



DAGON INTERNATIONAL LTD

Member of Dagon Group

**Diversified
M y a n m a r
Conglomerate**

**Annual Report
2 0 1 7 - 2 0 1 8**





**A. Executive Summary**

1.	Chairman's Message	4
2.	Historical Background	5
3.	Executive Summary	6
4.	Historical Milestones	8
5.	Milestone Events	10
6.	Awards	13

B. Dagon Group

1.	Share List	14
2.	Directors Profile	16
3.	Key management Officers	19
4.	Corporate Governance	21

C. Main Business

1.	Dagon Center 1	28
2.	Dagon Center 2	30
3.	Real Estate Business	32
4.	Engineering & Construction	36
5.	Construction Materials	39
6.	Retail & Distribution Business	40
7.	Hospitality Business	42
8.	Logistic Business	43
9.	Automobile Business	44
10.	Food Business	46
11.	Agriculture & Plantation Business	47
12.	Petroleum Distribution Business	49

D. Social Activities & Trainings

1.	Corporate Social Responsibility	50
2.	Training Events	52
3.	Health & Safety	56
4.	Social Activities	57

E. Financial Report

1.	Financial Report	58
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In Myanmar, people are enthusiastic about the rapid changes that have been taking places recently in a variety of areas. It is agreeable that the changes in our environment are generating both challenges and opportunities nationally, regionally and globally.

We started our business as a trading company in 1999 before we have grown into Dagon Group of Companies of these days, operating nationally and internationally in a number of diverse sectors for international trading.

Although they are not monetarily profitable, we selected to diversify into businesses that can benefit for consumers and public and implemented them contributing towards the sustainable development of the national economy.

Furthermore, we would like to express our heart- felt gratitude towards our customers who believe in the quality of our services and products. Similarly, I am sincerely and profoundly appreciating that our members of the workforce have been playing a major role for more than two decades in realizing the goals of our organization.

Lastly, but not least we are warmly welcoming both national and international investors who have been prepared to venture into our business in Myanmar. Now, we are endeavoring to transform our group from traditional profit making companies into a learning organization activating based on the principles of training and development.

Business Ethics are moral, social and legal principles that guide the way we are obliged to behave in our business individually and organizationally. We regard the protection of our customers, employees, other stake holders, natural resources, environment and the whole society as our CSR (Corporate Social Responsibility).

In this connection, I would like to stress the need to align the issue with the concepts of the AEC (ASEAN Economic Community), UNGC (United Nations Global Compact) and UNMDGs (United Nations Millennium Development Goals). Also, the recommendations of CSR Asia should be taken into serious consideration.

Among them, UNGC sets a framework for business to contribute to global priorities, such as climate change, water, food, women's empowerment, children's rights, decent jobs, and education. Since 2012 May, a number of Myanmar companies including Dagon International Limited joined the Compact after agreeing at a signing ceremony in Yangon to take positive steps for the realization of economic, social and cultural rights in Myanmar.

Let us bravely embrace the opportunities and challenges encountered in this century.

U Win Aung
Chairman, Dagon Group of Companies



Dagon Group, a diversified conglomerate with a strong and established presence in Myanmar

Roots

The roots of the modern day Dagon Group can be traced back to the Dagon tin factory that was established in 1953 as a manufacturer of tin cans and wire mesh.

Development

Dagon International was the first company in the modern day Dagon Group and was established by the founders, U Win Aung and his wife, Dr Moe Mya Mya, in 1990.

Dagon International was initially established as a trading and construction company and, in the next 25 years, has grown its operations to cover many sectors in Myanmar, with a focus on real estate.

During this period, it achieved many milestones, including in particular being a pioneer in Myanmar's modern retail sector by constructing and operating Dagon Centre 1, which was the one of the first modern shopping malls in Myanmar.

Dagon International has since come a long way from the early days to develop into the modern day Dagon Group. Please see further the historical milestones in the development of the Dagon Group in the next Section.

Today

- ❑ The Dagon Group has grown from a single company engaged in trading to a diversified conglomerate comprising 10 subsidiaries 6 Associates Companies including One Public Company & 5 Foreign Joint Venture operating in 9 business sectors, including construction and engineering, real estate, retail, hospitality , agricultural, logistics, automobile, manufacturing, timber based and petroleum.
- ❑ The Dagon Group has, in particular, established a strong reputation in the real estate sector and built up a strong track record of 26 years with various retail, office and residential developments
- ❑ The Dagon Group is a pioneer in the modern retail sector in Myanmar, with Dagon Centre 1 being one of the first modern shopping malls in Myanmar when it opened in 2004
- ❑ The Dagon Group has to-date built more than 5,000 homes in Myanmar
- ❑ Starting with just 5 employees in 1990, the Dagon Group today employs more than 3,000 employees across the different business sectors



DAGON GROUP

EXECUTIVE SUMMARY

Dagon Group of Company was first established in 1953 with Dagon Tin Factory. With the Myanmar government's open door economic policy in 1990, Dagon International Ltd is the first company to be formed under Dagon Group. Since its establishment in 1990, the Group has grown to become one of well respected diversified Group of Companies.

Construction experiences: 23 years in more than 160 projects

3 Underlying Principles :

1. To have good business ethics in every activity we engaged in.
2. To produce or offer products and services which are reliable and of good quality.
3. To create a safe working environment where employers can demonstrate and excel with the responsibility they have taken up.

At Dagon Group, we believe that every project, regardless of scale and size, deserves our complete attention from creation through to implementation, complemented with proper maintenance and after-care.

The Dagon Group employs a dynamic management team guided by the "hands-on" leadership of its chairman and executive directors. Recognizing the rapid pace of business environment and new business support systems, the Group is committed to an on-going training and development program to ensure that its people are kept abreast of change.



Dagon Group Head Office: Dagon Center I and Dagon Center II

GROUP MISSION:

" To do and make possible "



Business Activities

- Real Estate & Property Development
- Construction & Engineering
- Agriculture Business
- Timber Based Business
- Hospitality Business
- Retail and Distribution Business
- Petroleum Business
- Logistics
- Automobile Business
- Manufacturing Business





DAGON GROUP

ABOUT DAGON GROUP



First of the Dagon Group companies, Dagon International, which started with 5 employees in 1990 and grew to more than 3,000 employees to date as the whole Dagon Group.

Unfortunately, Dagon International Limited and Dagon Timber Limited had been listed in SDN (Special Designated Nationalities) by United States from 2009 until 23rd April 2015. Through our active reform process of the way Dagon International Ltd. and Dagon Timber Ltd. conduct business and disclosure of our past and present activities to the OFAC (Office of Foreign Asset Control), Dagon Group have successfully proved ourselves worthy to be removed from the SDN list. Dagon Group is committed to further transparency and corporate governance.

It is our aim to build an achievement-oriented and customer-centric organization, committed to attaining industry leadership, with aggressive growth plans for the business verticals that it operates in. We pride ourselves on being a good neighbor and strive to improve the quality of life for those who live and work in the communities we do business.

BUSINESS MODEL

The Dagon Group has a successful business model that can help other companies learn and grow.

The key is to not forget organizational culture, history and context and consider how specific techniques were used in key features of the company. The main features of The Dagon Group business model include:

The Corporate Culture

- A focus on individual achievement
- An encouragement of circumventing the hierarchy
- The importance of competitiveness both within the company and externally
- Performance as a determining factor of loyalty
- Direct and confrontational communication
- Leaders who are individuals and not groups or teams.
- The culture is a background which drives a company's success.

The Dagon Group's culture specifically is Burmese.

Core Competencies

The Dagon Group's core competencies are much more than just a set of management techniques or a business model. Instead, the following make the Group a success:

- The company selects best practices that are most relevant to its immediate future
- The company adapts and implements these practices perfectly
- The company continues to evolve and change its management practices as the need emerges.

This is done by adopting new practices and discarding older methods that may have led to success at some point but are no longer relevant.





Over a period of 65 years, the Dagon Group has grown from a humble tin factory into a leading conglomerate with diversified businesses in Myanmar today

- 1953** → The roots of the modern day Dagon Group can be traced back to the Dagon tin factory which was set up in 1953
- 1962** → Following the nationalisation of the Dagon tin factory, the founders started a machinery shop and later engaged in the glass bottle recycling business
- 1981** → The Dagon tin factory was returned to the founders, and started to manufacture paper mill machine parts, agricultural machinery, chain links and tin cans
- 1990** → **Dagon International Limited, the first and flagship company in the modern day Dagon Group, was founded to engage in the trading and construction business, following the Government's open door policy**
- 1992** → Diversified into the timber logging business with Dagon Timber Limited being established
- 1996** → Dagon Centre 1 were completed which our head offices are located
- 1999** → Diversified into the agricultural business with Dagon Agricultural Limited being established
- 2000** → Diversified into the hospitality business with the Palm Beach Resort Hotel (Ngwe Saung) starting operations
- 2003** →
 - ❑ Diversified into ready-mix concrete business through Dagon Construction Limited under the "Dagon Concrete" branding
 - ❑ Opened first Star Mart Supermarket in Dagon Centre 1
- 2004** → Dagon Centre 1 was one of the first modern malls in Myanmar
- 2006** →
 - ❑ Awarded the Dagon Centre 2 project, a shopping mall and residential development next to its existing Dagon Centre 1
 - ❑ Global Sky started exclusive distributorship of Unicharm products in Myanmar
- 2010** →
 - ❑ Diversified into the fuel trading business with 3 petrol stations in Yangon starting operations.
 - ❑ The Dagon Group's 2nd hotel, Oasis Hotel in Nay Pyi Taw, started operations



- 2012**
 - ❑ Dagon Centre 2, a 6-storey shopping mall and 10-storey residential apartments, started operations
 - ❑ Acquired the Hlaingtet Factory and established Dagon Food Limited to engage in the food business
- 2013**
 - ❑ Diversified into the fuel storage business with Thuriya Energy Depot Management Co., Ltd being established to construct a fuel storage facility at Thilawa
 - ❑ Global Woodcraft Industrial Ltd, a joint venture company between the Dagon Group and Woodcraft International Pte Ltd, was established to engage in the manufacture and marketing of wood-based products
 - ❑ Global Sky started exclusive distributorship of Del Monte products in Myanmar
- 2014**
 - ❑ Awarded 1st prize in the President's Award for excellence in the agriculture sector for seed production at the Ywar Thar Gyi Nursery Seed Production Farm
 - ❑ Ranked #8 on the First Report on Transparency in Myanmar Enterprises issued in July 2014 by the Myanmar Centre for Responsible Business
- 2015**
 - ❑ Oriental Apex Co., Ltd, (member of Dagon Group) into a joint venture with Thailand's SCG Trading and Japan's Mitsui to market, sell and service Toyota vehicles, and opened a Toyota showroom in Yangon
- 2016**
 - ❑ Thilawa Global Logistics Warehouse was opened together with JV partners from Japan, Sumitomo and Kamigumi
 - ❑ DMC Machinery Ltd., a construction equipment rental company was founded together with Japanese JV partner Marubeni
 - ❑ Establishment of Myanmar Agro Exchange Public Company Limited.
- 2017**
 - ❑ Set up a JV between Parkway Healthcare Indo China Pte Ltd., Macondary Holdings Pte Ltd. and AMMK Medicare Co., Ltd. to develop the Parkway hospital in Myanmar
 - ❑ MAEX launched its Initial Public Offering (IPO) and in the same year was awarded the " Best Special Commercial Development Award" at the Myanmar Property Awards 2017
 - ❑ Dagon Construction Co.,Ltd was awarded the "Top Construction Company Award" at the Myanmar Builders Awards, 2017
 - ❑ The MAN Dealer contract for sales of Bus and Trucks was signed between Dagon Machinery and Automotive Ltd., a subsidiary of Dagon International and Singapore Technologies Kinetics Ltd.on 3rd September.
- 2018**
 - ❑ MAEX officially opened Phase 1 of market operations at the Danyingone Fruits and Vegetables Wholesale Market. Construction for the next phase, 1,1, has also commenced.



DAGON GROUP

MILESTONE EVENTS: GRAND OPENING OF MAEX DANYINGONE WHOLESALE MARKET





DAGON GROUP

MILESTONE EVENTS : Future Leader Programme

On April 28, 2018, our Dagon Group of companies had initiated its first annual Future Leader Program which had been conceived in the hopes of developing and nurturing both young and undiscovered talent within the Dagon Group ranks to one day become leaders for the group and bring sustainable growth and success for the future years.



3rd September 2017 Dealership Agreement Ceremony

Dagon Machinery and Automotive (“DMA”), a subsidiary of Dagon Group has been appointed as the official dealer of MAN Trucks and Buses in Myanmar.

The dealership signing ceremony was held on 3, September, 2017 at Lotte Hotel, Yangon where which the Chief Minister of Yangon Region and the mayor attended the ceremony. MAN showroom and service station is to be opened in 2018 located on Bayint Naung Road, Yangon.





Winner - Best Special Commercial Development, MAEX (Property Guru, Myanmar Property Awards, 2017)



Top Construction Company, Dagon Construction Co.,Ltd. (Myanmar Builders Awards, 2017)



DAGON GROUP

SHARE LIST

LIST OF SUBSIDIARY COMPANIES

No.	Name	SHAREHOLDERS AND COMPANIES	Share Ratio
1.	DAGON INTERNATIONAL LTD.	U WIN AUNG	50%
		DAW MOE MYA MYA	50%
2.	DAGON TIMBER LTD.	U WIN AUNG	83%
		DAW MOE MYA MYA	14%
		U KYAW ZAW AUNG	3%
3.	DAGON AGRICULTURE GROUP LTD.	DAGON INTERNATIONAL LTD	90%
		U HTAY MYINT	4%
		SHWE THA ZIN SYNDICATE LIMITED.	6%
4.	DAGON CONSTRUCTION CO.,LTD.	DAW MYINT MYINT THAUNG	50%
		DAW THIDA THAW	50%
5.	DAGON COMMUNICATION LTD.	DAGON INTERNATIONAL LTD.	80%
		U THURANE AUNG	12%
		DAW EI HNIN PWINT	4%
		DAW EI HNIN KHINE	4%
6.	PALM TREE CO., LTD.	DAGON INTERNATIONAL LTD	99.69%
		DAW EI HNIN PWINT	0.31%
		DAW SU MON NAING	98%
7.	ORIENTAL APEX CO., LTD.	U THET TIN	1%
		U ZAW MIN OO	1%
8.	THURIYA ENERGY CO., LTD.	DAGON INTENATIONAL LTD.	82.02%
		U THURANE AUNG	8.99%
		DAW EI HNIN PWINT	8.99%
9.	DAGON MACHINERY & AUTOMOTIVE LTD.	DAGON INTERNATIONAL LTD.	99%
		DAW MOE MYA MYA	1%
10.	DMC MACHINERY LTD.	DAGON INTERNATIONAL LTD.	100%

LIST OF GROUP COMPANIES

No.	Name	SHAREHOLDERS AND COMPANIES	Share Ratio
1.	DAGON RUBBER PLANTATION LTD.	DAGON TIMBER LTD	99.2%
		U MIN SWE OO	0.2%
		U YE HTUT WIN	0.2%
		U KYAW ZAW AUNG	0.2%
		U THURANE AUNG	0.2%
2.	GLOBAL STAR CO.,LTD.	U THURANE AUNG	92.5%
		U KYAW ZAW AUNG	2.5%
		DAW THIDA THAW	2.5%
		DAW MYINT MYINT THAUNG	2.5%
		U THET TIN	1%
3.	ORIENTAL APEX SERVICES CO., LTD.	U ZAW MIN OO	1%
		DAW SU MON NAING	68%
		ORIENTAL APEX CO.,LTD.	30%
4.	THURIYA ENERGY DEPOT MANAGEMENT CO.,LTD.	U THURANE AUNG	97.8%
		DAW SU MON NAING	0.2%
		DAGON INTENATIONAL LTD.	2%
5.	DAGON FOODS LIMITED.	U THURANE AUNG	48%
		DAW EI HNIN PWINT	48%
		DAGON INTERNATIONAL LTD.	4%

SHARE LIST OF MYANMAR AGRO EXCHANGE PUBLIC LTD.

No.	Name	Number of Shares	%
1.	DAGON INTERNATIONAL LIMITED	935,000	43.21%
2.	GOLDEN LAND EAST ASIA DEVELOPMENT LTD.	200,000	9.24%
3.	U SIT LWIN	60,000	2.77%
4.	U THURANE AUNG	55,000	2.54%
5.	WILLOW MYANMAR INVESTMENT COMPANY LTD.	55,000	2.54%
6.	U YE PHONE HLAING	50,000	2.31%
7.	DAW YAN LIN	50,000	2.31%
8.	U PHONE PHONE NAING	48,000	2.22%
9.	DAW KHINE THAZIN SOE	40,000	1.85%
10.	U MYITTA	25,000	1.16%
Top (10) Share		1,518,000	70.15%
Public Share		646,086	29.85%
Total Share		2,164,086	100.00%



Dagon Group of Companies

List of Foreign Joint Venture Companies

No.	Name	Share Holders	Country	Share Ratio	Business Type
1.	GLOBAL WOODCRAFT INDUSTRIES LTD. (GWIL)	WOODCRAFT INTERNATIONAL PTE LTD.	SINGAPORE	50%	MANUFACUTURING OF PLYWOOD, VENEER AND OTHER PRODUCTS
		* GLOBAL STAR CO.,LTD.	MYANMAR	50%	
2.	NIPPO ROAD ALLIANCE MYANMAR LTD. (NRAM)	NIPPO CORPORATION	JAPAN	58%	ROAD CONSTRUCTION/ PAVING WORKS AND PRODUCTION OF HOT MIX ASPHALT
		SUNTAC ENGINEERING & CONSTRUCTION CO.,LTD.	MYANMAR	15%	
		DAIICHI SEKISAN UNYU, INC.	JAPAN	5%	
		* DAGON INTERNATIONAL LTD.	MYANMAR	22%	
3.	THILAWA GLOBAL LOGISTICS CO.,LTD. (TGL)	SUMITOMO CORPORATION	JAPAN	51%	LOGISTICS CENTER WAREHOUSE, CUSTOMS INSPECTION AND SERVICES AND BONDED WAREHOUSE INSIDE THILAWA SEZ
		KAMIGUMI (HONG KONG)	JAPAN	20%	
		* DAGON INTERNATIONAL LIMITED	MYANMAR	29%	
4.	MINGALAR MOTORS CO., LTD. (MGM)	SCGT AUTOMOBILE CO., LTD. A JV BETWEEN SCG TRADING CO., LTD. And MITSUI & CO., LTD. (SCG TRADING CO.,LTD. THAILAND 51% + MITSUI & CO., LTD. JAPAN 24%)	THAILAND	75%	SALES AND SERVICE OF TOYOTA AUTOMOBILES (SHOWROOM AND WORKSHOP)
		* OREINTAL APEX CO.,LTD.	MYANMAR	25%	
5.	ANDAMAN ALLIANCE HEALTHCARE LTD. (AAHL)	PARKWAY HEALTHCARE INDO-CHINA PTE LTD.	SINGAPORE	52.00%	OPERATING AND MANAGING THE PARKWAY PRIVATE HOSPITAL
		MACONDARY HOLDINGS PTE LTD.	SINGAPORE	10.50%	
		AMMK MEDICARE CO.,LTD.	MYANMAR	21.50%	
		* GLOBAL STAR CO.,LTD.	MYANMAR	16.00%	



U Win Aung

U Win Aung is the founder of modern Dagon International in 1990. He built the entire group from its ground up with a small office of 5 staff to today's prominent business groups in Myanmar. He held both positions of Chairman of the Board of Directors and Managing Director/CEO until late 2016 where he transferred the CEO position to U Thurane Aung in late 2016.

His visionary guidance and restless hard work has enabled the group to grow organically. Not only for his own commercial business, he also made many positive social and development contributions in Myanmar as well as Asean Region. He has been actively participating in the development of and promoting the GMS-BF (Greater Mekong Sub-region Business Forum) since 1999 in close cooperation with the UN-ESCAP. He was one of the members of the Business Advisory Council of the UN-ESCAP and of the ASEAN Business Advisory Council (ABAC) from 2013 to 2014. He was assigned chairmanship of the GMS-BF from 2003 to 2004 and again in 2012 to 2014.

In Myanmar he is one of the key initiators and founders of MCEA (Myanmar Construction Entrepreneur Association), MHA (Myanmar Hotelier Association) and the MFCPA (Myanmar Farm Crop Producers' Association) and MFVP (Myanmar Fruit and Vegetable Producers and Exporters Association).

His most prominent role was President of RUMFCCI (Republic of Union of Myanmar Federation of Chamber of Commerce and Industry) from 2011 to 2016. He had many contributions in the development and strengthening of foreign relations of the UMFCCI with GMS, ACMECS and ASEAN regional chambers and trade associations in many ways, as well as in establishing close working relations with the UN-FAO and ESCAP.

Through his role as UMFCCI President and member of NESAC (National Economic and Social Advisory Council) to the President of Union of Myanmar from 2012 to 2016, he had made positive contribution in every aspect of reforms for businesses, SMEs, farmers, peace process and poverty alleviation, in new democratic Myanmar.



Dr Daw Moe Mya Mya

Dr Daw Moe Mya Mya was first trained in the Institute of Medicine (1) to become a Medical Doctor after passing with full distinction in all six subjects at High School. She started to work as a General Practitioner in 1984. In 1988-1990 she was a Medical Officer (Research & Training) of WHO Diarrhea Training Unit in Paediatrics Ward, Yangon children Hospital as UN Dispensary Relieving Doctor.

She is a Co-Founder of Dagon International in 1990 and up to date she is the Finance Director of Dagon Group and also the Managing Director of Palm Tree Co., Ltd. She participated in the Customs Clearing Agent Course held by Ministry of Finance & Revenue in 1993 where she was top of her class. Over the years she had attended Business Planning Course and Operation Management Course organized by MIA/ZDH Partnership Programme for SME promotions. She continued to improve herself and keep pace with the changes in business sector by attending Management Skills for Women in Myanmar Course organized by the British Council in 1997 and International Business Financing Course in 1999 organized by Export Institute of Singapore.

Her attention to detail and discipline has contributed greatly year on year success of Dagon Group. Her resilience and hard work has always been the integral part of growth of the company.

She is not only a businesswoman in a class of her own but she is also a humanitarian. With her medical background, she is always taking personal interest in the well-being of all her employees. She had participated in many social welfare through various Dagon Groups' CSR program. She is also one of the Trustees of International Dhamma Giri Vipassana Association Trustee. She also assumed the responsibilities of Chairperson of Ngwe Saung Hoteller Asociation from 2013 to 2014.

U Thurane Aung (Christopher Aung)



U Thurane Aung came back from United Kingdom with BA (Hons) in Business Information Management and Finance from University of Westminster to join the family business in 2002.

He worked his way up by learning the business from bottom line as a Project Manager on constructions sites. His ability to navigate the steep learning curve to understand and share the vision of Dagon Group landed him as a CEO of the Group in late 2016. The main focus of U Thurane Aung's role and responsible is for business strategies and expansion plans for all of Dagon Group's businesses. He has experienced and completed several new businesses set up within the Dagon Group as well as negotiating for new joint ventures.


Daw Ei Hnin Pwint (Christabelle Aung)

Daw Ei Hnin Pwint (Christabelle Aung) has been in charge of the Retail and Distribution Section of Dagon Group of Companies for the past decade. She took the helm immediately after coming back from her overseas education in Business Administration from University of Bristol, West of England. She plays a vital role in developing and enhancing that specific sector of the company to make it one of the leaders in the retail industry shopping mall business was entrusted in the care of Christabelle, a task that requires a balance of good taste in fashion and an understanding of the local culture so as to blend the “in trend” and the past bridging the gap between generations thus making it a place to be for the whole family.

She and her team strive to their optimum level to satisfy the evolving change in taste and trends of their valued customers. Her entrepreneurial skills lead her to establishing a chain of supermarket, offering a wide range of products from homegrown as well as multi national quality imported products at reasonable price for the up and coming middle class families. To keep up with the competitiveness of the supply chain a distribution company – Global Sky Co. Ltd., was co founded.


U Kyaw Zaw Aung

U Kyaw Zaw Aung is trained in BSc Industrial Chemistry (Hons) at Yangon University. He has also received further training in rice milling and rice milling technology in Japan under the Satake Engineering Ltd. He always work in trading business and was head hunted by Dagon International in 1996 to enhance its trading business. Later on, his business responsibility was expanded to cover agriculture business of the Group.

He also sits on the board of two public companies, Myanmar Agribusiness Public Corporation (MAPCO) and United Group of Trading as a representative of Dagon International. He is also active member in NGOs such as an Executive Committee Member of The republic of the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) and Myanmar Rice Federation (MRF).



U Phone Phone Naing (Wilson Yang)

U Phone Phone Naing (Wilson Yang) is the Managing Director of the Distribution arm of the Group of Companies, after years in trading business he recognized the development and refinement of the needs and taste of local consumers. His travels and education overseas in BA Economics from Knox College, Galesburg, Illinois has exposed him to quality products from different countries and has inspired him to bring some back home, thus the start of Global Sky Co Ltd.

Acknowledging the need for more consumer products in the market, Wilson took the task of joining the League of Foreign Companies who have been in the industry for some time (not only in Myanmar) but also in different countries bringing in products from multi national companies. Global Sky has a wide range and continually expanding portfolio from personal hygiene products (from Japan/Thailand) to personal care products (from Philippines), fruit and vegetable drink (from Thailand), food and beverage products (from Philippines/US) and foodstuffs that are locally grown and manufactured.

From trading to importing and to full distribution of FMCG Products catering to the wide range of customer (trade to industry) supplying the needs of different type of customers from the city to the outskirts of the country.



Daw Su Mon Naing

Daw Su Mon Naing is the director within the Dagon Group of Companies and also serves as the Director for several different Foreign Joint Venture companies. She has graduated from the University of California San Diego in 2007 with the Bachelor degree in Economics. In 2011, Daw Su Mon Naing has joined the Dagon Group of companies with the director position in Concrete department.

After having worked for Dagon concrete, the management saw the potential in her for managing a new start-up company. Given the opportunity, she has become the Managing Director of Oriental Apex Company Ltd. (OAC): automobile services, in 2012. With the promising future, Daw Su Mon Naing has managed to level up her growth by achieving master degree in Business Administration (MBA) from the University of Thai Chamber of Commerce in 2014. Due to her accumulated experiences and accomplishments, she quickly worked her way up as the Deputy Managing Director of Toyota authorised dealer Mingalar Motors (MGM), Foreign Joint Venture of the Dagon Group of Companies. She also manages the Dagon Machinery & Automotive Ltd. (DMA) which is an authorised dealer of MAN Trucks & Buses as the director.


U Min Swe Oo

U Min Swe Oo worked as an employee in Myanmar Timber Enterprise from 1977 to 1980 while he completed his distant learning degree in Law major at the Yangon University in 1981. He first joined as Administrative Officer at Dagon International Limited in 1991. In 1992, he became a Director in Dagon Timber Limited and supervised timber extraction. He single handedly built up Dagon Group's timber business from simply buying, sawing and selling of logs to at one point, nationwide extraction and international exports. Now he is concentrated in more environmentally friendly plantation business and value adding wood industries rather than natural resource extraction.


U Ye Htut Win

U Ye` Htut Win holds a Bachelor degree in Physics from Yangon University. In 1992 he joined as an Administrative Officer in Dagon International shortly after its establishment, before that he was an army captain. His interest and knowledge in mechanics and heavy machinery landed him Director role in Machinery and Equipment department. His training in the Army made him a highly disciplined man and right for the job. He also have adjusted skills set for sourcing vehicles and machinery which make him a vital human resource when purchasing and leasing equipment and machinery for the Group's need. At present, he is Managing Director for DMC Machinery Limited.


U Aung Gyi

U Aung Gyi joined Dagon International in 1992 after working as an auditor for 7 years at Office of the Auditor General. He has a Honors degree in Commerce from the Institute of Economics. He worked his way up to Executive Director in 2005 from an accountant in 1992. By this, you can see he is a hardworking and a high achiever. His understanding of commerce and accounting is key to his success and success of the business he is entrusted with. His expertise obtained in nationwide logistics while serving in a various positions in the timber department made him an ideal person to put him in charge of fuel distribution. Currently, he is leading Myanmar Agro Exchange Public Limited as its CEO.

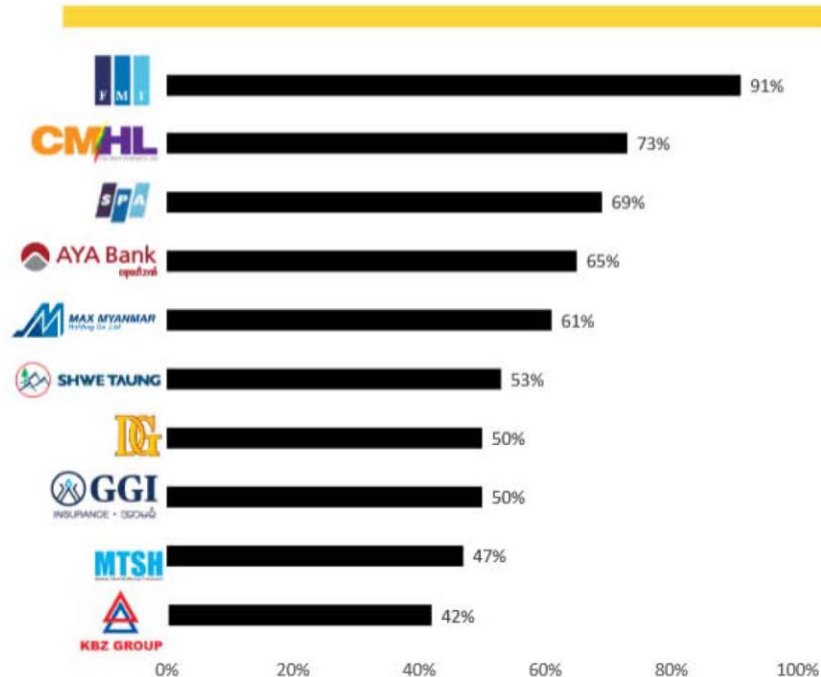
In the First Report on Transparency in Myanmar Enterprises issued in July 2014 by the Myanmar Centre for Responsible Business (**MCRB**), the Dagon Group was ranked 8 overall.

MCRB is a Yangon-based initiative between the UK-based Institute of Human Rights and Business and the Danish Institute for Human Rights, established to provide an effective and legitimate platform for the creation of knowledge, capacity and dialogue concerning responsible business in Myanmar, based on local needs and international standards, which results in more responsible business practices. It is a neutral platform working with businesses, civil society and government. The MCRB is headed by Vicky Bowman, the ex-British Ambassador to Myanmar.

The survey was conducted based on certain questions in the Transparency in Corporate Reporting questionnaire report published by Transparency International (a politically non-partisan and independent organisation with more than 100 national chapters worldwide and an international secretariat in Berlin that works towards the vision of a world in which government, business, civil society and the daily lives of people are free of corruption).

The companies surveyed were ranked based on anti-corruption, organizational transparency and human rights, health, safety and environment. The overall scores of the top 10 Myanmar enterprises ranked in the survey are set out below:

Pwint Thit Sa 2018 results



Pwint Thit Sa/ Top 10 Transparency in Myanmar Enterprises Ranking

Rank 2018	2017	Rank 2016	Rank 2015	Rank 2014
1	No Report was conducted this year	1	-	-
2		8	4	7
3		2	1	9
4		6	9	-
5		3	2	3
6		11	7	4
7		10	10	8
7		-	-	-
9		18	-	-
10		7	3	1

Director's Report

The Directors' Report is required to be produced by law. Together with the sections of the Annual Report incorporated into these pages, constitute a Directors' Report that has been drawn up and presented in accordance with the applicable law.

The Directors' Report also includes certain disclosures that each Company of the Group is required to make by Financial Conduct Authority's Disclosure Guidance and Transparency rules and listing rules.

Fair, Balanced and Understandable

The Board considers that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders and other stakeholders to assess the Company's position and performance business model and strategy.

Principal Activity

The principal activity of the Dagon Group of Companies as conglomerate is : Real Estate, Construction & Engineering, Hospitality Management, Retail & Distribution, Food, Agriculture & Plantation, Petroleum & Power and Timber Based Products in Myanmar.

In accordance with the Myanmar Companies Law (2017, PyidaungsuHluttaw Law 29), a review of the business providing a comprehensive analysis of the main trends and factors likely to affect the development, performance and position of the business, including an assessment of relevant environmental, employee, social, community and human rights issues, together with the Group's Key Performance Indicators and a description of the principal risks and uncertainties facing the business is detailed in the Strategic Report.

These elements, along with the Company's commitment to good corporate governance, as set out in the Corporate Governance Report, are critical to the integrity of the business and maintaining good relationships with all key stakeholders of each Company within the Group.

The Corporate Governance Report is incorporated by reference into, and is deemed to form part of this report. For the purposes, this Directors report and the strategic report comprise the Company's management report.

Details of the Group's use of financial instruments, together with information on policies and exposure to interest rate, foreign currency, credit and liquidity risks, can be found within the financial statements. The information is incorporated in the Director' Report and is deemed to form part of this Director' Report.

Audit Committee

The Audit Committee currently comprises with U Ye Htut Win and U Aung Gyi.

While the Board consider that the composition of the Audit Committee provides the requisite skills and experience, the Board and the Audit Committee considers it is prudent to conduct an continuous review in the financial year currently underway to satisfy itself as to its sectoral competence. The Audit Committee meets on a regular base during the financial year.

Remuneration Committee

The Remuneration Committee comprises with Daw Ei Hnin Pwint, U Phone Phone Naing, U Kyaw Zaw Aung and U Min Swe Oo.

The Committee's principal duties are to determine overall Group remuneration policy, remuneration packages for Executive Directors and Senior Management, the terms of Executive Director service contracts as may be required from time to time, the terms of any performance related and/or long term incentive schemes operated by the Group and awards thereunder and the Committee meets on a regular base.

Nomination Committee

The nomination committee comprises with U Win Aung, Daw Moe Mya Mya, U Thurane Aung and U Min Swe Oo.

The Committee's principal duties are to consider the size, structure and composition of the Board, ensure appropriate succession plans are in place for the Board and senior management and where necessary, consider new appointments to the Board and senior management. The matters delegated to the remit of the Nominations Committee (including Board structure, succession planning and the performance of the Board and senior management) are considered informally by the members of the Committee on ad hoc basis at appropriate times during the year. From time to time, the full Board performs some of the duties of the Nomination Committee.

Ethical Sourcing

The Group continues to review its policies on ethical sourcing on a regular basis and works with its suppliers to improve conditions in their factories. Our intention is that all business within the Group are compliant with our Group policy and we will continue to work towards this.

Environment

The Group embraces its responsibility to manage the impact that its business have on the environment and is committed to carry out its activities with due considerations for the potential environmental impact, both now and in the future.

Whilst we continue to ensure compliance with local government, the Group has undertaken, or invested in, a number of projects and actions to further reduce our environmental footprint. The Group has an Environmental policy which sets out our commitment to reducing pollution and advancing our environmental performance.



Energy

The Group's core business as a conglomerate encompasses a variety of different segments that eventually embraces each sector. It is our aim to give customers an all-time enjoyable experience working with any subsidiary. However, the Group accepts that all our businesses must be responsible with their respective energy usage and associated carbon emissions.

The Group maintains a Carbon Management Program with the following objectives:

- 1) Reduce energy usage in non-trading periods
- 2) Reduce energy usage through investment in improved and up-to-date technology
- 3) Reduce energy usage through staff awareness and training
- 4) Ensure all business activities are aware of their impact on energy consumption
- 5) Ensure that the program applies to all business in all territories
- 6) Purchase energy competitively from sustainable sources wherever possible

The Group is committed to using and subsequently reporting on KPI's for energy usage.





Group Code of Conduct

The Dagon Group's code of conduct is contained in our daily activities and supplier terms and conditions. The standards defined are the minimum standards required. A detailed Dagon Group's Code of Conduct is discussed with all stakeholders.

Over the years, we have established links with factories, mills and farms we utilize within Myanmar and close countries. Mapping this process is critical to the Group, and the Group feels that an ongoing support of our partners and how we can help affect the lives of their workers in a positive manner. The group will only work with suppliers who are committed to working to our standards and to improving conditions for our shared workforce.

Dagon Group's Code of Conduct

- 1) Employment is freely chosen. There must be no forced labor, bonded or involuntary
- 2) Freedom of Association and the right to collective bargaining must be respected
- 3) Workers conditions are safe and hygienic
- 4) Child labor shall not be used
- 5) Living wages are paid in line with local laws and for a standard working week, overtime
- 6) A premium rate
- 7) Working hours must not be excessive and must be voluntary
- 8) No discrimination
- 9) Regular employment is provided
- 10) No harsh or inhumane treatment is tolerated
- 11) Health & safety of workers is paramount in all areas of our business, direct or otherwise

Human Rights

The Group endorses the principles set out in the United Nations Universal Declaration of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work which seek to ensure safe and fair working conditions on a global scale. Our suppliers are selected upon and contractually committed to the Group on the basis of their adherence to these principles.

Sponsorship



We sponsored Myanmar Clinical Psychology Consortium. MCPC is a volunteer-based group of Myanmar and international mental health professionals and community partners. The Consortium provides common ground for the psychology, psychiatry, social work , and education communities as well as other supportive entities in Myanmar to move toward the goal of developing well-trained mental health practitioners, educators, supervisors, and other mental professionals and para-professionals. MCPC is a movement.

Their MISSION is :

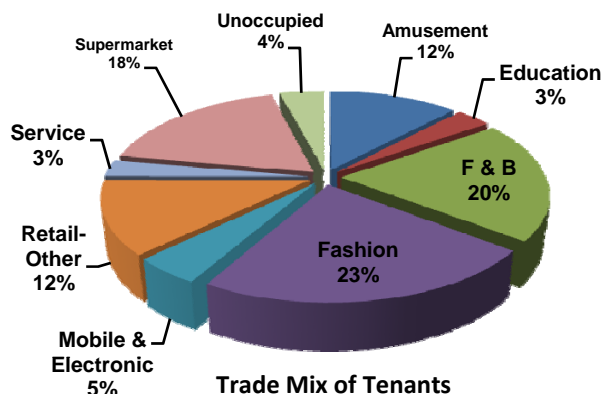
To provide formally organized clinical psychology education clinical training, and research opportunities.

Their VISION is :

To help develop and provide excellent community mental health services with compassion and competence.

Trade Mix

The trade mix of the tenants at Dagon Centre 1, based on NLA leased, is set out below:



For the purpose of the above chart, “Fashion” includes broadly retailers of sports wear, shoes and bags. The category of “Retail – Others” includes retailers of mobile phones and accessories, fashion accessories and kids’ goods. The category of “Services – Others” includes a beauty salon, a gaming arcade and telecommunications provider, Redlink.

Aside from the trade mix of the tenants, Dagon Centre 1 retails a good mix of local as well international brands. International brands include:

- ❑ The Pizza Company is part of the Thai pizza chain that is operated by the Minor International Group, which is listed on the Stock Exchange of Thailand. Based on its website, The Pizza Company is the largest pizza chain in Thailand with a dominant market share.
- ❑ Swensen’s is a well-known US ice-cream and restaurant chain with a number of stores globally.
- ❑ The last of these F&B outlets, J’Donut, is a popular local donuts chain in Myanmar.

At a glance ...

Some key information on Dagon Centre 1 is set out below:

Location	Pyay Road, Sanchaung Township, Yangon
Description	3-storey shopping mall
Date of completion	2004
Land area	2.43 acres
GFA	87,569 sq ft
NLA (shop units only) ¹	61,210 sq ft
Occupancy rate (as at December 2018)	96%

- ❑ Adidas, a global sports brand that requires no introduction
- ❑ Baleno, a Hong Kong casual wear brand which has a huge number of retail outlets in China, Hong Kong and Taiwan

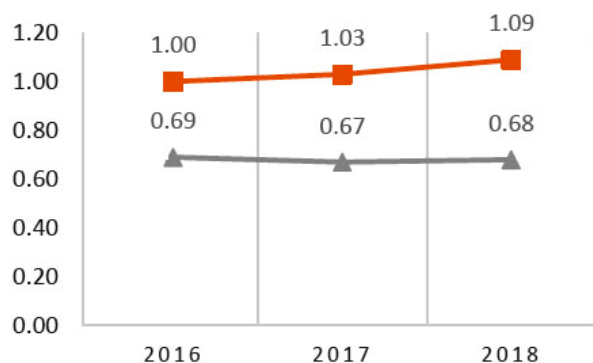


Dagon Centre 1 has consistently been profitable over the 9 financial years from FY2009 to FY2018. Operating revenue and NPBT have largely been stable, with operating revenue ranging from Kyats 0.96 billion to Kyats 1.20 billion, and net profit before tax ranging from Kyats 0.67 billion to Kyats 0.80 billion.

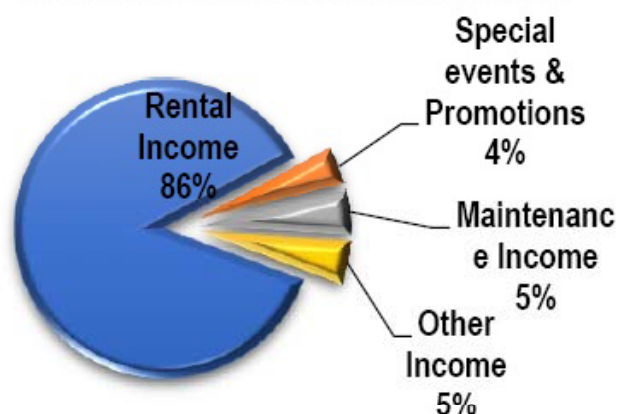
The operating revenue and net profit before tax, based on audited management accounts of Dagon International, for FY2016 to FY2018 are set out below:

DAGON CENTER 1

— Revenue — NPBT



Breakdown of Revenue for FY2018



The rental income reflected above covers both rental from the leasing of shop units and also shopping carts in the Dagon Centre 1.



Interior view of Dagon Centre 1

DAGON CENTRE 2

At a glance ...

Some key information on Dagon Centre 2 is set out below:

Location	268 Pyay Road, Sanchaung Township, Yangon
Description	6-storey shopping mall with 2 basement levels
Date of completion	2012
Land area	0.46 acres
GFA	88,913 sq ft
NLA (shop units only) ¹	57,539 sq ft
Occupancy rate (as at December 2018)	82%

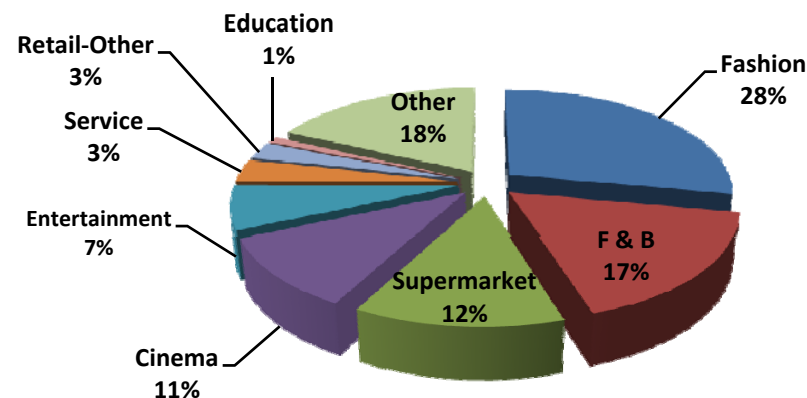
❑ Mingalar Cinema is a single screen cinema with a capacity of more than 400 seats that screens digital and 3-D movies, including the latest blockbusters.

❑ YKKO Kyay Oh is a restaurant that serves (among other things) kyay oh, which is a local Burmese noodle soup. It is part of the YKKO group, which is a local Myanmar group engaged in the F&B business.

Aside from the trade mix of the tenants, Dagon Centre 2 reflects a good mix of local as well international brands. International brands include:

Trade Mix

The trade mix of the tenants at Dagon Centre 2 is set out below:



Trade Mix of Tenants

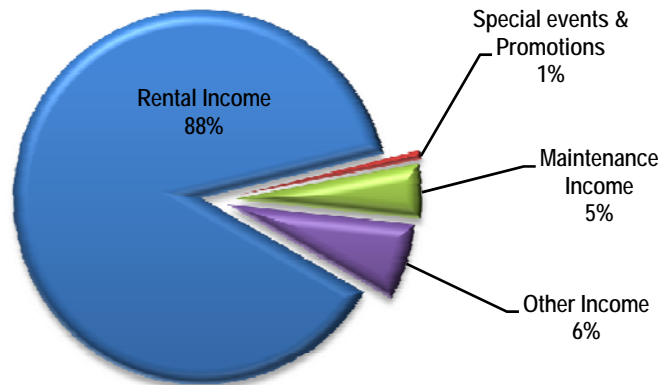
For the purpose of the above chart, “Fashion” includes broadly shoes and bags. The category of “Retail – Others” includes retailers of mobile phones and accessories, retailer of cosmetics and beauty products, a mini-department store that retails Japanese products and a bridal shop. The category of “Services” includes a spa and a money changer.

Dagon International also operates a children playground under Entertainment category that occupies 2,803 sq ft on the 5th level of Dagon Centre 2. The space is not leased out from Dagon International, but income from the operation of the playground has been included in the revenue and profit derived from Dagon Centre 2.

- ❑ Giordano, a Hong Kong based retailer of men’s, women’s and children’s wear that has a large number of stores primarily in Asia as well as other parts of the world
- ❑ Oppo, a Chinese manufacturer of smartphones



Breakdown of Revenue for FY2018



Revenue and Profits

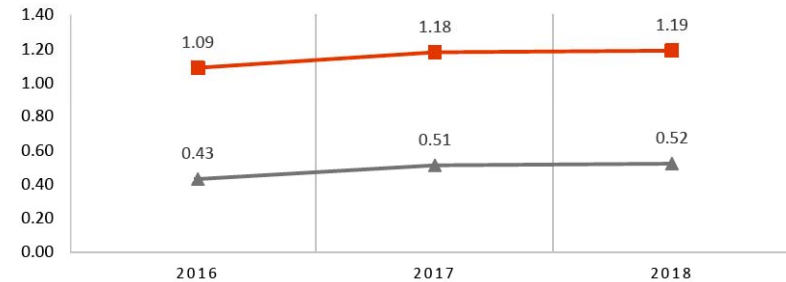
Dagon Centre 2 derives its revenue primarily from the rental derived from leasing of the shop units, leasing of common areas for special events and promotions, income from property maintenance, and certain other miscellaneous income.

Dagon Centre 2 has consistently been profitable over the 7 financial years from FY2012 to FY2018. Operating revenue and NPBT have largely been stable as from 2013. The revenue and net profit before Tax at the start was due to the limited operating history of Dagon Centre 2 as it commenced operations only in January 2012. With operating revenue ranging from Kyats 0.97 billion to Kyats 1.32 billion, and net profit before tax ranging from Kyats 0.42 billion to Kyats 0.52 billion, Dagon Center 2 can be called another success from the Dagon Group.

The operating revenue and net profit before tax, based on audited management accounts of Dagon International, for FY2016 to FY2018 are set out below:

DAGON CENTER 2

— Revenue — NPBT



Interior view of 5th floor of Dagon Centre 2 (Mingalar Cinema)



Interior view of 3rd floor of Dagon Centre 2



DAGON GROUP

REAL ESTATE BUSINESS: EAST DAGON INDUSTRIAL ESTATE

East Dagon Industrial Zone
Yangon



With the vision of creating jobs and adding value in terms of Food processing and manufacturing, Dagon International is planning to develop a Food, Value Added Agriculture Products, Processing and Labour Intensive Industrial Zone which will also include both commercial and residential areas. The proposed land has a land area of 560 acres of which the proposed Industrial Zone portion will consist of approximately 396.9 acres based on the current design proposal.

Due to our project's strategic location between two main roads and is also accessible by rail, proximity to the river and as well as the future Hanthawaddy Airport, this area may become a gateway to Yangon.



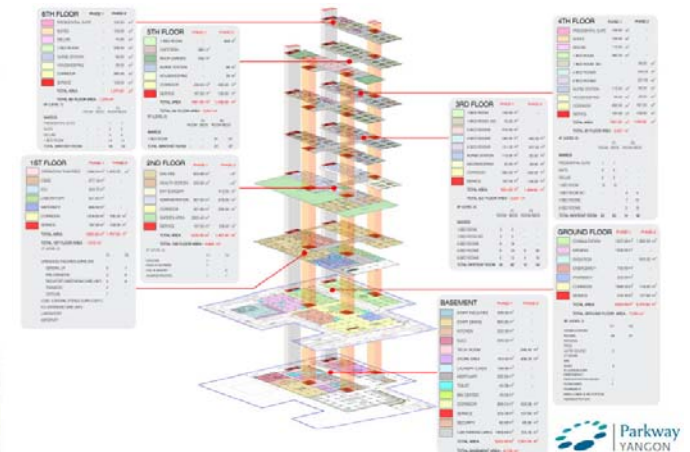
Global Star Co Ltd. Invested 16% in a JV company called Andaman Alliance Healthcare Limited together with Parkway Healthcare Indo-China Pte. Ltd., Macondray Holdings Pte. Ltd. and AMMK Medicare Company Limited.

The JV company will lease the land from Ministry of Health and Sports under BOT basis. It will establish a 250 bedded hospital.



PARKWAY YANGON HOSPITAL

PROPOSAL FOR MULTI TERTIARY HOSPITAL 250 BEDS



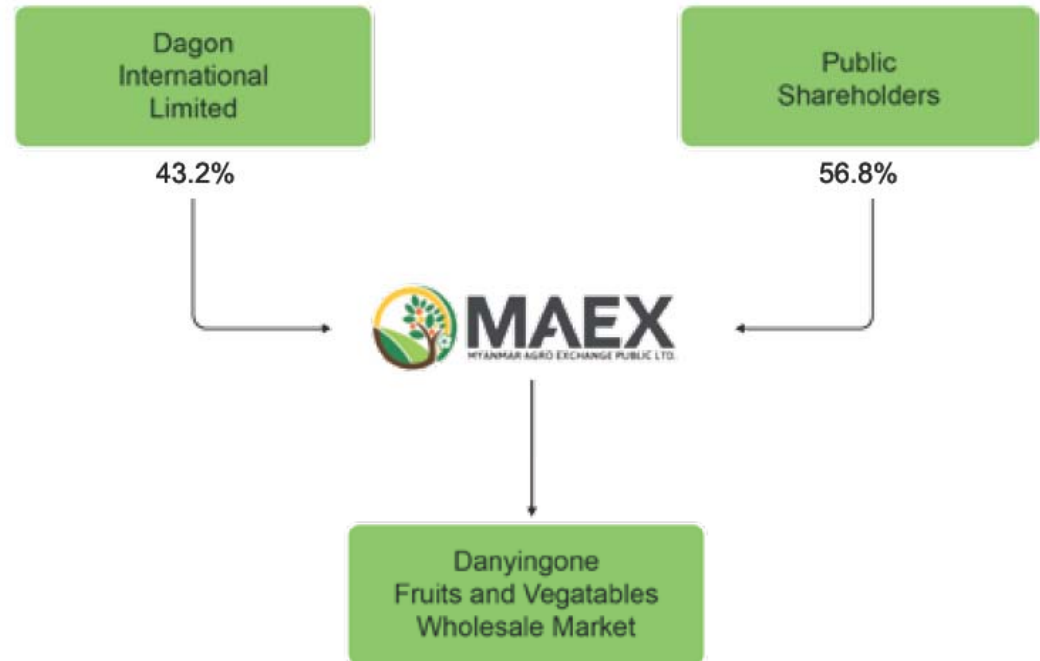


DAGON GROUP

REAL ESTATE BUSINESS: DANYINGONE WHOLESALE MARKET



မြန်မာ အက်ဂရို အိတ်(စ်)ချိန်း ပတ်ဘလစ် လီမိတက်



Remarks Shareholding at 31-3-2017 stage

Supply Chain



Dagon International Holding 43% of the Myanmar Agro Exchange Public Company has developed the concept of a wholesale fruits, flowers and vegetables wholesale market which has started operation as of January 2018 and has been striving to be the nation's hub for fruits and vegetables and potentially be a benchmark when it comes to supporting the countries' supply chain. ("**Danyingone Wholesale Market**")

The Danyingone Wholesale Market is located in the northern part of Yangon, just north-west of the Yangon International Airport. It is close to a few highways that lead to Mandalay, Bago, Pyay Road in Yangon City and the Irrawaddy Division of Yangon.



DAGON GROUP

REAL ESTATE BUSINESS: DANYINGONE WHOLESALE MARKET





DAGON GROUP

ENGINEERING & CONSTRUCTION

Dagon Construction Ltd.

At Dagon Construction, we believe that every project, regardless of scale and size, deserves our complete attention from creation thorough to implementation, complemented with proper maintenance and after-care.

The Dagon Construction Group employs a dynamic management team guided by the “hands-on” leadership of its executive chairman and executive directors. Recognizing the rapid pace of business environment and new business support systems, the Group is committed to an on- going training and development program to ensure that its people are kept abreast of change.



Ayerwun & Yadanar High-rise Housing Projects



Dagon Center III, Yangon

Dagon Center III Building will become newer building and stand beside Dagon Center II. 16 storey building and these are total number of 95 office units and 6 storey shopping mall inside the building.

Thuwanna Housing Project, Yangon

Thuwanna Housing is situated in Thingangyun Township that can become high residential area in the future.



Construction experiences: 23 years in more than 160 projects

Ready mixed Concrete and Cement

Dagon Concrete is supplying ready mixed concrete and cement to other construction companies in Myanmar as well as own consumption. Dagon Concrete batching plant has been awarded ISO 9001:2008 Certificate in April, 2012.





DAGON GROUP

ENGINEERING & CONSTRUCTION





DAGON GROUP

ENGINEERING & CONSTRUCTION



Dagon International Limited has entered into a joint venture with Nippo Corporation, Suntac Engineering and construction Co., Ltd. And Daiichi Sekisan Unyu, Inc. to form the JV company “ **NIPPO ROAD ALLIANCE MYANMAR LIMITED**” (NRAM).

Type of proposed investment business (Business Scope):

- (a) Production and sales of Hot Mix Asphalt (HMA) for Paving Work
- (b) Providing Paving Construction Services





DAGON GROUP

CONSTRUCTION MATERIALS: PLYWOOD FACTORY

Global Woodcraft Industries Limited

A joint venture company between the Dagon Group and Woodcraft International Pte Ltd.

Veneer production:

Average 1300 cubic meters per month

Plywood production:

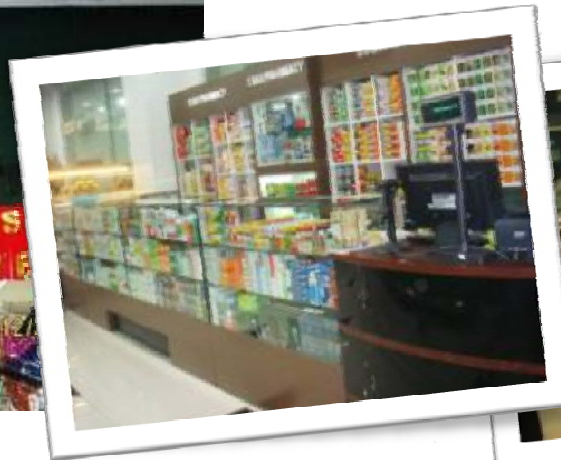
Average 1300 cubic meters per month



Star Mart is a supermarket chain that is operated by the Retail & Distribution Division of Dagon International Ltd.

Star Mart currently operates 3 outlets. The first outlet was opened in April 2008 at Dagon Centre 1, a shopping mall owned by the Dagon International Ltd.

The second outlet was opened in October 2011 at Dagon Centre 2, also a shopping mall owned by the Dagon International Ltd.





DAGON GROUP

RETAIL & DISTRIBUTION BUSINESS: GLOBAL SKY



Established
February
2005

360+
full time
employees

14 Sales
Branches
+ **12 Logistic**
Branches

85%
Country
Coverage

"Quality in Products, Quality in Service"

We, at Global Sky has made it our goal to help develop and uplift the quality of Living in Myanmar.

We are committed in bringing Global Prime Products, and compliment it with a work force dedicated in bringing the best Service possible for both our Partners and our Customers.



3D MASK

hygienix

SkinWhite





DAGON GROUP

HOSPITALITY BUSINESS: PALM BEACH RESORT, NGWE SAUNG AND OASIS HOTEL, NAY PYI TAW

Palm Beach Resort (Ngwe Saung) and Oasis Hotel (Naypyitaw) is operated by the Hospitality division of Dagon International Limited.

Palm Beach Resort (Ngwe Saung) was opened in March 2000 and Oasis Hotel (Naypyitaw) was opened in March 2011 .



*An OASIS in the heart of
Nay Pyi Taw, Luxurious rooms
with all the comfort of
a Modern Home*

Wood, Cotton and mother of pearl furnishings complete a picture of Elegance and Comfort.



Warehouse Logistics Centre

Thilawa Global Logistics Co.,Ltd. (TGL) is a joint venture company established in Myanmar by Sumitomo Corporation, Kamigumi (Hong Kong) and Dagon International Ltd.

TGL will be occupying a total area of about 47,000 sq m at the Zone A Area, to provide warehousing and logistics services to the enterprises located at the industrial park.

During the first phase of development, TGL have constructed a 6,400 sq m warehouse logistics centre that will sit on about 6,900 sq m of land. The warehouse logistics centre will comprise the main warehouse and the office area & custom office.





DAGON GROUP

AUTOMOBILE BUSINESS

Mingalar Motor Co., Ltd ("MGM") is a joint venture company established in Myanmar by SCGT Automobile Co., Ltd ("SGTA") and by Oriental Apex Co., Ltd ("OAC"). SGTA is in turn a joint venture between Japan conglomerate Mitsui & Co., Ltd and Thailand's SGC Trading Co., Ltd. OAC is a member of Dagon Group.

The main business of MGM is the authorised dealer of Toyota vehicles in Myanmar and also provide after-sales care servicing and repairs.

**MORE EXCITEMENT.
MORE SATISFACTION.
MORE TOYOTA.**



Toyota Showroom

MGM currently has currently two loactions, Lovcation 1 is located at No. 6, Bayint Naung Road, Ward 2, Hlaing Township, Yangon, which is the Toyota exclusive showroom.

Location 2 is located at No. (236), Ahlone Road, Ahlone Township, Yangon.

The Toyota Showroom was officially opened in November 2014 with officials from all of the joint venture partners as well as Toyota Motor Corporation. The after-sales service station started operations on 1 January, 2015.



MAN Truck & Bus Showroom and Service Center are operated by Dagon Machinery & Automotive Ltd.

MAN Truck & Bus Showroom and Service Center to be opened in 2019 located on Bayint Naung Road, Yangon.

MAN Truck & Bus manufactures trucks in weight categories from 7.49 to 44 tons, heavy-duty special purpose vehicles of up to 250 tons gross vehicle weight, city and intercity buses and tourist coaches (complete buses as well as chassis) plus diesel and natural gas engines.





FOOD BUSINESS

Dagon Food has its factory in Hlaing Tet Town in Mandalay State. It manufacture all kind of process fruits and vegetables and these products are distributed throughout Myanmar under the “SUN” brand. It has ISO 9001:2008

A variety products ranging from Cordial, Jams, Juice, dehydrated fruits and vegetables, sauce and concentrate O.E.M products are also exported to Japan, Korea, Singapore and Thailand



AGRICULTURE AND PLANTATION BUSINESS

Palm oil plantation was started in 1999. Dagon Agriculture Group Ltd. manages to obtain 17,976 acres from 2 sites in Taninthayi Division. Out of that obtained land, area which is free from obstruction that is suitable for palm oil plantation is 11,700 acres.

Since then we have managed to plant 8,948.36 acres. We thrive to continue to expand our palm oil plantation every year at about 1,500-2,000 acres per year. We are also continually on the look out for more land to expand our palm oil plantation business. We have plans to install a crushing plant as phase 1 and later to be able to produce edible palm oil.



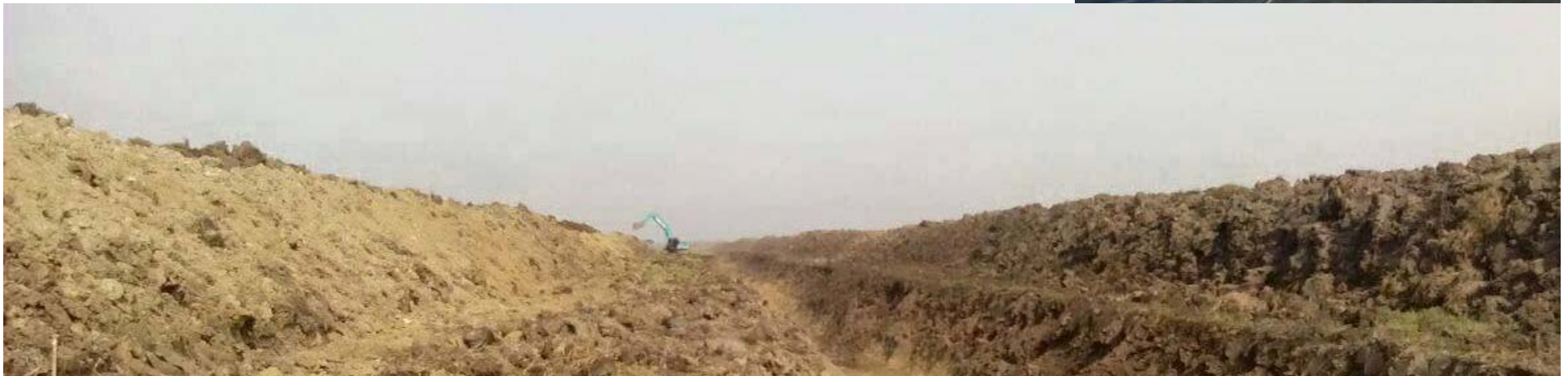
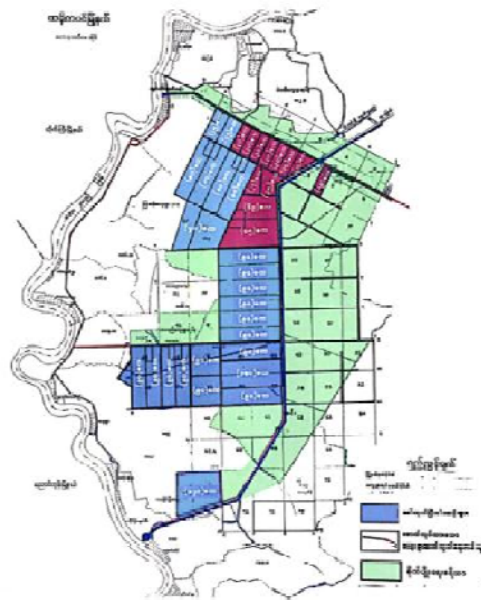
FISH FARM

Bawlae Island, Htantapin Township, Yangon Division

- (1) TOTAL PROJECT AREA = 5578 Acres
- (2) TOTAL FISH FARM AREA = 2460 Acres
- (3) Types of Fish

- i) Tilapia
- ii) Labeo Rohita (ငါးမြစ်ချင်း)
- iii) Silonia Childreni (ငါးတန့်)
- iv) Cirrhina Mrigala (ငါးကြင်း)
- v) Barbus Spp (ငါးခုံးမ)

ဒဂုံအင်တာနေရှင်နယ်လီမိတက်
ရေနက်ကွင်းမြေလွတ်မြေရိုင်းဖော်ထုတ်ခိုက်ပျိုးမွေးမြူရေးစီမံကိန်း
ဘောလည်ကျွန်း၊ ထန်းတပင်မြို့နယ်



Thuriya Energy

Thuriya Energy Depot Management Co., Ltd. ("**Thuriya Energy**") is a company within the Dagon Group that was established in 2011 with a view to providing safe fuel storage facilities in anticipation of increasing fuel consumption in a rapidly industrialising Myanmar, which will in turn lead to increasing demand for fuel storage facilities, and also to complement the Dagon Group's Petroleum & Power Division's fuel related business.

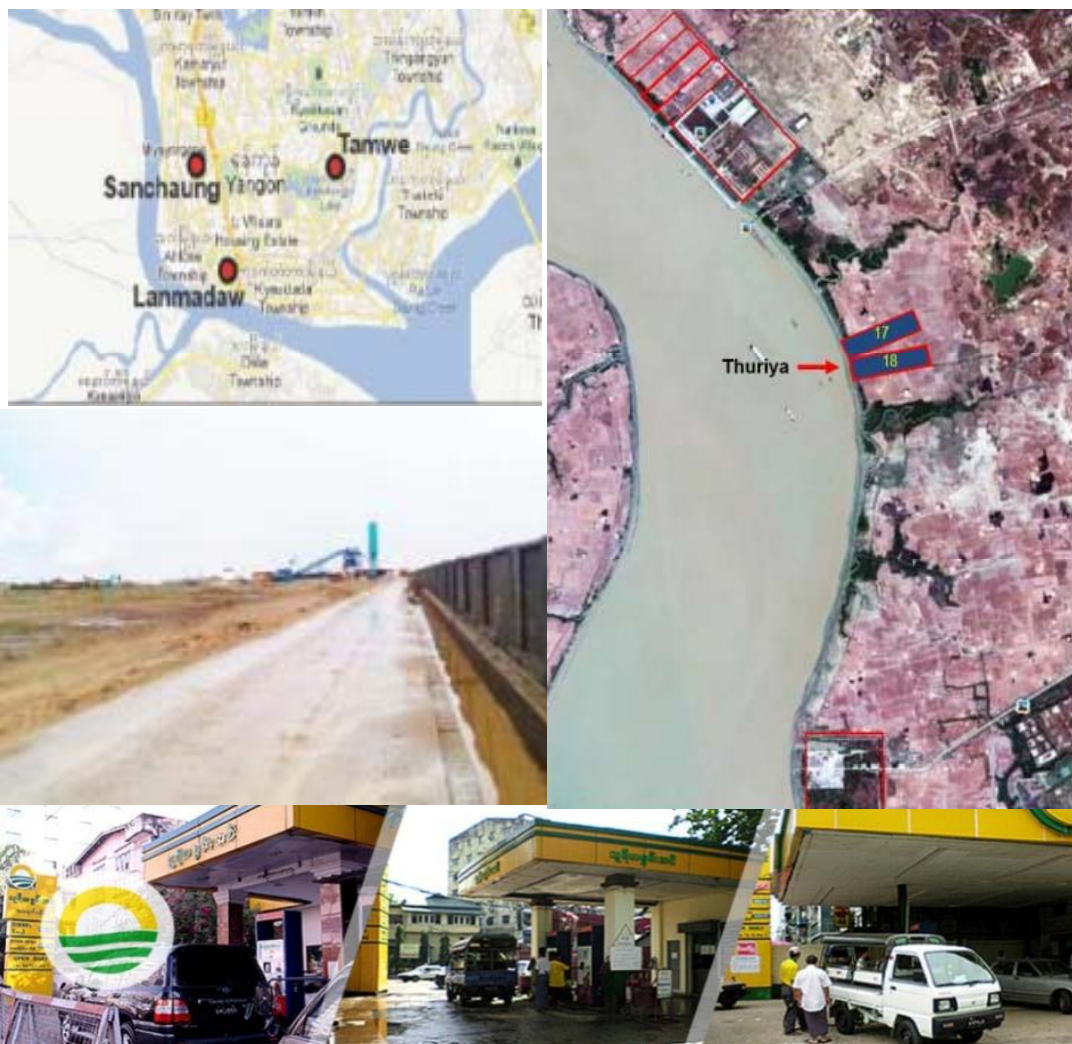
The Thilawa Port is just adjacent to the Thilawa SEZ, In October 2013, Thuriya Energy has entered into a build-operate-transfer arrangement for the construction of tanker jetty and fuel storage facilities at plots 17 and 18 (as shown on the map on the right). Plots 17 and 18 span a total area of about 24.7 acres.

Based on the current layout plan of the Thuriya Fuel Depot, a total of 10 tanks with a total capacity of 64,000 tonnes with the breakdown as follows :

Oil tankers will be able to berth at the specialised fuel jetty and unload their fuel through pipes that lead to the tanks. The tanks can be used to store octane and diesel. Construction of the Thuriya Fuel Depot is well underway.

3 Fuel stations in Yangon, soon to be expanded.

Thuriya Energy Petrol Stations in Yangon





DAGON GROUP

CORPORATE SOCIAL RESPONSIBILITY





DAGON GROUP

CORPORATE SOCIAL RESPONSIBILITY

Free Checking for Safety of Public Transportation “Yangon Bus Services”





The Group champions colleague engagement. A key aspect of this is to ensure that our teams feel listened to, involved and supported. We aim to ensure that our colleagues are engaged through a number of approaches and initiatives. It is important that our people know what is going on in the business.

There are a number of activities across different areas of the business to supplement our strategy. Activities that include: sports day, donation day and seminars are done to ensure the communication flow goes in the correct way.

We are committed to ensuring the protection and well being of our people both inside and outside of their working environment.

Identifying talent and investing in our peoples' future will continue to be a key area of focus in 2018-2019. Our expanding network will provide further opportunities for career progression.

The group gives full and fair consideration to applications for employment by people who are disabled, to continue whenever possible the development of staff who become disabled and to provide equal opportunities for the career development of disabled employees.

Integral to this approach is a Learning and Development structure providing for every part of the business.

The Dagon group recognizes the value of face-to-face training.

In addition to our face-to-face programs, the business works with training providers that deliver a bespoke leadership programs to develop leadership skills for our current and future leaders. The programs comprises of taught, classroom-based workshops and one-to-one coaching sessions.

Senior managers are defined as :

- 1) Persons responsible for planning, directing or controlling the activities of the Group or a strategically, significant part of the Company other than Company directors;
- 2) any other Directors of subsidiary undertakings.



DAGON GROUP

TRAINING EVENTS



As the country is in the transformational stage, the Dagon International decided to provide the highly investment in the staff capacity to keep up with the change of market trend. The staff retreat was organized with the objectives of:

- To strengthen organizational development by identifying the capacity gaps
- To apply these terms in the daily responsibilities to implement the work efficiently
- To enhance the knowledge and skills that can be used in managing interventions and relate generic M&E concepts to the organization.





DAGON GROUP

DAGON GROUP RETAIL & DISTRIBUTION RETREAT 2017, NAY PYI TAW, MYANMAR

Dagon Group's Retail & Distribution Retreat program include topics as: Self-analysis tool , Self Esteem Positive Attitude, Employee Motivation, Managing & Shaping the Future , Shifting Today's Managers to Leaders, Individual Development Plan and more.



Our commitment to continuous health and safety improvement is demonstrated by:

- 1) The development across the Group of our induction and training programs ensuring every colleague has the competence, understanding and awareness to work safely and at a minimum risk.
- 2) Safety input into all our locations and investments as from design to opening. Our health and safety team conducts its own audit programs to ensure the highest safety standards are maintained during the construction phase of new existing and new projects
- 3) The policies and processes review process that is in place, with the aim of implementing best practice in all areas of the Group. With a continuous review of the Management Policy towards Health & Safety.





DAGON GROUP

SOCIAL ACTIVITIES : SPORTS DAY 2018





DAGON INTERNATIONAL LTD
Directors Report
for the Year Ended 31 March 2018

Director (s)

The names of the directors in office at any time during or since the end of the year are:

U Win Aung, Chairman of the Group

Dr Daw Moe Mya Mya, Finance Director of the Group

U Thurane Aung (Christopher Aung), CEO of the Group

Daw EiHninPwint (Christabelle Aung), Executive Director Retail and Distribution

U Kyaw Zaw Aung, Executive Director Agriculture business

The Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating Result

The unaudited Profit of the company for the financial year amounted to **807,467,346 MMK**

Review of Operations

A review of the company's operations during the financial year, and the unaudited results of those operations, areas follows:

Total gross margin in the year **30.9%**, with the inclusion of a full fiscal year, unaudited.

The Operational Profit 2017-2018, after exceptional items ended up to **807,467,346 MMK**

The company's operations during the year performed as expected in the opinion of the director(s), For this reason, the financial statements have been prepared on a going concern basis.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the company during the financial year were:

Real Estate Activities

Construction & Engineering

Retail & Distribution

Agriculture & Plantation

No significant change in the nature of these activities occurred during the year.



After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely developments in the operations of the group, and the expected results of those operations in future financial years, have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of The Union.

Dividends

Dividends paid or declared since the start of the financial year are as follows:

- a) there were no dividends paid during the year.
- b) there were no dividends or distributions recommended or declared for payment to members during the year that have not been paid or credited to the member throughout the year.

Share Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnifying Office or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

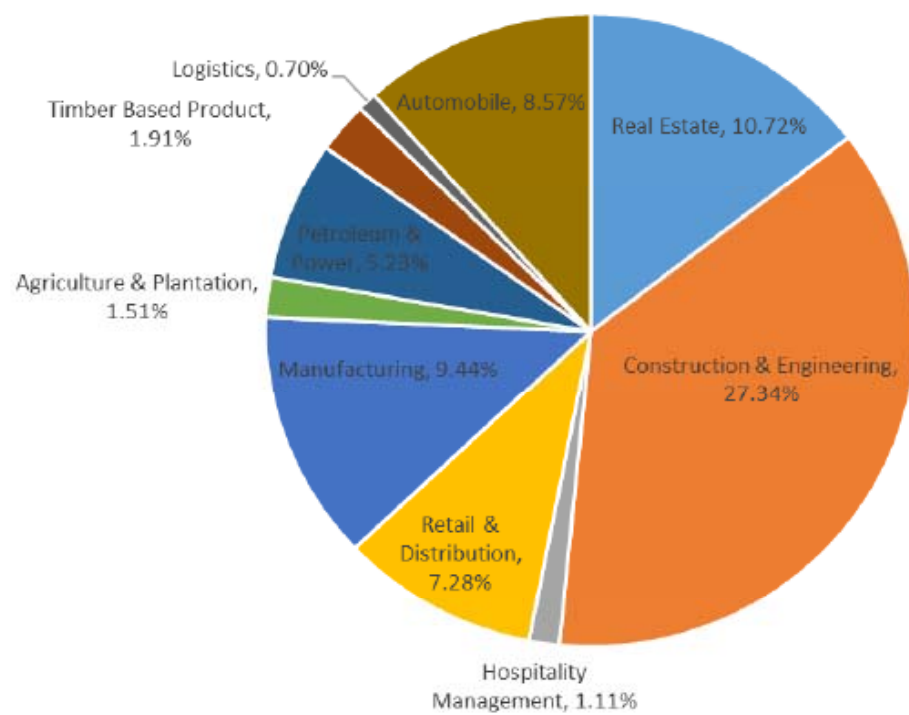
Proceedings of Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company, or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

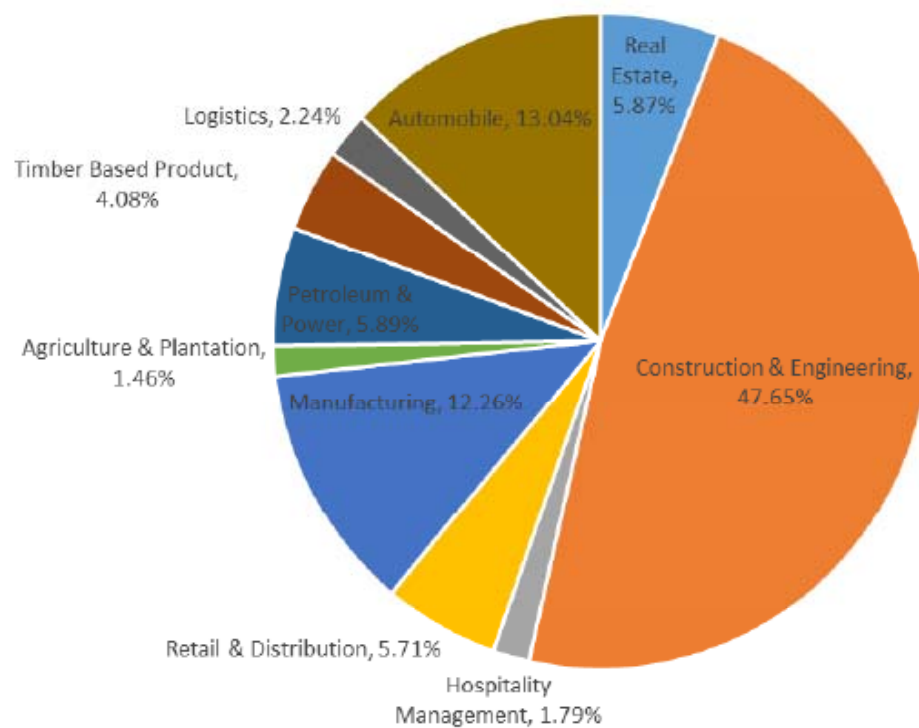
The company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Director:

% SALES OF TOTAL 2017



% SALES OF TOTAL 2018







DAGON INTERNATIONAL LTD.

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