,000	963,000
U Myat Htut	176,956	176,956
U Myint Tin	50,000	50,000
U Myo Myint Oo	50,000	50,000
U Than Oo	50,000	50,000

Director's contractual benefits

Since the end of the previous financial period, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest except as disclosed in the financial statements.

Arrangements to enable directors to acquire shares or debentures

Neither at the end nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company.

Result of the financial year

In the opinion of the directors, the results of the operations of the Company during the financial period have not been affected by any item, transaction or event of a material and unusual nature other than the exceptional items and extraordinary items disclosed in the financial statements and annual report. The Company has no recognized gains or losses other than the profit or loss stated in the financial statements and annual report during the financial period.

Dividends

During the financial period, no dividend was paid by the Company.

Share capital
During the financial period, no new shares were issued by the Company.

Share options
There were no options granted during the financial period to subscribe for unissued shares of the Company. No shares have been issued during the financial period by virtue of the exercise of options to take up unissued shares of the Company and there were no unissued shares of the Company under option at the end of the financial period.

Charges and contingent liabilities
Since the end of the financial period no charge on the assets of the Company has arisen, which secures the liabilities of any other person. Since the end of the financial period, no contingent liability of the Company has arisen. No contingent or other liability of the Company has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet their obligations as and when they fall due.

Risk management and internal control
The board of directors is responsible for the financial statements of the Company which have been prepared in accordance with Myanmar Financial Reporting Standards. The Board considers the accounting policies pursued to be appropriate, and that they have been applied consistently with adequate disclosure of important information in the notes to the financial statements. The Company's external auditor has reviewed and audited the financial statements and expressed their opinion in the Independent Auditor's Report. The Board oversees and reviews corporate governance as well as establishes and maintains a proactive risk management system and internal control system to ensure that accounting records are accurate, complete and timely, and that the Company's assets are properly safeguarded against fraud, operational irregularities and other risks.

Corporate governance
The Board has appointed a Corporate Governance Board and an Audit Committee consisting of independent director(s) as required under the Notification 90/2020 of the Directorate of Investment and Company Administration dated 14th October 2020 and the Notification 2/2020 of the Securities and Exchange Commission of Myanmar dated 3rd December 2020.

Audit committee
The responsibilities of the Audit Committee include but not limited to oversee appropriate accounting procedures and accounting controls of the Company; to supervise compliance with such accounting procedures and controls; to review the Company's financial statements to reflect their correctness and to disclose any related transactions or conflicts of interest, if any, by major shareholders; to monitor compliance with the laws and regulations applicable to the Company; to report to the board of directors; and to deliver opinions on any matters submitted by the Board of Directors.

The structure of the Company and the Board of Directors ensure that the financial statements of the Company represent correct and fair view of the financial position as of 31st March 2023, the results of operations, and cash flows for the period then ended prepared in accordance with Myanmar Financial Reporting Standards.

Independent Auditor
The independent auditor, W & Associates Limited - Certified Public Accountants, has expressed its willingness to accept re-appointment.

Report of the Directors

On the financial statements for the period ended 31st March 2023

Statement of the Directors

In the opinion of the directors,

1) The financial statements – including statement of financial position, related statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and disclosure notes – are drawn up so as to give a true and fair view of:
   a) the state of financial affairs of the Company as at 31st March 2023 and
   b) of the financial results and cash flows of the Company for the period then ended;

2) the books of accounts have been maintained in accordance with the Section 258 of Myanmar Companies Law 2017;

3) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due; and

4) the directors, U Aung Win Khaing and U Tun Tun Aung are authorized to sign, issue, file and distribute the accompanying financial statements, in accordance with the Section 264 of Myanmar Companies Law 2017.

For and on behalf of the Board

U Aung Win Khaing
Chairman

U Tun Tun Aung
Managing Director

Report of the Auditor

To the Shareholders of Mandalay Myotha Industrial Development PCL

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Mandalay Myotha Industrial Development PCL** (the Company), which comprise the statement of financial position as at 31st March 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 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 31st March 2023, and of its financial performance and its cash flows for the period then ended in accordance with Myanmar Financial Reporting Standards (MFRSs).

Basis for Opinion

We conducted our audit in accordance with Myanmar Standards on Auditing (MSAs). 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 Section 279 (d) of Myanmar Company Law and 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 our audit of the financial statements in Myanmar, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.

Description of Key Audit Matters	Auditor's Responses
Revenue Recognition The amount of revenue recognized in the year is dependent on the appropriate assessment of whether or not each contract is a sale of land use right, lease or investment in a project with co-developers. As the commercial arrangements and legal forms can be complex, significant judgment is applied in selecting the accounting basis in each case. In our view, revenue recognition is significant to our audit as the Company might inappropriately account for and this would usually lead to revenue being recognized too early.	Our audit procedures to address the risk of material misstatement relating to revenue recognition, which was considered to be a significant risk, includes through review of each contract, site visit, and detailed analysis of revenue and the timing of its recognition based on expectations derived from our industry knowledge and external market data.

Information Other than the Financial Statements and Auditor's Report Thereon
Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 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 MSAs 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 MSAs, 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 Section 280 (b) of Myanmar Companies Law, we also report that: -

(i) We have obtained all the information and explanations we have required;
(ii) In our opinion, the financial statements referred to in the report are drawn up in conformity with applicable law;
(iii) According to the best of their information and the explanations given to us, and as shown by the books of the Company, the financial statements exhibit a true and fair view of the state of the company's affairs; and
(iv) In our opinion, the financial records have been kept by the Company as required by the Division 24 of Myanmar Companies Law.

The engagement partner on the audit resulting in this independent auditor's report is Daw Thida Lwin, Certified Public Accountant and Professional Accountant in Public Practice.



Daw Thida Lwin
B.Com., CPA
PAPP Registration No. 925
W & ASSOCIATES LIMITED Audit and Assurance
Firm Name Registration No. ACC-015

MANDALAY MYOTHA INDUSTRIAL DEVELOPMENT PUBLIC COMPANY LIMITED

Statement of Financial Position

As at 31st March 2023

	Note	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
ASSETS			
Current assets			
Cash and cash equivalents	4	97,903,547	364,269,857
Trade and other receivables	5	5,713,596,349	5,529,190,009
Other current assets	6	2,179,291,810	2,174,175,190
Inventories	7	3,655,896	1,845,901
Total current assets		7,994,447,602	8,069,480,957
Non-current assets			
Investments in subsidiaries	8	14,167,797,460	14,167,797,460
Property, plant and equipment	9	4,997,291,142	5,199,795,999
Land and infrastructure development costs	10	142,161,867,919	137,788,020,241
Other non-current assets		-	-
Total non-current assets		161,326,956,521	157,155,613,700
Total assets		169,321,404,123	165,225,094,656
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables	11	14,607,726,920	15,731,504,533
Current portion of long-term loans	15	5,700,000,000	3,000,000,000
Deposits and advances received from customers	12	251,102,875	251,102,875
Current income tax liability	13	-	-
Other current liabilities	14	41,688,250	41,757,000
Total current liabilities		20,600,518,045	19,024,364,408
Non-current liabilities			
Long-term loans, net of current portion	15	25,045,392,226	19,643,211,786
Other non-current liabilities		-	-
Total non-current liabilities		25,045,392,226	19,643,211,786
Total liabilities		45,645,910,270	38,667,576,195
Shareholders' equity			
Issued and paid-up capital	16	130,686,010,000	130,686,010,000
Retained earnings	17	(8,912,257,789)	(6,030,233,181)
Capital reserve		1,901,741,642	1,901,741,642
Equity attributable to owners of the Company		123,675,493,853	126,557,518,461
Non-controlling interests of the subsidiaries		-	-
Total shareholders' equity		123,675,493,853	126,557,518,461
Total liabilities and shareholders' equity		169,321,404,123	165,225,094,656

Authenticated by the Directors:

U Aung Win Khaing
Chairman

U Tun Tun Aung
Managing Director

MANDALAY MYOTHA INDUSTRIAL DEVELOPMENT PUBLIC COMPANY LIMITED

Statement of Profit or Loss

For the year ended 31st March 2023

	Note	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
Revenues			
Revenue from real estate sales	18	40,500,000	-
Interest income		-	-
Other income	18	12,609,698	1,670,251
Total revenues		53,109,698	1,670,251
Costs and expenses			
Cost of infrastructure and real estate development	19	3,520,022	-
General and administrative expenses	20	2,925,819,833	1,282,773,412
Total expenses		2,929,339,855	1,282,773,412
Profit before finance income and income tax		(2,876,230,157)	(1,281,103,161)
Finance (expense) income - net	21	(5,794,452)	7,923,056
Profit before income tax		(2,882,024,609)	(1,273,180,105)
Income tax		-	-
Profit for the period		(2,882,024,609)	(1,273,180,105)
Profit attributable to:			
Equity holders of the Company		(2,882,024,609)	(1,273,180,105)
Basic earnings per share			
Profit attributable to equity holders of the Company		(22)	(10)

Authenticated by the Directors:

U Aung Win Khaing
Chairman

U Tun Tun Aung
Managing Director

MANDALAY MYOTHA INDUSTRIAL DEVELOPMENT PUBLIC COMPANY LIMITED

Statement of Comprehensive Income

For the year ended 31st March 2023

	Note	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
Profit for the period		(2,882,024,609)	(1,273,180,105)
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Exchange differences on translation of financial statements in foreign currency		-	-
		-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
Less:			
Income tax		-	-
		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	-
		-	-
Other comprehensive income for the period		-	-
Total comprehensive income for the period		(2,882,024,609)	(1,273,180,105)
Total comprehensive income attributable to:			
Equity holders of the Company		(2,882,024,609)	(1,273,180,105)
Non-controlling interests of the subsidiaries		-	-

Authenticated by the Directors:

U Aung Win Khaing
Chairman

U Tun Tun Aung
Managing Director

MANDALAY MYOTHA INDUSTRIAL DEVELOPMENT PUBLIC COMPANY LIMITED

Statement of Changes in Equity

For the year ended 31st March 2023

	Issued and paid-up capital	Capital reserve	Retained Earnings	Total shareholders' equity
	(MMK)	(MMK)	(MMK)	(MMK)
Balance as at 1 October 2021	130,686,010,000	1,901,741,642	(6,030,233,181)	126,557,518,461
Previous year adjustment	-	-	-	-
Profit (Loss) for the period	-	-	(2,882,024,609)	(2,882,024,609)
Other comprehensive income (losses) for the period	-	-	-	-
Total comprehensive income (loss) for the period	-	-	(2,882,024,609)	(2,882,024,609)
Dividend to the Company's shareholders	-	-	-	-
Balance as at 31 March 2022	130,686,010,000	1,901,741,642	(8,912,257,789)	123,675,493,853

	Issued and paid-up capital	Capital reserve	Retained Earnings	Total shareholders' equity
	(MMK)	(MMK)	(MMK)	(MMK)
Balance as at 1 October 2020	130,686,010,000	1,901,741,642.00	(4,752,035,491.52)	127,835,716,150
Previous year adjustment	-	-	(5,017,584.00)	(5,017,584)
Profit (Loss) for the year	-	-	(1,273,180,105)	(1,273,180,105)
Other comprehensive income (losses) for the year	-	-	-	-
Total comprehensive income (loss) for the year	-	-	(1,278,197,689)	(1,278,197,689)
Dividend to the Company's shareholders	-	-	-	-
Balance as at 30 September 2021	130,686,010,000	1,901,741,642	(6,030,233,181)	126,557,518,461

MANDALAY MYOTHA INDUSTRIAL DEVELOPMENT PUBLIC COMPANY LIMITED

Statement of Cash Flows

For the year ended 31st March 2023

	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
Cash flows from operating activities		
Profit before income tax	(2,882,024,609)	(1,273,180,105)
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities:		
Depreciation expense	232,050,603	117,285,028
Loss (Gain) on sales of property and equipment	-	(5,609,375)
Interest income	(8,039,248)	(9,785,543)
Interest expense	-	-
Previous years adjustment	-	(5,017,584)
Profit (loss) from operating activities before changes in operating assets and liabilities	(2,658,013,254)	(1,176,307,579)
Operating assets (increase) decrease:		
Inventories	(1,809,995)	721,697
Trade and other receivables	(184,406,340)	(996,621,038)
Other current assets	(5,116,620)	(1,866,274,240)
Other non-current assets	-	-
Trade and other payables	(1,123,777,614)	2,268,690,704
Deposits and advances received from customers	-	-
Other current liabilities	(68,750)	(225,000)
Other non-current liabilities	-	-
Cash from (used in) operating activities	(3,973,192,573)	(1,770,015,456)
Cash paid for income tax	-	-
Net cash from (used in) operating activities	(3,973,192,573)	(1,770,015,456)
Cash flows from investing activities		
Interest income	8,039,248	9,785,543
Increase (decrease) in short-term loans to related party	-	-
Cash paid for investment in joint venture and associates	-	-
Acquisitions of property and equipment	(55,206,300)	(24,763,400)
Proceed from Disposal of property and equipment	25,660,554	73,144,130
Land and infrastructure development costs	(4,373,847,678)	(1,745,700,592)
Net cash from (used in) investing activities	(4,395,354,176)	(1,687,534,318)
Cash flows from financing activities		
Interest expenses	-	-
Cash receipt from short-term loans from related parties	-	-
Repayment of short-term loans from related parties	-	-
Cash receipt from long-term loans	8,239,008,621	2,961,163,889
Repayment of long-term loans	(136,828,182)	(750,000,000)
Dividend paid to the Company's shareholders		-
Net cash from (used in) financing activities	8,102,180,439	2,211,163,889
Decrease in translation adjustments	-	-
Net decrease in cash and cash equivalents	(266,366,310)	(1,246,385,885)
Cash and cash equivalents at beginning of period	364,269,857	1,610,655,742
Cash and cash equivalents at end of period	97,903,547	364,269,857

1. Corporate information

Mandalay Myotha Industrial Development PCL (MMID or the Company) is a public company incorporated in Myanmar dated on 27th February 2013 with Registration No. 5092/2012-2013 and re-registered under Myanmar Companies Law 2017 with new Registration No. 116187000 on 25th January 2019.

The Company is principally engaged in industrial estate development. The registered office of the Company is at 514/8, 26th Street, Between 59th and 60th Street, Maharzayarbon Ward, Aungmyay-tharzan Township, Mandalay Region, Myanmar.

2. Presentation of financial statements

2.1 Basis of preparation

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies. The financial statements in English language is the official version in accordance with Section 258(a) of Myanmar Companies Law 2017.

2.2 Basis of consolidation

Subsidiaries are all entities, including structured entities, over which the Company has control as a holding company. The holding company controls an entity where the holding company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. When consolidated financial statements are unable to prepare, separate financial statements of subsidiaries are attached. Investments in subsidiaries are accounted for using the equity method.

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method.

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

The joint arrangements with co-developer are recognized as joint operations and recognise their direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Interests in joint ventures are accounted for using the equity method.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. Where the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

2.3 New and amended financial reporting standards

The financial statements have been prepared in accordance with Myanmar Accounting Standards (MAS) and Myanmar Financial Reporting Standards (MFRS) issued by the Myanmar Accountancy Council with Notification 1/2020 dated 6th May 2010. No new and amendments of financial reporting standards which become effective for the reporting period commencing between 1st October 2020 to 30th September 2021.

3. Significant accounting policies

3.1 Foreign currency translation

The financial statements are presented in Myanmar currency units Kyats (MMK), which is the functional and presentation currency of the Company. Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses). Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

3.2 Revenue recognition

Revenue from infrastructure and real estate development
Revenue from land with infrastructure development are recognised as revenue in full at the point in time when the significant risks and rewards of ownership are passed to the buyer, generally upon transfer of the legal ownership. Revenue from sales of real estate is measured at the amount of the consideration received after deducting discounts and considerations payable to the customer. The terms of payment are in accordance with the payment schedule specified in the customer contract. Considerations received before transferring control of the real estate to the customer are presented under the caption of “Advances received from customers” in the statement of financial position.

Rendering of services
Service revenues, which include management of common areas of the industrial estates, waste management, and electricity, which are included in revenue from utility services, are recognised when services have been rendered taking into account the stage of completion.

Rental income
Rental income which consists of land rental, rental of factory building, office building and other commercial building is recognised as an income on straight-line basis over the lease term.

Dividend income
Dividends are recognised when the right to receive the dividends is established.

Interest income
Interest income is recognised on an accrual basis based on the effective interest rate.

3.3 Cost of infrastructure and real estate development

Cost of infrastructure and real estate development included acquisition costs, land compensation, land improvement costs, infrastructure costs, construction costs, costs directly related to a specific property development activity, and costs attributable to the development activities in general that can be allocated on a reasonable basis including borrowing costs. The anticipated total development costs, taking into account of actual costs incurred to date, are attributed to units sold on the basis of the salable area.

Infrastructure and real estate development costs are carried at the lower of the anticipated total development costs less any accumulated impairment loss. Infrastructure and real estate development are at varying stages of development, ranging from land on which there is no development to those which are in an advanced stage of development. Those development costs include costs associated with the acquisition of land and/or development rights, costs directly related to a specific property development activity, costs attributable to the development activities in general that can be allocated on a reasonable basis and borrowing costs.

3.4 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and deposits held at call with banks and financial institutions, and other short-term highly liquid investments with original maturity of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

3.5 Trade and other receivables

Trade and other receivables are stated at net realisable value derived from the amount of consideration that is unconditional, unless they contain significant financing components when they are recognised at fair value. They are subsequently measured at amortised cost using the effective interest method, less allowance for doubtful accounts. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of aging.

3.6 Other current assets

Other current assets include prepayments and advances and are stated at the net realisable value.

3.7 Inventories

Inventories are stated at cost or net realisable value whichever is lower. Cost includes costs of purchase net of trade discounts received, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

3.8 Investments

Investments in subsidiaries, associates and joint ventures are initially accounted for at cost and net of allowance for impairment loss, if any.

3.9 Property and equipment

Land are stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when 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. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives: -

Building and structure	20 - 40 years
Transmission line and sub-station	48 years
Furniture and fixtures	20 years
Machinery and equipment	10 years
Computer, printer and accessories	5 years
Vehicles	8 years

No depreciation is provided on the assets under construction.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in the income statement when the asset is derecognised.

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss. When revalued assets are sold, any amounts included in other reserves in respect of those assets are transferred to retained earnings.

3.10 Impairment of assets

At the end of each reporting period, the Company perform impairment reviews in respect of the assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the fair value of the asset less costs to sell and its value in use, is less than the carrying amount. An impairment loss is recognised in the income statement.

3.11 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

3.12 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

3.13 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax for the current and prior periods are recognised as a liability to the extent that it has not yet been settled, and as an asset to the extent that the amounts already paid exceed the amount due. Current tax assets and liabilities are estimated based on the taxable profits determined in accordance with tax legislations using tax rate that have been enacted or substantially enacted at the reporting date.

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rate enacted at the end of the reporting period.

The Company recognised deferred tax liabilities for all taxable temporary differences while recognised deferred tax assets for all deductible temporary differences, unused tax credits and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax credits and losses carried forward can be utilised.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefits of part or all of that deferred tax asset to be utilized. Any such reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable profit will be available.

3.14 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at time requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual result could differ from these estimates. Significant judgements and estimates are as follows:

Infrastructure and real estate development costs estimation

In determining infrastructure and real estate development costs, the Company is required to make estimates of all project development costs. Cost consists of the cost of acquisition, land improvement costs, utilities, and other related expenses. The management estimates these costs based on their experience in the business and revisits the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs.

3.14 Significant accounting judgements and estimates (Continued)

Buildings and equipment, investment properties and depreciation

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of buildings and equipment and to review estimate useful lives and residual values when there are any changes. In addition, the management is required to review buildings and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

3.15 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company. They also include associated companies, and individuals or enterprises which directly or indirectly own a voting interest in the Company that give them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company' operations.

The followings are relationships with enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

Name of the entities	Nature of relationship
MSMP International Company Limited	70% subsidiary company
Royal Hi-tech Group Company Limited	Body corporates controlled by U Aung Win Khaing and/or family members
Royal Hi-tech Group Industries Company Limited	
Hi-tech Forest Industries Company Limited	
Mandalay Red Lion Cement Company Limited	
Mandalay Cement Industries Company Limited	
Royal Chamber Construction Group Company Limited	Co-developer and body corporates where U Aung Win Khaing and/or family member is(are) shareholder(s).
Myotha Investment Group Company Limited	
Royal Mandalay Myotha Golf Estate Development Company Limited	
Myotha Aya Resort Company Limited	

3.16 Change of financial year

Under the 2021-2022 National Planning Law, Myanmar had changed its fiscal year from 1 October - 30 September to 1 April - 31 March starting from 1 October 2021. Accordingly, the annual reporting period of the company had been changed to 1 April 2022 - 31 March 2023 in current financial year and financial statements are prepared for 12-months period. Therefore, the comparative information presented in prior financial year and current financial period in the financial statements were not entirely comparable.

4 Cash and cash equivalents

	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
Cash at bank	67,331,237	301,659,984
Cash in hand	30,572,310	62,609,873
	97,903,547	364,269,857
It is made up of:		
Local currency	96,332,600	345,603,647
Foreign currency	1,570,948	18,666,210
	97,903,547	364,269,857

5 Trade and other receivables

	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
Trade receivables		
Trade receivables: Shophouse and wholesale	132,326,955	132,326,955
Trade receivables: Factory	812,006,045	846,070,955
Trade receivables: Phase-1A	57,516,670	48,344,445
Trade receivables: Port Link Road Land	52,160,000	52,160,000
	1,054,009,670	1,078,902,355
Other receivables		
Receivable: IFC	100,000	100,000
Receivable: Others	2,393,979,199	2,120,805,649
Receivable: Co-developers	2,000,037,829	2,000,037,829
Receivable: Commercial tax	265,469,651	329,344,176
	4,659,586,679	4,450,287,654
	5,713,596,349	5,529,190,009

6 Other current assets

	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
Contribution to MIMC	1,868,400,000	1,868,400,000
Advance: Pontoon	300,000,000	300,000,000
Advance: Others	10,071,810	5,615,190
Advance: Staff loans	820,000	160,000
	2,179,291,810	2,174,175,190

7 Inventories

	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
Inventories: Fuel and supplies	3,655,896	1,845,901
	3,655,896	1,845,901

8 Investments in subsidiaries

	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
Investment in subsidiaries	14,167,797,460	14,167,797,460
	14,167,797,460	14,167,797,460

Investments in susidiaries represents 85% of equity interest in MSMP International Company Limited which is a joint venture company between MMID and International Finance Corporation ("IFC") where MMID shall hold 70% and IFC shall hold 30% in accordance with Joint Venture Agreement.

9 Property, plant and equipment

	SEMEIKHON PORT		INDUSTRIAL PARK						Total
	Building and structures	Roads	Building and structure	Furniture and fixture	Machinery and equipment	Power Transmission line	Computer and printers	Vehicles	
	(MMK)	(MMK)	(MMK)	(MMK)	(MMK)		(MMK)	(MMK)	(MMK)
2022-2023									
Cost									
Balance at beginning of the period	-	-	1,332,665,592	54,715,895	150,163,903	4,082,367,381	56,328,018	740,857,319	6,417,098,108
Additions	-	-	19,761,650	-	7,217,150	27,415,000	812,500	-	55,206,300
Disposals / write-off	-	-	-	-	-	(25,660,554)	-	-	(25,660,554)
Reclassification	-	-	-	-	-	-	-	-	-
Adjustments / transfers	-	-	-	-	-	-	-	-	-
Balance at end of the period	-	-	1,352,427,242	54,715,895	157,381,053	4,084,121,827	57,140,518	740,857,319	6,446,643,854
Accumulated depreciation									
Balance at beginning of the period	-	-	235,732,281	18,457,778	110,611,118	346,083,654	55,086,538	451,330,740	1,217,302,109
Charges for the period	-	-	36,160,948	2,735,795	15,074,432	84,949,734	522,538	92,607,156	232,050,603
Disposal / write-off	-	-	-	-	-	-	-	-	-
Adjustment / transfer	-	-	-	-	-	-	-	-	-
Balance at end of the period	-	-	271,893,229	21,193,573	125,685,550	431,033,388	55,609,076	543,937,896	1,449,352,712
Net book value									
Balance at end of the period	-	-	1,080,534,013	33,522,322	31,695,503	3,653,088,439	1,531,442	196,919,423	4,997,291,142
Balance at beginning of the period	-	-	1,096,933,311	36,258,117	39,552,785	3,736,283,727	1,241,480	289,526,579	5,199,795,999
2021-2022									
Cost									
Balance at beginning of the year	-	-	1,308,159,191.8	54,715,895.0	149,906,903.0	4,141,511,511.0	56,328,018.0	794,557,319.4	6,505,178,838
Additions	-	-	24,506,400.0	-	257,000.0	-	-	-	24,763,400
Disposals / write-off	-	-	-	-	-	(59,144,130.0)	-	(53,700,000.0)	(112,844,130)
Reclassification	-	-	-	-	-	-	-	-	-
Adjustments / transfers	-	-	-	-	-	-	-	-	-
Balance at end of the year	-	-	1,332,665,591.8	54,715,895.0	150,163,903.0	4,082,367,381.0	56,328,018.0	740,857,319.4	6,417,098,108
Accumulated depreciation									
Balance at beginning of the year	-	-	217,993,713.1	17,089,880.8	103,102,923.3	303,627,033.0	54,854,498.0	448,658,408.0	1,145,326,456
Charges for the year	-	-	17,738,567.5	1,367,897.5	7,508,195.0	42,456,621.0	232,040.0	47,981,707.0	117,285,028
Disposal / write-off	-	-	-	-	-	-	-	(45,309,375.0)	(45,309,375)
Adjustment / transfer	-	-	-	-	-	-	-	-	-
Balance at end of the year	-	-	235,732,280.6	18,457,778.3	110,611,118.3	346,083,654.0	55,086,538.0	451,330,740.0	1,217,302,109
Net book value									
Balance at end of the year	-	-	1,096,933,311	36,258,117	39,552,785	3,736,283,727	1,241,480	289,526,579	5,199,795,999
Balance at beginning of the year	-	-	1,090,165,479	37,626,014	46,803,980	3,837,884,478	1,473,520	345,898,911	5,359,852,382

10 Land and infrastructure development costs

	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
Development costs - Myotha Industrial Park		
Initial development cost (MIP)	75,171,635,155	75,174,345,177
Infrastructure cost, design fees, etc.	1,037,730,661	1,036,043,951
Port link road	4,090,453,508	4,090,453,508
Entrance gates	271,159,198	271,159,198
Roads	1,062,791,917	613,798,200
Driange	53,491,753	51,604,253
Dams	223,744,153	244,102,735
Pond pipe and culvert	13,884,000	13,884,000
Road and land clearance	10,223,250	10,223,250
Consultant fee	136,915,000	136,915,000
Land compensation	3,171,284,303	3,144,177,500
Land title cost (MNGED/RMMED)	236,490,720	177,368,040
Boundry	25,120,625	25,120,625
Golf course entrance and boundary road	404,473,863	392,793,675
Project management fees	5,107,783,800	3,937,783,800
Interest expense	8,526,340,458	5,916,362,397
MMAH Project - 350 Acres	34,554,569	-
GREEN PARK Project- 12 Acres	1,352,938	-
	99,579,429,872	95,236,135,310
Development costs - Semeikhon Port		
Initial development cost	14,715,038,942	14,715,038,942
Infrastructure cost, design fees, etc.	245,138,011	245,138,011
Preoperation cost	364,331,995	333,778,879
	15,324,508,948	15,293,955,832
Development costs - Co-developers		
Initial development cost (MNGED/RMMED)	17,063,104,000	17,063,104,000
Initial development cost (RCC)	5,283,499,819	5,283,499,819
Initial development cost (MIGC)	818,025,280	818,025,280
Initial development cost (AYA Resort)	4,093,300,000	4,093,300,000
	27,257,929,099	27,257,929,099
	142,161,867,919	137,788,020,241

11 Trade and other payables

	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
Deferred income : MMID 80%	686,213,155	517,342,225
Payable: Contractors	154,875,182	282,578,951
Payable: Others	1,059,348,283	1,363,067,381
Payable: Commercial tax	243,100,247	329,344,176
Payable: MSMP	2,312,682,889	2,647,244,787
Payable: MIMC	1,627,441,008	2,026,631,008
Payable: RCC	229,363	229,363
Payable: EKK	(40,680)	(40,680)
Payable: EKK 20%	28,903,437	28,903,437
Provision for infrastructure costs	8,297,991,989	8,381,458,571
Accrued expenses	196,982,047	154,745,314
	14,607,726,920	15,731,504,533

12 Deposits and advances received from customers

	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
Advance receipts from customers	251,102,875	251,102,875
	251,102,875	251,102,875

13 Current income tax liability

	2021-2022 (6 months) (MMK)	2020-2021 (12 months) (MMK)
Previous year taxation	-	-
Current year taxation	-	-
	-	-

14 Other current liabilities

	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
Balance at beginning of year	41,757,000	41,982,000
Approved interim dividend during the year		
Dividend paid during the year (2014-2015)	-	(100,000)
Dividend paid during the year (2015-2016)	(68,750)	(125,000)
Dividend paid during the year (2016-2017)	-	-
Balance at end of year	41,688,250	41,757,000
It is made up of		
Dividend payable (2014-2015)	14,712,000	14,712,000
Dividend payable (2015-2016)	26,976,250	27,045,000
	41,688,250	41,757,000

15 Long term loans

	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
Amount due to related parties, with interest	13,005,663,857	4,830,150,018
Amount due to related parties, without interest	493,061,769	493,061,769
Term-loans	17,246,666,600	17,320,000,000
	30,745,392,226	22,643,211,786
Term-loans, current portion	5,700,000,000	3,000,000,000
	25,045,392,226	19,643,211,786

Amount due to related parties with interest, were part of borrowings from and payable to Kanbawza bank under the name of Royal Hi-tech Group Company Limited secured with the properties not owned by the Company. The interest rate was 13% per annum.

Amount due to related parties without interest, were temporary borrowings from and payable to Royal Hi-tech Group Company Limited, non-trade nature, unsecured and have no fixed term of repayment.

Term-loans represents 5-years term loan taken from Myanmar MAB Bank with the interest rate of 13% repayable after 24 months after first utilization date in 4 equal installments mortgaged with golf course developed on 492.689 acres of land.

16 Issued and paid-up capital

	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
Ordinary shares, MMK 1,000 each		
Issued and fully paid-up		
Balance at beginning of period	130,686,010,000	130,686,010,000
2022-2023: 130,686,010 shares; 2021-2022: 130,686,010 shares		
Add:		
Shares issued during the period	-	-
2022-2023: 0 shares; 2021-2022: 0 shares		
Balance at end of period		
2022-2023: 130,686,010 shares; 2021-2022: 130,686,010 shares	130,686,010,000	130,686,010,000

17 Retained earnings (losses)

	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
Balance at beginning of period	(6,030,233,181)	(4,752,035,492)
Previous year adjustments	-	(5,017,584)
Net profit (loss) for the period	(2,882,024,609)	(1,273,180,105)
Dividend paid during the period	-	-
Balance at end of period	(8,912,257,789)	(6,030,233,181)

18 Revenue from real estate development

	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
Income: Real estate development	40,500,000	-
Income: Late fee, service fee and others	12,609,698	1,670,251
	53,109,698	1,670,251

19 Cost of infrastructure and real estate development

	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
Land initial development cost	2,710,022	-
Contribution to MIMC	810,000	-
	3,520,022	-

20 General and administrative expenses

	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
Accommodation expense	7,449,500	4,356,300
Annual fee	-	158,000
Annual general meeting expense	7,165,750	630,784
Audit fee	28,451,043	10,506,068
Advertising and marketing expense	13,823,460	9,286,000
Board meeting fee	101,594	15,000
Boundry	112,592	2,290,824
Communication expense	2,900,622	1,095,919
Consultant/Technician expense	12,000,000	6,000,000
CSR expenses	81,519,437	13,427,308.00
Courier and postage expense	137,300	75,250
Director benefit	-	2,000,000
Directors remuneration	66,000,000	33,000,000
Entertainment expense	44,764,974	31,300,027
Fire insurance	10,161,732	-
Fuel expense	46,923,174	22,848,723
General expense	45,881,079	28,230,658
Gift and present expense	122,205,117	22,828,019
Honorary fees	78,000,000	39,000,000
Insurance expense	-	-
Legal and professional fee	317,149,374	80,432,294
Licence and registration expense	4,089,700	3,434,250
Management fee	1,170,000,000	513,450,000
Meal allowance	700,428	451,999
Public relation and information expense	6,000,000	3,000,000
Printing and stationery expense	1,813,350	577,550
Project development cost	84,000,000	42,000,000
Rental fee	121,132,903	59,226,452
Repairs and maintenance expense	73,587,202	38,595,628
Salary and benefits	270,138,111	155,672,535
Social security	2,439,260	1,472,160
Security expense	37,921,803	20,790,366
Staff training	100,000	-
Transport and labour expense	4,299,100	2,856,273
Travel expense	19,047,357	7,740,021
Utilities expense	13,961,346	12,870,458
Depreciation expense	232,050,603	117,285,028
Exchange (gain)/loss	(208,078)	1,478,893
Gain on disposal	-	(5,609,375)
	2,925,819,833	1,282,773,412

21 Finance income (expense)

	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
Interest income	8,039,248	9,785,543
Bank service charges	(983,312)	(351,344)
Bank loan expenses	(12,850,388)	(1,511,143)
	(5,794,452)	7,923,056

22 Related party transactions

The amount of outstanding balances with related parties at the reporting dates and their nature were as follows: -

	2022-2023 (12 months) (MMK)	2021-2022 (6 months) (MMK)
Debit (Credit) Balance		
MSMP International Co., Ltd.		
Investment	14,167,797,460	14,167,797,460
Other receivables	206,674,340	206,674,340
Other payables	(2,312,682,889)	(2,647,244,787)
Royal Mandalay Myotha Estate Development Co., Ltd.		
Construction in progress: Initial development cost	17,063,104,000	17,063,104,000
Construction in progress: Land title cost	236,490,720	177,368,040
Other receivables	215,590,792	204,581,829
Royal Hi-tech Group Co., Ltd.		
Management fees	6,277,783,800	4,451,233,800
Other receivables	177,615,361	178,391,380
Long term loans, unsecured, with 13% p.a. interest	(13,005,663,857)	(4,830,150,018)
Long term loans, unsecured, without interest	(493,061,769)	(493,061,769)
Royal Chamber Construction Group Co., Ltd.		
Construction in progress: Initial development cost	5,283,499,819	5,283,499,819
Other receivables	11,936,929	10,323,304
Receivable, Co-developers	1,661,399,029	1,661,399,029
Other payables	(229,363)	(229,363)
Myotha Aya Resort Co., Ltd.		
Initial development cost	4,093,300,000	4,093,300,000
Receivable, Co-developers	632,644,258	371,685,226