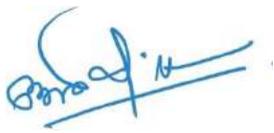


Date: June 29, 2018

Notice of Financial Results for Financial Year 2017-2018

Myanmar Thilawa SEZ Holdings Public Limited (“MTSH”) hereby releases its audited consolidated financial statements for the financial year ended March 31, 2018 which is approved by the Company’s Board of Directors at the meeting held on June 26, 2018.

The following sets out the Company’s audited consolidated financial statements of Myanmar Thilawa SEZ Holdings Public Limited for the financial year ended March 31, 2018 which is prepared in accordance with the Myanmar Financial Reporting Standard (“MFRS”).



Aung Soe Tha

Managing Director

MYANMAR THILAWA SEZ HOLDINGS PUBLIC LIMITED AND ITS SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

Currency – Myanmar Kyats (In Thousands)

**MYANMAR THILAWA SEZ HOLDINGS PUBLIC LIMITED AND ITS SUBSIDIARY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR MYANMAR THILAWA SEZ HOLDINGS PUBLIC LIMITED

It is the responsibility of the management to prepare the consolidated statements of financial position of **Myanmar Thilawa SEZ Holdings Public Limited and its subsidiary (the Group)** and statement of financial position of **Myanmar Thilawa SEZ Holdings Public Limited (the Company)** as at March 31, 2018, the consolidated statement of comprehensive income of the Group and statement of comprehensive income of the Company, consolidated statement of changes in equity of the Group, statement of changes in equity of the Company and consolidated statement of cash flows of the Group and statement of cash flows of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes. In preparing these consolidated financial statements, the management is required to:

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

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

On behalf of Management



WIN AUNG
Chairman

Myanmar Thilawa SEZ Holdings Public Limited.

26 June 2018



ဝင်းသင်းနှင့်အဖွဲ့၊ တရင်းစစ်ပျဉ်း

WIN THIN & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

HEAD OFFICE: - Room (2B/2C) 1st Floor, Rose Condominium, No.182/194, Botahtaung Pagoda Road, Pazundaung Township, Yangon Region, Myanmar. Tel : 95-1-201798, 296164, Fax: 9 5-1-245671 Email : winthin9@myanmar.com.mm

MANDALAY BRANCH OFFICE: - Room (9/10), East Wing of Bahsoo Stadium, 70th Street (Between 29th & 30th Street), Mandalay Region, Myanmar. Tel : 95-2-34451, Fax: 95-2-34498

Ref: 329/ M-255/ March 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of the Group of Myanmar Thilawa SEZ Holdings Public Limited

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **Myanmar Thilawa SEZ Holdings Public Limited** ("the Company") and its subsidiary ("the Group") set out on pages 4 to 32 which comprise the consolidated statement of financial position of the Group and statement of financial position of the Company as at 31 March 2018, the consolidated statement of comprehensive income of the Group and the statement of comprehensive income of the Company, the consolidated statement of changes in equity of the Group and the statement of changes in equity of the Company, consolidated statement of cash flows of the Group and the statement of cash flows of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Myanmar Financial Reporting Standards and the provisions of the Myanmar Companies Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Myanmar Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the financial statements of the Company are properly drawn up in accordance with the Myanmar Financial Reporting Standards and the provisions of the Myanmar Companies Act so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2018, and of the results, changes in equity and cash flows of the Group and the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In accordance with the provisions of the Myanmar Companies Act, we also report that:

- (i) we have obtained all the information and explanations we have required; and
- (ii) books of account have been maintained by the Company and by its subsidiary as required by Section 130 of the Act.



Saw Nelson (PA-400)
Engagement Partner
WIN THIN & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS



26 June 2018



MYANMAR THILAWA SEZ HOLDINGS PUBLIC LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

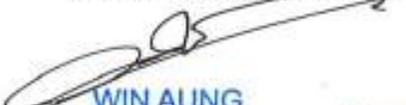
Currency – Myanmar Kyats (In Thousands)

	Note	2018	2017 Restated*
Assets			
Non-current assets			
Property, plant and equipment	6	956,973	1,080,589
Intangible asset -software	7	5,435	4,551
Investment in associate	8	20,608,500	18,460,621
Other investment	10	10,000	-
Investment property	11	4,035,854	4,129,505
Deferred tax assets	12	8,179	-
		25,624,941	23,675,266
Current assets			
Cash and cash equivalents	13	32,126,840	26,366,578
Trade and other receivables	14	4,867,485	16,753,906
Inventories	15	29,519,340	24,646,470
Construction contract work in progress	16	185,007	9,196
		66,698,672	67,776,150
		92,323,613	91,451,416
Equity and liabilities			
Equity			
Share capital – value per share kyat 1,000/-			
Authorized share capital– 500,000,000 shares			
Issued and paid-up share capital	17	38,929,150	38,929,150
Retained profits	27	39,229,901	37,197,834
		78,159,051	76,126,984
Non-controlling interest		7,542,923	6,775,622
		85,701,974	82,902,606
Non-current liabilities			
Advance from customers		2,509,402	4,783,796
		2,509,402	4,783,796
Current liabilities			
Trade and other payables	18	4,066,518	3,240,997
Current tax liability		45,719	524,017
		4,112,237	3,765,014
		92,323,613	91,451,416

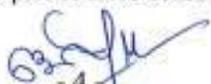
*See note 27

The notes on pages 12 to 32 are an integral part of these consolidated financial statements.

Authenticated by Directors:


WIN AUNG
 Chairman

Myanmar Thilawa SEZ Holdings Public Limited.


U Aung Soe Tha
 Managing Director
 Myanmar Thilawa SEZ Holdings Public Limited.


U Tun Lwin
 Director
 Myanmar Thilawa SEZ Holdings Public Limited.


Head of Finance
 Myanmar Thilawa SEZ Holdings Public Limited.



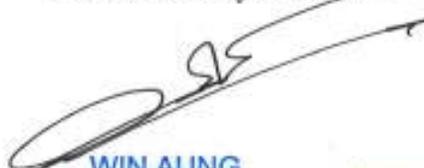
MYANMAR THILAWA SEZ HOLDINGS PUBLIC LIMITED
STATEMENT OF FINANCIAL POSITION – COMPANY
AS AT 31 MARCH 2018

Currency – Myanmar Kyats (In Thousands)

	Note	2018	2017
Assets			
Non-current assets			
Property, plant and equipment	6	324,818	434,939
Intangible asset	7	3,268	4,551
Investment in associate	8	20,947,605	18,565,913
Investment in subsidiary	9	24,000,000	24,000,000
Other investment	10	10,000	-
Deferred tax assets	12	8,179	-
		45,293,870	43,005,403
Current assets			
Cash and cash equivalents	13	30,545,771	19,594,871
Trade and other receivables	14	584,826	15,514,343
		31,130,597	35,109,214
		76,424,467	78,114,617
Equity and liabilities			
Equity			
Share capital – value per share kyat 1,000/-			
Authorized share capital– 500,000,000 shares			
Issued and paid-up share capital	17	38,929,150	38,929,150
Retained profits		36,491,020	37,355,973
		75,420,170	76,285,123
Current liabilities			
Trade and other payables	18	958,578	1,305,477
Current tax liability		45,719	524,017
		1,004,297	1,829,494
		76,424,467	78,114,617

The notes on pages 12 to 32 are an integral part of these financial statements.

Authenticated by Directors:


WIN AUNG
 Chairman

Myanmar Thilawa SEZ Holdings Public Limited.


U Aung Soe Tha
 Managing Director
 Myanmar Thilawa SEZ Holdings Public Limited.


U Tun Lwin
 Director
 Myanmar Thilawa SEZ Holdings Public Limited.


Head of Finance
 Myanmar Thilawa SEZ Holdings Public Limited.



**MYANMAR THILAWA SEZ HOLDINGS PUBLIC LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

Currency – Myanmar Kyats (In Thousands)

	Note	2018	2017 Restated*
Revenue	19	11,000,447	10,208,750
Cost of sales	22	(5,604,519)	(4,725,741)
Gross Profit		5,395,928	5,483,009
Other income	20	344,475	416,756
Other gains/(losses)	21	726,114	3,289,528
Selling and marketing expenses	22	(53,221)	(100,336)
Administrative expenses	22	(2,594,744)	(3,087,835)
Profit for the year		3,818,552	6,001,122
Share of profit of associate	8	9,082,732	16,744,114
Profit before tax		12,901,284	22,745,236
Income tax expense		(43,474)	(524,017)
Net Profit for the year		12,857,810	22,221,219
Other comprehensive income for the year		63,137	96,163
Total comprehensive income for the year		12,920,947	22,317,382
Profit attributable to:			
Equity holders of the Company		12,090,509	21,419,212
Non-controlling interests		767,301	802,007
Total comprehensive income attributable to:			
Equity holders of the Company		12,153,646	21,515,375
Non-controlling interests		767,301	802,007
Earnings per share (K per share)			
Basic earnings per share	24	312	553

*See note 27

The notes on pages 12 to 32 are an integral part of these consolidated financial statements.

Authenticated by Director:

WIN AUNG
Chairman

Myanmar Thilawa SEZ Holdings Public Limited.

U Aung Soe Tha
Managing Director

Myanmar Thilawa SEZ Holdings Public Limited.

U Tun Lwin
Director

Myanmar Thilawa SEZ Holdings Public Limited.

Head of Finance

Myanmar Thilawa SEZ Holdings Public Limited.



MYANMAR THILAWA SEZ HOLDINGS PUBLIC LIMITED
STATEMENT OF COMPREHENSIVE INCOME - COMPANY
FOR THE YEAR ENDED 31 MARCH 2018
 Currency – Myanmar Kyats (In Thousands)

	Note	2018	2017
Revenue	19	1,065,899	1,901,169
Cost of sales	22	-	-
Gross Profit		1,065,899	1,901,169
Other income	20	250,163	252,611
Other gains/ (losses)	21	773,504	2,611,895
Selling and marketing expenses	22	(12,201)	(90,672)
Administrative expenses	22	(1,859,997)	(2,578,937)
Profit for the year		217,368	2,096,066
Share of profit/(loss) of associate	8	9,082,732	16,744,114
Profit before tax		9,300,100	18,840,180
Income tax expense		(43,474)	(524,017)
Net profit for the year		9,256,626	18,316,163
Other comprehensive income for the year		-	-
Total comprehensive income for the year		9,256,626	18,316,163
Earnings per share (K per share)			
Basic earnings per share	24	238	471

The notes on pages 12 to 32 are an integral part of these financial statements.

Authenticated by Director:

WIN AUNG
Chairman

Myanmar Thilawa SEZ Holdings Public Limited.

U Aung Soe Tha
Managing Director

Myanmar Thilawa SEZ Holdings Public Limited.

U Tun Lwin
Director

Myanmar Thilawa SEZ Holdings Public Limited.

Head of Finance

Myanmar Thilawa SEZ Holdings Public Limited.



MYANMAR THILAWA SEZ HOLDINGS PUBLIC LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018
 Currency – Myanmar Kyats (In Thousands)

	Issued and paid-up share capital	Retained profits	Non-controlling interest	Total equity
Balance at April 1, 2017	38,929,150	37,197,834	6,775,622	82,902,606
Comprehensive income				
Profit for the year	-	12,090,509	767,301	12,857,810
Other comprehensive income	-	63,137	-	63,137
Total comprehensive income for the year	-	12,153,646	767,301	12,920,947
Contributions from and distributions to owners				
Issue of share capital	-	-	-	-
Dividend	-	(10,121,579)	-	(10,121,579)
Total contributions from and distributions to owners	-	(10,121,579)	-	(10,121,579)
Balance at March 31, 2018	38,929,150	39,229,901	7,542,923	85,701,974
Balance at April 1, 2016	38,929,150	25,414,747	5,973,615	70,317,512
Comprehensive income				
Profit for the year	-	21,419,212	802,007	22,221,219
Other comprehensive income	-	96,163	-	96,163
Total comprehensive income for the year	-	21,515,375	802,007	22,317,382
Contributions from and distributions to owners				
Shares split (10 for 1 share)	-	-	-	-
Dividend	-	(9,732,288)	-	(9,732,288)
Total contributions from and distributions to owners	-	(9,732,288)	-	(9,732,288)
Balance at March 31, 2017	38,929,150	37,197,834	6,775,622	82,902,606

The notes on pages 12 to 32 are an integral part of these consolidated financial statements.

Authenticated by Director:

WIN AUNG
Chairman

Myanmar Thilawa SEZ Holdings Public Limited.

U Aung Soe Tha
Managing Director
Myanmar Thilawa SEZ Holdings Public Limited.

- 8 -

U Tun Lwin
Director
Myanmar Thilawa SEZ Holdings Public Limited.

Head of Finance
Myanmar Thilawa SEZ Holdings Public Limited.



MYANMAR THILAWA SEZ HOLDINGS PUBLIC LIMITED
STATEMENT OF CHANGES IN EQUITY - COMPANY
FOR THE YEAR ENDED 31 MARCH 2018
 Currency – Myanmar Kyats (In Thousands)

	Issued and paid-up share capital	Retained profits	Total equity
Balance at April 1, 2017	38,929,150	37,355,973	76,285,123
Comprehensive income			
Profit for the year	-	9,256,626	9,256,626
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	9,256,626	9,256,626
Contributions from and distributions to owners			
Issue of share capital	-	-	-
Dividend	-	(10,121,579)	(10,121,579)
Total contributions from and distributions to owners	-	(10,121,579)	(10,121,579)
Balance at March 31, 2018	38,929,150	36,491,020	75,420,170
Balance at April 1, 2016	38,929,150	28,772,098	67,701,248
Comprehensive income			
Profit for the year	-	18,316,163	18,316,163
Other comprehensive income	-	-	-
Total contributions from and distributions to owners	-	18,316,163	18,316,163
Contributions from and distributions to owners			
Issue of share capital	-	-	-
Dividend	-	(9,732,288)	(9,732,288)
Total contributions from and distributions to owners	-	(9,732,288)	(9,732,288)
Balance at March 31, 2017	38,929,150	37,355,973	76,285,123

The notes on pages 12 to 32 are an integral part of these financial statements.

Authenticated by Directors;

WIN AUNG
Chairman

Myanmar Thilawa SEZ Holdings Public Limited.

U Aung Soe Tha
Managing Director

Myanmar Thilawa SEZ Holdings Public Limited.

U Tun Lwin
Director

Myanmar Thilawa SEZ Holdings Public Limited.

Head of Finance

Myanmar Thilawa SEZ Holdings Public Limited.



MYANMAR THILAWA SEZ HOLDINGS PUBLIC LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018
 Currency – Myanmar Kyats (In Thousands)

	Note	2018	2017
Cash flows from operating activities			
Profit before tax		12,901,284	22,745,236
Adjustment for non-cash items:			
Depreciation		307,913	221,250
Amortisation		1,320	1,099
Write-off		489	29,990
Reclassification		10,919	-
Unrealised profit adjustment		235,321	104,975
Share of profit of associate		(9,082,732)	(16,744,114)
Operating profit before working capital changes		4,374,514	6,358,436
Changes in working capital			
Trade and other receivables		(3,084,273)	1,196,333
Deposit from suppliers		3,053	(303,000)
Inventories		(4,812,500)	(7,209,424)
Construction contract work in progress		(175,811)	(9,196)
Trade and other payables		761,193	2,269,733
Current tax liability		(497,536)	(1,128,267)
Advance from customers		(2,274,394)	(387,244)
Cash generated from operations		(5,705,754)	787,371
Dividend received from associate		21,734,100	9,971,200
Income tax paid		(33,509)	(859,159)
Net cash provided by operating activities		15,994,837	9,899,412
Cash flows from investing activities			
Purchase of property, plant and equipment		(100,792)	(534,869)
Purchase of intangible asset		(2,204)	-
Purchase of shares from other investment		(10,000)	-
Net cash (used in) investing activities		(112,996)	(534,869)
Cash flows from financing activities			
Dividend paid to shareholders		(10,121,579)	(9,732,288)
Net cash used in financing activities		(10,121,579)	(9,732,288)
Net increase/ (decrease) in cash and cash equivalents		5,760,262	(367,745)
Cash and cash equivalents at beginning of year		26,366,578	26,734,323
Cash and cash equivalents at end of year	13	32,126,840	26,366,578

The notes on pages 12 to 32 are an integral part of these consolidated financial statements.

Authenticated by Directors;

WIN AUNG
Chairman

Myanmar Thilawa SEZ Holdings Public Limited.

U Aung Soe Tha
Managing Director

Myanmar Thilawa SEZ Holdings Public Limited.

U Tun Lwin
Director

Myanmar Thilawa SEZ Holdings Public Limited.

Head of Finance

Myanmar Thilawa SEZ Holdings Public Limited.



MYANMAR THILAWA SEZ HOLDINGS PUBLIC LIMITED

STATEMENT OF CASH FLOWS - COMPANY

FOR THE YEAR ENDED 31 MARCH 2018

Currency – Myanmar Kyats (In Thousands)

	Note	2018	2017
Cash flows from operating activities			
Profit before tax		9,300,100	18,840,180
Adjustments for non-cash items:			
Depreciation		119,527	122,591
Amortisation		1,283	1,099
Write-off		489	29,227
Share of profit of associate		(9,082,732)	(16,744,114)
Operating profit before working capital changes		338,667	2,248,983
Changes in working capital			
Trade and other receivable		(114,775)	700,382
Deposit from suppliers		3,053	(303,000)
Trade and other payable		(337,626)	1,111,673
Current tax liability		(497,536)	(1,128,267)
Cash generated from operations		(608,217)	2,629,771
Dividend received from associate		21,734,100	9,971,200
Income tax paid		(33,509)	(859,159)
Net cash provided by operating activities		21,092,374	11,741,812
Cash flows from investing activities			
Purchase of property, plant and equipment		(9,895)	(223,394)
Purchase of shares from other investment		(10,000)	-
Net cash (used in) investing activities		(19,895)	(223,394)
Cash flows from financing activities			
Dividend paid to shareholders		(10,121,579)	(9,732,288)
Net cash used in financing activities		(10,121,579)	(9,732,288)
Net increase in cash and cash equivalents		10,950,900	1,786,130
Cash and cash equivalents at beginning of year		19,594,871	17,808,741
Cash and cash equivalents at end of year	13	30,545,771	19,594,871

The notes on pages 12 to 32 are an integral part of these financial statements.

Authenticated by Directors;

WIN AUNG
Chairman

Myanmar Thilawa SEZ Holdings Public Limited.

U Aung Soe Tha
Managing Director

Myanmar Thilawa SEZ Holdings Public Limited.

U Tun Lwin
Director

Myanmar Thilawa SEZ Holdings Public Limited.

Head of Finance

Myanmar Thilawa SEZ Holdings Public Limited.

MYANMAR THILAWA SEZ HOLDINGS PUBLIC LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. General information

Myanmar Thilawa SEZ Holdings Public Limited (the Company) was incorporated in the Republic of the Union of Myanmar on 3 May 2013 under The Myanmar Companies Act.

On 26 May 2013, pursuant to the Cooperation Memorandum, the Company signed a Memorandum of Understanding with MMST LLP (MMS Thilawa Limited Liability Partnership) for the purpose of establishing the Joint Venture Company for the development, marketing, sales and operation of the Class A Project.

On 29 October 2013, pursuant to the Memorandum of Understanding mentioned above, the Company, the Thilawa SMC (Thilawa SEZ Management Committee) and MMSTD (MMS Thilawa Development Co., Ltd) entered into the Joint Venture Agreement in connection with the establishment of the JV Company to undertake the development, construction, marketing, sales and operation of the Class A project. The Joint Venture Company was established as Myanmar Japan Thilawa Development Ltd. (MJTD).

Under the Joint Venture Agreement, subject to the satisfaction of certain prescribed conditions precedent, the Company will collectively subscribe for JV Company Shares of an initial aggregate amount of US\$50,000,000 in the proportions of 41%.

The principle business activities of the Company are to:

- invest in and participate in the management of the JV Company, which will engage in the development, construction, marketing, sales and operation of the Class A Project;
- market and sell the Class A Properties to Myanmar Related Entities as exclusive agent, and market and sell the Class A Properties to parties which are not Myanmar Related Entities or Japanese Related Entities jointly with the Japanese consortium members; and
- engage in the development of Thilawa SEZ (other than the Class A Area) or any part thereof as may be determined by our Directors in their discretion.

For additional information about the Company, please refer to the Company's Prospectus dated 27 February 2014.

The registered office of the Company is No. (29), Min Ye Kyaw Swar Road (UMFCCI Tower), Lanmadaw Township, Yangon Region, the Republic of the Union of Myanmar.

The validity of the Certificate of Incorporation issued to the Company is five years expiring on 3 May 2023.

The Company is listed in Yangon Stock Exchange on 20 May 2016.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

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

In preparing these financial statements, certain reclassifications and rearrangements have been made in 2017 financial statements to conform to the classification used in 2018.

2.2 Foreign currency translation

(1) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Myanmar Kyats, which is the presentation currency as well as functional currency of the Company. All amounts have been rounded to the nearest thousands, unless otherwise indicated.

(2) Transactions and balances

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

2.3 Group Accounting

(a) Subsidiaries

Consolidation

Subsidiaries are entities (including special purpose entities) over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and recognized gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(b) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses.

(c) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognized in profit or loss and its share of post-acquisition other comprehensive income is recognized in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognize further losses, unless it has obligations to make or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

2.4 Investment in associate

Investment in associate is initially recognized at the transaction price (including transaction costs) under the equity method of accounting and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the profit or loss of the investee is recognized in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment.

2.5 Investment properties

Investment properties are properties held to earn rental and/or capital appreciation (or both). Investment properties are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of fifty years.

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

2.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognized 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. The carrying amount of the replaced part is de-recognized. All other repairs and maintenance are charged to the profit or loss during the period in which they are incurred.

Depreciation on assets under construction commences when the assets are ready items of property, plant and equipment less their estimated residuals values using the straight-line method over their estimated useful life. The estimated useful rates are as follows:

Plant	5%
Office renovation	20%
Furniture and equipment	10%-40%
Motor vehicle	20%
Computer and equipment	20%
Machinery and equipment	20%

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the end of the reporting period. The effects of any revision are recognized in profit or loss when the changes arise.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within 'other gains/(losses) - net' in the statement of comprehensive income.

2.7 Intangible assets

Accounting software

Accounting software license is initially capitalized at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures are added to the original cost of the software. Costs associated with maintaining the accounting software license are expensed off when incurred.

Computer software license is subsequently carried at cost less accumulated amortization and accumulated impairment losses. These costs are amortized to profit or loss using the straight-line method over their estimated useful lives of five years equivalent to 20%.

The amortization period and amortization method of intangible assets are reviewed at least at each balance sheet date. The effects of any revision are recognized in profit or loss when the changes arise.

2.8 Construction Contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognized as revenue and expenses respectively by reference to the stage of completion of the contract activity at the statement of financial position ("percentage-of-completion method"). When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that are likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Variations in contract work, claims and incentive payments are included in contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim and they are capable of being reliably measured.

The stage of completion is measured by reference to the proportion of contract costs incurred to date to the estimated total costs for the contract. Costs incurred during the financial year in connection with future activity on a contract are excluded from the costs incurred to date when determining the stage of completion of a contract. Such costs are shown as construction contract work-in-progress on the

statement of financial position unless it is not probable that such contract costs are recoverable from the customers, in which case, such costs are recognized as an expense immediately.

At the statement of financial position date, the cumulative costs incurred plus recognized profits (less recognized losses) on each contract is compared against the progress billings. Where the cumulative costs incurred plus the recognized profits (less recognized losses) exceed progress billings, the balance is presented as due from customers on construction contracts within "trade and other receivables". Where progress billings exceed the cumulative costs incurred plus recognized profits (less recognized losses), the balance is presented as due to customers on construction contracts within "trade and other payables".

Progress billings not yet paid by customers and retentions by customers are included within "trade and other receivables". Advances received are included within "trade and other payables".

2.9 Inventories

Inventories are carried at the lower of cost and net realizable value. The cost comprises cost of land scraping cost, infrastructure development cost, direct labour and other direct cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits with various local banks.

2.11 Trade and other receivables

Trade and other receivables are initially measured at fair value, and subsequently measured at amortized cost using the effective interest method, less provision for impairment. Trade and other receivables are reduced by appropriate allowance for estimated irrecoverable amount.

2.12 Trade and other payables

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

2.13 Issued and paid-up share capital

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

2.14 Dividends

Dividends to the Company's shareholders are recognized when the dividends are approved for payment.

2.15 Employee Benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees. Employee benefits are recognized as payable in the period in which the benefits is earned by employee. Past-service costs are recognized immediately in profit or loss.

2.16 Provisions

Provisions are recognized 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 obligations; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

2.17 Revenue

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue is shown net of sales (after deducting commercial tax)

(a) Rendering of services – Management fees and commission fees

Fees and commission are generally recognized on an accrual basis when the service has been provided.

(b) Sale of goods – Land

Revenue from sales of goods is recognized when the goods are delivered and title has passed to the customer.

(c) Interest income

Interest income arising from deposit at financial institution is recognized when the effective interest method.

(d) Dividend income

Dividend income is recognized when the right to receive payment is established.

(e) Revenue from construction contracts

Please refer to the paragraph “construction contracts” for the accounting policy for the revenue from construction contracts.

2.18 Income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The current income tax is calculated on the basis of the tax rate and tax law enacted or substantially enacted at the end of the reporting period. Current income tax is recognized in profit or loss.

2.19 Commercial tax

Revenues expenses and assets are recognized net of the amount of commercial tax except:

- where the commercial tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the commercial tax is recognized as part of the cost of acquisition of the asset or as part of the expenses item as applicable; and
- receivables and payables that are stated with the amount of commercial tax included.

The net amount of commercial tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3. Significant accounting judgments and estimates

The preparation of the Company's financial statements in conformity with MFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities. Actual results may differ from these estimates.

Estimate and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

Infrastructure development costs

Infrastructure development costs of land are recorded as inventories during the construction stage and an apportionment of these costs will be recognized in the statement of comprehensive income upon the recognition of the revenue of the land under development.

These infrastructure costs comprise of awarded contracts and an estimation of future ones. The total costs were estimated by a third-party professional Quantity Surveyor and periodically re-validated internally.

Before the final settlement of the development costs and other costs relating to the land under development, these costs are based on management's best estimate. Where the final settlement of costs and the related cost allocation is different from the initial estimates, any increase or decrease in the development costs and other costs would affect the profit or loss in future years.

4. Financial risk management

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its risks. In addition to the risk factors as stated in the Company's Prospectus dated 27 February 2014, the main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity are set out as follows:

Foreign exchange risk

The Group has exposure to foreign exchange risk due to assets and liabilities denominated in foreign currencies. However, the Group does not hedge its exposures to foreign exchange risk as the risk is not expected to be significant.

Credit risk

The maximum credit risk associated with recognized financial assets is the carrying amount shown in the statement of financial position. However, policies had been established by the Group to minimize such risks.

Market risk

The Group is not exposed to any market risk.

Liquidity and cash flow risks

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

5. Capital management

The Group's objectives, when managing its capital, are to safeguard and maintain adequate working capital to continue as a going concern.

6. Property, plant and equipment Group							
Myanmar Kyats (In Thousands)	Office Renovation	Furniture & Equipment	Sewage treatment plant	Computer Equipment	Machinery and equipment	Motor Vehicle	Total
Cost							
Balance at 1 April 2017	269,443	233,098	387,800	52,451	75,177	321,428	1,339,397
Addition	-	84,381	-	16,411	-	-	100,792
Write off	-	(955)	-	(966)	-	-	(1,921)
Balance at 31 March 2018	269,443	316,524	387,800	67,896	75,177	321,428	1,438,268
Accumulated depreciation and impairment losses							
Balance at 1 April 2017	(58,360)	(58,297)	(15,520)	(18,416)	(10,876)	(97,339)	(258,808)
Depreciation	(53,911)	(57,890)	(19,390)	(12,268)	(11,372)	(69,089)	(223,920)
Impairment loss	-	-	-	-	-	-	-
Write off	-	787	-	646	-	-	1,433
Balance at 31 March 2018	(112,271)	(115,400)	(34,910)	(30,038)	(22,248)	(166,428)	(481,295)
Net book value							
At 31 March 2018	157,172	201,124	352,890	37,858	52,929	155,000	956,973
Cost							
Balance at 1 April 2016	170,228	146,925	221,500	38,823	50,015	274,586	902,077
Addition	134,645	113,293	166,300	16,593	31,508	70,860	533,199
Asset transfer	(115)	(4,042)	-	(1,593)	(5,713)	(24,018)	(35,481)
Write off	(35,315)	(23,078)	-	(1,372)	(633)	-	(60,398)
Balance at 31 March 2017	269,443	233,098	387,800	52,451	75,177	321,428	1,339,397
Accumulated depreciation and impairment losses							
Balance at 1 April 2016	(20,376)	(22,991)	(923)	(10,864)	(6,898)	(62,673)	(124,725)
Depreciation	(59,795)	(46,885)	(14,597)	(9,899)	(10,324)	(58,684)	(200,184)
Impairment loss	-	-	-	-	-	-	-
Asset transfer	115	4,041	-	1,593	5,713	24,018	35,480
Write off	21,696	7,538	-	754	633	-	30,621
Balance at 31 March 2017	(58,360)	(58,297)	(15,520)	(18,416)	(10,876)	(97,339)	(258,808)
Net book value							
At 31 March 2017	211,083	174,801	372,280	34,035	64,301	224,089	1,080,589

Company						
Myanmar Kyats (In Thousands)	Office Renovation	Furniture and equipment	Computer equipment	Motor Vehicle	Machinery Equipment	Total
Cost						
Balance at 1 April 2017	268,813	144,317	41,973	160,975	-	616,078
Addition	-	2,782	7,113	-	-	9,895
Write off	-	(955)	(967)	-	-	(1,922)
Balance at 31 March 2018	268,813	146,144	48,119	160,975	-	624,051
Accumulated depreciation and impairment losses						
Balance at 1 April 2017	(58,211)	(43,640)	(16,430)	(62,858)	-	(181,139)
Depreciation	(53,762)	(24,711)	(8,859)	(32,195)	-	(119,527)
Impairment loss	-	-	-	-	-	-
Write off	-	787	646	-	-	1,433
Balance at 31 March 2018	(111,973)	(67,564)	(24,643)	(95,053)	-	(299,233)
Net book value						
At 31 March 2018	156,840	78,580	23,476	65,922	-	324,818
Cost						
Balance at 1 April 2016	170,228	146,925	38,823	271,316	35,025	662,317
Addition	134,645	30,368	13,711	43,000	-	221,724
Assets transfer	(745)	(11,956)	(9,402)	(153,341)	(35,025)	(210,469)
Write off	(35,315)	(21,020)	(1,159)	-	-	(57,494)
Balance at 31 March 2017	268,813	144,317	41,973	160,975	-	616,078
Accumulated depreciation and impairment losses						
Balance at 1 April 2016	(20,376)	(22,991)	(10,864)	(62,564)	(5,713)	(122,508)
Depreciation	(59,646)	(30,765)	(7,868)	(24,312)	-	(122,591)
Assets transfer	115	4,041	1,593	24,018	5,713	35,480
Impairment loss	-	-	-	-	-	-
Write off	21,696	6,075	709	-	-	28,480
Balance at 31 March 2017	(58,211)	(43,640)	(16,430)	(62,858)	-	(181,139)
Net book value						
At 31 March 2017	210,602	100,677	25,543	98,117	-	434,939

7. **Intangible asset
Group**

Myanmar Kyats (In Thousands)	Software
Cost	
Balance at 1 April 2017	6,413
Addition	2,204
Write off	-
Balance at 31 March 2018	8,617
Accumulated amortization and impairment losses	
Balance at 1 April 2017	(1,862)
Depreciation	(1,320)
Impairment loss	-
Write off	-
Balance as at 31 March 2018	(3,182)
Net book value	
At 31 March 2018	5,435
Cost	
Balance at 1 April 2016	5,071
Addition	1,670
Write off	(328)
Balance at 31 March 2017	6,413
Accumulated amortization and impairment losses	
Balance at 1 April 2016	(878)
Depreciation	(1,099)
Impairment loss	-
Write off	115
Balance as at 31 March 2017	(1,862)
Net book value	
At 31 March 2017	4,551

Company	
Myanmar Kyats (In Thousands)	Software
Cost	
Balance at 1 April 2017	6,413
Addition	-
Write off	-
Balance at 31 March 2018	6,413
Accumulated amortization and impairment losses	
Balance at 1 April 2017	(1,862)
Depreciation	(1,283)
Impairment loss	-
Write off	-
Balance as at 31 March 2018	(3,145)
Net book value	
At 31 March 2018	3,268
Cost	
Balance at 1 April 2016	5,071
Addition	1,670
Write off	(328)
Balance at 31 March 2017	6,413
Accumulated amortization and impairment losses	
Balance at 1 April 2016	(878)
Depreciation	(1,099)
Impairment loss	-
Write off	115
Balance as at 31 March 2017	(1,862)
Net book value	
At 31 March 2017	4,551

8. Investment in associate

Myanmar Kyats (In Thousands)	Group		Company	
	2018	2017	2018	2017
Opening balance	18,460,621	25,532,343	18,565,913	25,532,343
Acquisition during the year	-	-	-	-
Proportionate net profit for the year	9,082,732	16,744,114	9,082,732	16,744,114
Dividend received	(6,701,040)	(23,710,544)	(6,701,040)	(23,710,544)
Unrealised profit adjustment	(233,813)	(105,292)	-	-
Carrying value as at 31 March 2018	20,608,500	18,460,621	20,947,605	18,565,913

The Company's share of profit in its equity-accounted investee (i.e, Myanmar Japan Thilawa Development Limited) for the year was Kyats 9,082,731,587 (USD 6,803,544.25@ Kyats 1,335) (2017: Profit Kyats 16,744,114,210.50 (USD 12,293,769.61@ Kyats 1,360). The Company received dividends amounting to USD 4,163,077.72 and USD 19,270,000 from its during the years ended 31 March 2018 and 2017 respectively investment in equity-accounted investee. The equity accounted investee is not publicly listed entity and consequentially does not have published price quotations.

The following amounts represent the assets and the liabilities and income and expenses of the associate.

USD (In Thousands)	2018	2017
Owner-ship	41%	41%
Current assets	57,423	110,353
Non-current assets	12,598	13,136
Total assets	70,021	123,489
Current liabilities	25,282	76,883
Non-current liabilities	833	7,294
Total liabilities	26,115	84,177
Net assets	43,906	39,312
Income	44,226	37,074
Expenses	(27,632)	(7,089)
Profit	16,594	29,985
Share of profit	6,804	12,294

9. Investment in subsidiary

The subsidiary of the Company is Thilawa Property Development Limited and was incorporated as a private company in the Republic of the Union of Myanmar under The Myanmar Companies Act on 19 March 2015. Currently, the Company has a 80% equity interest in its subsidiary and remaining 20% equity interest is owned by Thilawa Special Economic Zone Management Committee (TSEZMC).

The principal business activities of the Company are:

- To invest in the development Residential and Commercial Area within the Thilawa Special Economic Zone carried out by constructing, selling and leasing of commercial center, residences, office towers and other related development
- To carry out preliminary engineering works
- To engage in importing, purchasing, leasing and the activities that are required for the development of said construction work
- To enter into partnership or into any arrangement of sharing profits
- To purchase or otherwise acquire for other means ownerships, rights, franchises, licenses, grants, trademarks, patent rights including land and buildings and to utilize beneficially those properties and right for development thereof.

The subsidiary is not publicly listed entity and consequentially does not have published price quotations.

Myanmar Kyats (In Thousands)	Company	
	2018	2017
Beginning of financial year	24,000,000	24,000,000
Additional investment	-	-
Carrying value as at 31 March 2018	24,000,000	24,000,000

10. Other investment (MMK 10,000,000)

The above amount represents investment in Myanmar Kyauk Phyu SEZ Holding Consortium Public Co., Ltd by the Company and shareholding percentage is 10%.

**11. Investment property
Company**

Myanmar Kyats (In Thousands)	Land and Building
Cost	
Balance at 1 April 2017	4,213,299
Transferred from inventories	-
Commercial tax	(10,919)
Balance at 31 March 2018	4,202,380
Accumulated depreciation and impairment losses	
Balance at 1 April 2017	(21,066)
Depreciation	(83,993)
Impairment loss	-
Balance at 31 March 2018	(105,059)
Unrealised profit adjustment	(61,467)
Net book value At 31 March 2018	4,035,854
Cost	
Balance at 1 April 2016	-
Transferred from inventories	4,213,299
Balance at 31 March 2017	4,213,299
Accumulated depreciation and impairment losses	
Balance at 1 April 2016	-
Depreciation	(21,066)
Impairment loss	-
Balance at 31 March 2017	(21,066)
Unrealised profit adjustment	(62,728)
Net book value At 31 March 2017	4,129,505

The Directors are of the view that a fair value of the property cannot be ascertained at the time of drawing up the financial statements. The opinion is based on the following facts:

1. There is no such asset of this specification in Thilawa;
2. There is no history of such similar property transacted in Thilawa; and
3. No sales of any asset type have been recorded in the Thilawa SEZ.

As such, it is not possible for a valuation to be done on a willing-buyer / willing-seller basis. As such, the Sales Comparison Approach cannot be adopted.

To value the property using the income capitalization approach, the property has to be given sufficient time for leasing, and stabilization of that yield, for the capitalization rate to be applied. Since occupation permit was only quite recently obtained, the rental process is only in the beginning stage. Hence, the Income Capitalization Approach cannot be adopted.

Given that the first two valuation methods cannot be applied, the third would be the cost approach. This assumes that a reasonable buyer would have to pay equal or more than the cost of constructing a comparable building. The Cost Approach is probably the most prudent in estimating the book/ reinstatement value of such an asset.

Although the Directors have adopted to use the fair value approach in MAS 40 (Investment Property), the base cost (the more prudent value) is being used to record the value for the current financial close.

12. Deferred tax asset

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the financial position as follows:

Myanmar Kyats (In Thousands)	Company	
	2018	2017
Deferred tax assets		
To be recovered within one year	-	-
To be recovered after one year	8,179	-
	8,179	-

13. Cash and cash equivalents

Myanmar Kyats (In Thousands)	Group		Company	
	2018	2017	2018	2017
Cash in hand	20,342	21,071	12,048	12,450
Cash at bank – current	30,352,812	22,763,254	29,553,529	18,236,802
Cash at bank – saving	1,465,809	2,876,075	692,317	639,441
Cash at bank – call	287,877	706,178	287,877	706,178
	32,126,840	26,366,578	30,545,771	19,594,871

14. Trade and other receivables

Myanmar Kyats (In Thousands)	Group		Company	
	2018	2017	2018	2017
Trade receivables from				
- Related parties*	229,887	986,090	229,887	986,090
- Non-related parties	12,490	-	-	-
Other receivable from				
- Related parties**	-	13,739,344	-	13,739,344
- Affiliates & related parties***	90	180	149,095	73,778
- Non-related parties	-	347	-	-
Construction contract				
- Due from related parties	3,351,842	300,509	-	-
Deposit	21,811	6,301	-	3,263
Prepayments & advance	119,605	321,874	98,371	106,690
Advance income tax	107,473	605,178	107,473	605,178
Advance commercial tax	1,024,287	794,083	-	-
	4,867,485	16,753,906	584,826	15,514,343

* It comprises management services fees, commission fees receivable from Myanmar Japan Thilawa Development Limited (MJTD) for the successful contracts between MJTD and its customers whom introduced by the Company.

** It comprises dividend from MJTD for portion of retained earnings at end of March 2018.

*** It comprises expenses incurred by the Company on behalf of affiliates & related parties.

15. Inventories (MMK 29,519,340,000)

Inventories include cost of leasehold land acquired from Myanmar Japan Thilawa Development Limited (MJTD) for the development of residential and commercial area of Thilawa Special Economic Zone. It also includes cost of land scraping, infrastructure development shop houses construction during the year.

16. Construction contract

Myanmar Kyats (In Thousands)	Group	
	2018	2017
Construction contract work in progress		
Beginning of financial year	9,196	-
Contract costs incurred	4,154,843	3,048,983
Contract expenses recognised in profit or loss	(3,979,032)	(3,039,787)
End of financial year	185,007	9,196
Aggregate costs incurred and profits recognised (less losses recognised) to date on uncompleted construction contracts	5,950,661	4,290,131
Less: Progress billing	(5,360,612)	(4,290,131)
End of financial year	590,049	-
Due from related party on construction contracts (Note 14)		
Billed to customer	2,761,793	300,509
Unbilled to customer	590,049	-
Retention on construction contracts	-	-
End of financial year	3,351,842	300,509

17. Issued and paid-up share capital

Myanmar Kyats (In Thousands)	No. of ordinary shares issued		Issued and fully paid-up share capital	
	2018	2017	2018	2017
Beginning of financial year	38,929,150	3,892,915	38,929,150	38,929,150
Issued for cash	-	-	-	-
Share split	-	35,036,235	-	-
End of financial year	38,929,150	38,929,150	38,929,150	38,929,150

18. Trade and other payables

Myanmar Kyats (In Thousands)	Group		Company	
	2018	2017	2018	2017
Trade payables to non-related parties	2,053,769	901,965	-	-
Construction contract-due to supplier	36,267	-	-	-
Other payables to				
- Related parties	93,314	470,000	93,314	470,000
- Non-related parties	32,245	159,986	27,245	-
Deposit from suppliers	408,856	729,723	-	-
Accrued expenses	77,001	138,640	40,746	138,640
Unpaid dividend	797,273	687,564	797,273	687,564
Deferred rental income	474,658	-	-	-
Commercial tax	93,135	153,119	-	9,273
	4,066,518	3,240,997	958,578	1,305,477

19. Revenue

Myanmar Kyats (In Thousands)	Group		Company	
	2018	2017	2018	2017
Management fees	915,507	885,797	915,507	885,797
Sales commission	203,687	1,110,430	203,687	1,110,430
Construction revenue	5,950,662	4,290,131	-	-
Sale of land	3,574,358	4,432,320	-	-
Sale of building	797,390	-	-	-
Rental income	79,363	-	-	-
Less commercial tax	(520,520)	(509,928)	(53,295)	(95,058)
	11,000,447	10,208,750	1,065,899	1,901,169

Management fees

Management fees are received from Myanmar Japan Thilawa Development Limited (MJTD) in consideration of management services provided by the Company for the following personnel;

- (1) Chairman
- (2) Vice President (Myanmar Desk)
- (3) Head of Finance & Accounting
- (4) Head of Administration & Human Resources

Sales commission

The above comprises commission fees income from MJTD for the successful contracts between MJTD and its customers whom introduced by the Company.

Construction revenue

The above comprises mainly of a road construction contract from MJTD. This contract was won through on open bidding process.

Sale of land

The above comprise of sale of land to Super Hotel Thilawa Co.,Ltd.

Sale of building

The above comprises of sale of shop houses of U Than Lwin and Mr. Li Haiqing and Mr. Li Xiaobai.

Rental income

The above comprises of rental of rooms in dormitory to the sub-contractors for offices and to the companies for accommodation of their staffs or workers.

20. Other income

Myanmar Kyats (In Thousands)	Group		Company	
	2018	2017	2018	2017
Interest income				
- Bank deposits	336,537	304,039	246,803	149,794
- Related party	-	99,074	-	99,074
Staff fine fees & tax refund	-	3,040	-	3,040
Shares related income	-	703	-	703
Tender income	-	9,900	-	-
Rental income	377	-	-	-
Utilities and maintenance income	4,201	-	-	-
Sale proceed – written off fixed asset	3,360	-	3,360	-
	344,475	416,756	250,163	252,611

21. Other gains/(losses)

Other gains/ (losses) consist of:

Myanmar Kyats (In Thousands)	Group		Company	
	2018	2017	2018	2017
Currency exchange gains	726,114	3,289,528	773,504	2,611,895
	726,114	3,289,528	773,504	2,611,895

22. Expenses by nature

Myanmar Kyats (In Thousands)	Group		Company	
	2018	2017	2018	2017
Land cost	842,735	1,479,819	-	-
Construction contract cost	3,979,032	3,131,259	-	-
Building cost	513,308	-	-	-
Write off - property, plant and equipment	489	29,990	489	29,227
Depreciation of property, plant and equipment	223,920	200,184	119,527	122,591
Depreciation of investment property	83,993	21,066	-	-
Amortization charge of intangible asset	1,320	1,099	1,283	1,099
Employee benefit expenses (Note 23)	899,923	584,572	634,799	360,037
Key management personnel and director compensations (Note 25)	641,193	1,379,020	468,369	1,305,422
Advertising and agency fees expense	52,251	99,160	12,201	90,672
Rental expense	158,680	167,468	158,680	167,468
Transportation expense	31,936	49,125	17,687	19,463
Listing expense	14,747	149,833	14,747	149,833
Other expenses	573,638	516,340	444,416	423,797
Unrealised profit adjustment	235,319	104,977	-	-
	8,252,484	7,913,912	1,872,198	2,669,609

23. Employee benefit expenses

Myanmar Kyats (In Thousands)	Group		Company	
	2018	2017	2018	2017
Wages and salaries	621,367	415,420	432,748	251,248
Other benefits	278,556	169,152	202,051	108,789
	899,923	584,572	634,799	360,037

24. Earnings per share**Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Myanmar Kyats (In Thousands)	Group		Company	
	2018	2017	2018	2017
Net profit/(loss) attributable to equity holders of the Company (Myanmar Kyats in thousands)	12,153,646	21,524,190	9,256,626	18,316,163
Weighted average number of ordinary shares outstanding for basic Earnings per share (shares in thousands)	38,929	38,929	38,929	38,929
Basic earnings per share	312	553	238	471
Per value of shares (Myanmar Kyats)	1,000	1,000	1,000	1,000

25. Related party transactions

In addition to the information disclosed elsewhere in the consolidated financial statements, the following transactions took place between the holding company and the related parties at terms agreed between the parties:

(a) Sales and purchase of goods and services

Myanmar Kyats (In Thousands)	2018	2017
Management fees from MJTD	871,912	843,616
Sales commission fees from MJTD	193,987	1,057,553
Construction revenue from MJTD	5,695,395	4,086,324
Other related parties *	-	257,132
Payments made on behalf of subsidiary	-	73,598

*Other related parties comprise mainly companies which are controlled or significantly influenced by the holding company's key management personnel which are as follows:

No.	Company Name	Related	Position Executives	2018 Kyats '000	2017 Kyats '000
1	Dagon International Limited (Rent of machinery)	U Win Aung	Chairman	-	29,718
2	Dagon Timber Limited (Rent of machinery)	U Win Aung	Chairman	-	58,346
3	Union of Myanmar Federation of Chamber of Commerce & Industry (Rent of Head office)	U Thein Han	Director	164,228	167,468
4	Sinma Construction Group Ltd (New office renovation)	U Kyaw Kyaw Win	Alternative Director	2,614	1,600
5	Star City	U Theim Wai	Vice Chairman	28,894	-
6	CB Securities	U Khin Maung Aye	Director	2,500	-
7	KFC	U Theim Wai	Vice Chairman	15,000	-
8	Information Matrix	U Thaug Su Nyein	Alternative Director	29,596	26,395

Outstanding balances of related parties as at 31 March 2018 are disclosed in Notes 14 and 18 respectively.

(b) Key management personnel and director compensation

Key management personnel and director compensation are as follow:

Myanmar Kyats (In Thousands)	Group		Company	
	2018	2017	2018	2017
Remuneration	531,959	454,834	359,135	395,917
Bonus*	109,234	924,186	109,234	909,505
	641,193	1,379,020	468,369	1,305,422

*The Company provided Ks 93,312,773 as bonus to the Board Members in relating to the performance of the Company for the year 2017/18.

(c) Significant agreements with related parties

Management fees

The Company entered into management memorandums with MJTD for which to provide management services. Under the term of these memorandums, the Company is entitled to receive management fees as stipulated in the memorandum and will expire in December, 2022.

Commission fees

The Company entered into marketing agreements with MJTD for which to provide with information in respect to potential locators and coordination services. Under the term of the agreements, the Company is entitled to receive commission fees at 6% of the contract price. The term of the agreements is for five years and shall be extended for further period by notify in writing at least 30 days prior to expiration of this agreement.

26. Events occurring after the reporting date

The Board has resolved on 26 June 2018 to propose a dividend of Ks.230 per share for the year ended 31 March 2018.

27. Correction of errors

During 2017-18, the Group discovered that unrealized profit was not adjusted in preparing consolidated financial statements. As a consequence, carrying values of investment in associates, investment property, inventory and retained earnings, stated in consolidated financial statements, were overstated. The errors have been corrected by restating each of the affected financial statement line items for prior periods. The adjustment only effects the consolidated financial statements. There is no impact on separate financial statements of individual entity and accounting treatments in individual entity are in order. The following tables summarize the impacts on the Group's consolidated financial statements.

i. Consolidated statement of financial position

Myanmar Kyats (In Thousands)	As previously reported	2016-2017	
		Adjustments	As restated
Investment in associate	18,565,913	(105,292)	18,460,621
Investment property	4,192,233	(62,728)	4,129,505
Inventory	27,734,154	(3,087,684)	24,646,470
Sub total	50,492,300	(3,255,704)	47,236,596
Opening retained earnings	(28,661,636)	3,246,889	(25,414,747)
Sub total	(28,661,636)	3,246,889	(25,414,747)
Total	21,830,664	(8,815)	21,821,849

ii. Consolidated statement of profit or loss and OCI

Myanmar Kyats (In Thousands)	As previously reported	2016-2017	
		Adjustments	As restated
Cost of sales	4,620,449	105,292	4,725,741
Administrative expenses	3,088,149	(314)	3,087,835
Others	-	(96,163)	(96,163)
Total	7,708,598	8,815	7,717,413

28. Authorization of financial statements

The financial statements of the Company for the year ended 31 March 2018 were authorized for issue on 26 June 2018.