

**AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**REGISTRATION NO.100456125**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

***FOR THE PERIOD FROM 01 OCTOBER 2020 TO 31 MARCH 2021***

**AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**REGISTRATION NO.100456125**

***INTERIM CONSOLIDATED FINANCIAL STATEMENTS***

*FOR THE PERIOD FROM 01 OCTOBER 2020 TO 31 MARCH 2021*

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**STATEMENT BY DIRECTORS  
OF  
AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
FOR THE YEAR ENDED 31 MARCH 2021**

The Company's directors are responsible for the preparation and fair presentation of the interim consolidated financial statements, comprising the statement of interim consolidated financial position as at 31 March 2021, the interim consolidated statement of profit or loss and other comprehensive income, the interim consolidated statement of changes in equity and the interim consolidated statement of cash flows for the period of 01 October 2020 to 31 March 2021, and the notes to the interim consolidated financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) and the provisions of Myanmar Companies Law 2017 ("the Law") and for such internal controls as the directors determine are necessary to enable the preparation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Under the Myanmar Companies Law 2017("the Law"), the directors are required to prepare interim consolidated financial statements for the year ended 31 March 2021 that give a true and fair view of the state of affairs of the Company as at the end of the accounting period and of the operating results of the Company for that period. It also requires the directors to ensure the Company keeps proper accounting records according to Section 258 and 261 of Myanmar Companies Law 2017 that disclose with reasonable accuracy of the interim consolidated financial position of the Company. The directors are also responsible for safeguarding the assets of the Company and to prevent and detect fraud and other irregularities.

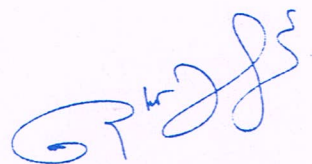
The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not be a going concern for the next twelve months from the date of this Statement.

The Board of Directors has, on the date of this Statement, authorised these interim consolidated financial statements for issue.

On behalf of the Board of Directors,

  
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U Win Aung  
Managing Director  
Amata Holding Public Company Limited

  
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Daw Nay Myat Thu Aung  
Director  
Amata Holding Public Company Limited

Yangon,  
Date: 21 MAY 2021

# AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

		31-Mar-21 MMK	31-Mar-20 MMK
<b>Assets</b>	<b>Notes</b>		
<b>Non-current assets</b>			
Property, plant and equipment	4	49,520,402,557	51,760,746,447
Intangible assets	5	103,484,138	160,055,148
Right of used assets	6	647,218,868	659,114,293
		<u>50,271,105,563</u>	<u>52,579,915,888</u>
<b>Current assets</b>			
Inventories	7	159,492,850	182,792,082
Accounts receivable	8	49,686,550	422,481,694
Prepayments and advance	9	142,310,661	299,920,888
Amount due from related parties	10	2,213,399,893	2,108,145,313
Advance tax	11	359,191,211	236,905,933
Cash and cash equivalents	12	658,417,450	1,061,840,460
		<u>3,582,498,615</u>	<u>4,312,086,370</u>
<b>Total assets</b>		<u>53,853,604,178</u>	<u>56,892,002,258</u>
<b>Equity and liabilities</b>			
Share capital	13	3,487,990,000	3,487,990,000
Retained earnings		25,077,058,940	28,449,548,114
Non controlling interest		522,926,268	878,632,246
		<u>29,087,975,208</u>	<u>32,816,170,360</u>
<b>Current liabilities</b>			
Accounts payable	14	2,181,306,681	220,635,872
Tax payable	15	659,315,161	572,148,961
Accrued expenses	16	481,869,003	905,035,786
Deposit received	17	466,733,827	537,268,810
Other liabilities	18	670,056,894	454,817,673
Amount due to related parties	19	39,511,413	-
Dividened payable	20	948,642,397	521,537,597
Cash and cash equivalent	12	847,300,367	808,517,515
Long-term borrowings	21	1,137,006,000	1,324,140,000
Finance lease obligation	22	34,478,092	18,014,976
		<u>7,466,219,835</u>	<u>5,362,117,190</u>
<b>Non - current liabilities</b>			
Long-term borrowings	21	14,581,294,000	14,961,260,000
Finance lease obligation	22	718,115,135	752,454,708
Other non-current liabilities	23	2,000,000,000	3,000,000,000
		<u>17,299,409,135</u>	<u>18,713,714,708</u>
<b>Total equity and liabilities</b>		<u>53,853,604,178</u>	<u>56,892,002,258</u>

Authenticated by:

U Win Aung

Managing Director

Amata Holding Public Company Limited

Date : 21 MAY 2021



Daw Nay Myat Thu Aung

Director

Amata Holding Public Company Limited

Date : 21 MAY 2021

**AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**INTERIM STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM 01 OCTOBER 2020 TO 31 MARCH 2021**

		Conso 1-Oct-20 To 31-Mar-21	Conso 1-Oct-19 To 31-Mar-20
	Notes		
<b>Revenue</b>			
Room / Ballooning	24	42,313,242	7,008,742,013
Food and beverage	25	12,130,521	1,438,409,299
Guest laundry and spa	26	74,238	136,675,411
Other operating	27	376,529	72,206,953
		<b>54,894,530</b>	<b>8,656,033,676</b>
<b>Cost of sales</b>			
Room / Ballooning	28	80,962,321	2,244,538,669
Food and beverage	29	40,136,611	851,870,467
Guest laundry and spa	30	1,481,166	63,529,844
Other operating	31	2,981,838	3,294,389
		<b>125,561,936</b>	<b>3,163,233,368</b>
<b>Gross profit</b>		<b>(70,667,406)</b>	<b>5,492,800,308</b>
Other income	32	4,065,215	13,781,117
<b>Other expenses</b>			
Sales and marketing	33	19,979,925	188,238,349
Administration and general	34	352,890,070	1,091,057,687
Property operating and maintenance	35	39,376,906	265,283,954
Utility cost	36	22,399,169	287,760,152
Property tax		-	4,012,552
Lease rental		13,525,000	94,133,672
Written-off		2,623,667	-
Exchange rate differential	37	1,674,229,877	140,983,818
		<b>2,125,024,614</b>	<b>2,071,470,185</b>
<b>EBITDA</b>		<b>(2,191,626,805)</b>	<b>3,435,111,239</b>
Depreciation	4,6	1,091,161,031	1,143,103,404
Amortization	5	28,651,181	34,171,126
<b>EBIT</b>		<b>(3,311,439,017)</b>	<b>2,257,836,709</b>
Interest expense		703,200,425	786,124,184
<b>(Loss)/Profit before tax</b>		<b>(4,014,639,442)</b>	<b>1,471,712,526</b>
Commercial tax adjustment		-	-
Income tax expenses	38	-	(262,198,756)
<b>(Loss)/Profit for the period</b>		<b>(4,014,639,442)</b>	<b>1,209,513,769</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>(4,014,639,442)</b>	<b>1,209,513,769</b>

*The annexed accounting policies and explanatory notes form an integral part of the financial statements*

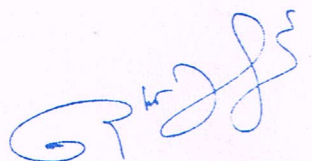
**AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**INTERIM STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM 01 OCTOBER 2020 TO 31 MARCH 2021**

	Conso 1-Oct-20 To 31-Mar-21	Conso 1-Oct-19 To 31-Mar-20
Notes		
Profit attributable to:		
Equity holder of the Company	(3,916,686,539)	831,026,945
Non-controlling Interest	(97,952,902)	378,486,824
	<u>(4,014,639,442)</u>	<u>1,209,513,769</u>
 Total Comprehensive Income Attributable to:		
Equity holder of the Company	(3,916,686,539)	831,026,945
Non-controlling Interest	(97,952,902)	378,486,824
	<u>(4,014,639,442)</u>	<u>1,209,513,769</u>
 Earning per share/Negative earning per share (Loss per Share)		
Basic (MMK)	<u>(373)</u>	<u>79</u>

Authenticated by:



U Win Aung  
Managing Director  
Amata Holding Public Company Limited  
Date : 21 MAY 2021

Daw Nay Myat Thu Aung  
Director  
Amata Holding Public Company Limited  
Date : 21 MAY 2021

**AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**

**STATEMENT OF CONSOLIDATED CHANGES IN EQUITY  
FOR THE PERIOD FROM 01 OCTOBER 2020 TO 31 MARCH 2021**

	<b>SHARE CAPITAL</b>	<b>RETAINED EARNINGS</b>	<b>Group Total</b>	<b>NCI</b>	<b>TOTAL EQUITY</b>
	<b>MMK</b>	<b>MMK</b>		<b>MMK</b>	<b>MMK</b>
<b>As at 1 October 2019</b>	3,487,990,000	28,114,847,137	31,602,837,137	500,145,366	32,102,982,503
Profit for the year	-	831,026,945	831,026,945	378,486,824	1,209,513,767
Proposed Dividend	-	(524,879,900)	(524,879,900)		(524,879,900)
Prior year adjustments	-	28,553,933	28,553,933	57	28,553,990
<b>As at 31 March 2020</b>	<b>3,487,990,000</b>	<b>28,449,548,114</b>	<b>31,937,538,114</b>	<b>878,632,247</b>	<b>32,816,170,360</b>

	<b>SHARE CAPITAL</b>	<b>RETAINED EARNINGS</b>	<b>Group Total</b>	<b>NCI</b>	<b>TOTAL EQUITY</b>
	<b>MMK</b>	<b>MMK</b>		<b>MMK</b>	<b>MMK</b>
<b>As at 1 October 2020</b>	3,487,990,000	28,993,745,480	32,481,735,480	620,879,170	33,102,614,650
Profit for the period	-	(3,916,686,540)	(3,916,686,540)	(97,952,902)	(4,014,639,442)
<b>As at 31 March 2021</b>	<b>3,487,990,000</b>	<b>25,077,058,940</b>	<b>28,565,048,940</b>	<b>522,926,268</b>	<b>29,087,975,208</b>

*The annexed accounting policies and explanatory notes form an integral part of the financial statements*

# AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## INTERIM STATEMENT OF CONSOLIDATED CASH FLOWS FOR THE PERIOD FROM 01 OCTOBER 2020 TO 31 MARCH 2021

	Conso 31-Mar-21 MMK	31-Mar-20 MMK
<b>Cash flows from operating activities</b>		
(Loss)/Profit before taxation and extraordinary items	(4,014,639,442)	1,471,712,525
<b>Adjustments for:</b>		
Depreciation	1,091,161,031	1,143,103,404
Transfer of property, plant and equipment	2,270,150	40,158,647
Amortization	28,651,181	34,171,126
Adjustments	-	28,553,990
Interest Expense	703,200,425	786,124,184
Written off	2,623,667	-
<b>Operating (Loss)/Profit before changes in working capital</b>	<b>(2,186,732,988)</b>	<b>3,503,823,876</b>
<b>Changes in working capital:</b>		
Decrease/(Increase) in inventory	6,247,053	(13,854,766)
Decrease/(Increase) in trade and other receivables	41,906,334	(21,404,404)
Decrease in amount due from related parties	460,450,724	2,464,628,908
Increase/(Decrease) in trade and other payables	980,007,802	(533,617,416)
Increase/(Decrease) in amount due to related parties	6,514,500	(1,464,114,276)
<b>Cash flow (used in)/from operating activities</b>	<b>(691,606,575)</b>	<b>3,935,461,922</b>
Interest Paid	(654,987,905)	(735,809,671)
Tax Paid	-	(104,932,236)
Tax Refund	-	-
<b>Net cash (used in)/provided by operating activities</b>	<b>A (1,346,594,480)</b>	<b>3,094,720,015</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,513,535)	(2,455,137,860)
Purchase of intangible assets	-	(16,535,000)
<b>Net cash used in investing activities</b>	<b>B (2,513,535)</b>	<b>(2,471,672,860)</b>
<b>Cash flows from financing activity</b>		
Dividened paid	(294,950)	-
Exchange translation of long-term borrowing	1,465,900,000	-
Finance lease obligation	(60,961,092)	(63,701,830)
Proposed Dividend	-	(524,879,900)
<b>Net cash provided by/(used in) financing activity</b>	<b>C 1,404,643,958</b>	<b>(588,581,730)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(A+B+C) 55,535,943</b>	<b>34,465,425</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(244,418,860)</b>	<b>218,857,520</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>(188,882,917)</b>	<b>253,322,945</b>

*The annexed accounting policies and explanatory notes form an integral part of the financial statements*

**AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**REGISTRATION No. 100456125**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 01 OCTOBER 2020 TO 31 MARCH 2021**

*These notes form an integral part of and should be read in conjunction with the accompanying interim consolidated financial statements.*

**1. General Information**

**Amata Holding Public Company Limited** is domiciled and incorporated in the Republic of the Union of Myanmar with its registered office at No.10, Inya Yeik Thar Street, Mayangone Township Yangon, Myanmar under Company Registration No. 100456125 (former Registration No.1563/2017-2018) dated 27 June 2017.

The principal activities of the Company are Hospitality, Restaurants and Ballooning Services.

The Company acquired 99.99% share of United International Group Limited (UIG) and 51% share of Myanmar Ballooning Company Limited (MB) on 01 August 2018.

Incorporated in 1993, United International Group Limited mainly involves in resorts and restaurant management under UIG (Amata Brand) which operates value segments of the hospitality market through the following;

- (i) Amata Resort and Spa – Ngapali
- (ii) Amata Garden Resort - Inle
- (iii) Amata Garden Resort – Bagan
- (iv) My Bagan Residence by Amata
- (v) My Hpa-An Residence by Amata.

Incorporated in 2013, Myanmar Ballooning Company Limited mainly operates in hot air ballooning and operates under Oriental Ballooning brand. Oriental Ballooning brand flights over the pagodas of Bagan, the city of Mandalay, stunning Inle Lake and Ngapali Beach in Myanmar (Burma).

**2. Basis of Preparation of the Financial Statements**

**(a) Statement of Compliance**

The interim consolidated financial statements are prepared in compliance with International Financial Reporting Standards (“IFRS”) and the provision of Myanmar Companies Law 2017 (“the Law”).

**(b) Basis of Measurement**

The interim consolidated financial statements have been prepared on the historical cost basis.

**(c) Use of Estimates and Judgements**

The preparation of the interim consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no accounting estimates and judgement made by the management that has significant effect on the interim consolidated financial statements.

**AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**(d) Basis of Consolidation**

***(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. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are consolidated from the date on which control ceases.

In preparing the interim consolidated financial statements, transactions, balances and recognized gains on transactions between group entities are eliminated. 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 interim 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 interim 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.

**AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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***(d)Investment in associate***

Investment in associated is initially recognized at the transaction price (including transaction costs) under the equity method of accounting and 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 and investee reduces the carrying amount of the investment.

**3. Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all periods presented in the interim consolidated financial statements.

**(a) Foreign Currency Translation**

The Financial statements are presented in Myanmar Kyats (MMK) which is the functional and presentation currency of the Company.

Transactions in foreign currencies other than MMK are translated to the functional currency at the group exchange rate ruling at transaction dates.

All monetary assets and liabilities denominated in foreign currencies other than MMK outstanding at the reporting date are translated to the functional currency at the exchange rate of MMK 1,469 per US\$ 1.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the reporting date are recognised in the statement of profit or loss and other comprehensive income.

**(b) Cash and Cash Equivalents**

Cash and Cash equivalents in the statements of financial position comprise cash in hand and cash at bank balances.

**(c) Trade and Other Accounts Receivables**

Trade and other accounts receivables are stated at the invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment historical and future expectations of customer payments. Bad debts are written off when incurred.

**AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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**(d) Inventory**

Inventory is measured at the lower of cost and net realised value.

Cost is calculated using the first in first out principle, and comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net Realised value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

**(e) Property, Plant and Equipment**

***Owned assets***

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses expect for building that are presented at revalued value.

Costs include expenditure that is directly attributable to the acquisition of the assets. The cost of self- constructed assets include the cost of materials and direct labour, any other cost directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs, Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for us separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net in profit or loss.

***Revalued assets***

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognized in other comprehensive income and presented in the revaluation reserve in equity unless it offsets a previous decrease in value recognized in profit or loss in respect of the same asset. A decrease in value is recognized in profit or loss to the extent it exceeds an increase previously recognized in other comprehensive income for the same asset. Upon disposal of a revalued asset, any related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

***Subsequent costs***

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day – to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

**AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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***Depreciation***

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost.

Depreciation is charged to profit or loss on a straight – line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

	<b>Useful Lives</b>
-Building	60, 58, 56, 49,20 years
-Balloon (12 units)	7 years
-Plant and machinery	5 years
-Furniture and fixtures	5 years
-Office equipment	3 years
-Vehicle	5 years
-Others	3, 15 years
-Operating equipment	3 years

Depreciation method, useful lives and residual values are reviewed at each financial year- end and adjusted if appropriate. Useful life of building depends on the land lease agreement.

**(f) Intangible Assets**

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight –line basis from the date the asset is available for use and over its estimated useful lives of 3 years.

**(g) Goodwill**

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

**(h) Leases**

An agreement whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time.

***Finance lease:*** A lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

***Operating lease:*** A lease other than a finance lease.

***As a lessee***

Finance leases that transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

**AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
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Operating lease payments are recognized as an operating expense in profit or loss on a straight-line basis over the lease term.

**(i) Trade and Other Payables**

Trade and other accounts payable are stated at cost.

**(j) Share Capital**

***Ordinary shares***

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

**(k) Revenue**

Revenue excludes commercial taxes and is arrived at after deduction of trade discounts.

***Revenue from hotel operations***

Hotel revenue from room, food and beverage and other services are recognised when the rooms are occupied, food and beverage are sold and the services are rendered.

**(l) Lease Payments**

Payments made under operating leases are recognized in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

***Determining whether an arrangement contains a lease***

At inception of an arrangement, the Company determines whether such arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognized using the Company's incremental borrowing rate.

**(m) Income Tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred taxes are recognized in the statement of income except to the extent that they relate to a business combination, or items recognized directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill and the initial recognition of assets or

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liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis on their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**(n) Impairment of Financial Assets**

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or the Company of financial assets is impaired. A financial asset is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (“a loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial assets or the Company of financial assets that can be reliably estimated.

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**(o) Related Parties**

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with related parties were as follows:

<b>Name of individuals</b>	<b>Nature of relationship</b>
United International Group Limited	Subsidiary
Myanmar Ballooning Company Limited	Subsidiary
Amata International Company Limited	Related of Subsidiary
Awinka Holding Company Limited	Related of Subsidiary
U Win Aung	Managing Director
U Khin Zaw	Director of MB

The pricing policies for particular types of transactions are explained future below:

<b>Transaction</b>	<b>Pricing policies</b>
Land lease	Contractually agreed prices

Significant transactions for the year ended 31 March 2021 with related parties were as follows;

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
Receivable from related party	2,213,399,893	2,108,145,313
Payable to related party	(2,039,511,413)	-

**Significant agreement with related party**

The Company entered into lease agreements with a related party to lease land for the following terms:

Land Lease – Ngapali Beach	15 years
Land Lease – Amata Garden Resort – Bagan	15 years
Land Lease – My Bagan Residence by Amata	15 years
Land Lease – Amata Garden Resort Inle Lake	50 years

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**4. Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost less accumulated depreciation. Details are shown as below:

	Building	Office Equipment	Plant & Machinery	Furniture & Fixture	Data Processing Equipment	Motor Vehicles	Construction in Progress	Balloon (12 units)	Boat & Bicycle	Others	Operation Equipment	MMK Total
<i>Costs</i>												
<b>At 01 October 2020</b>	51,488,042,106	317,015,752	1,283,200,672	2,013,433,876	292,300,961	776,136,010	39,334,380	2,351,003,532	117,176,906	110,415,678	1,143,945,680	59,932,005,553
Additions	-	-	-	438,385	-	-	2,075,150	-	-	-	-	2,513,535
Write-off	-	-	-	-	-	-	-	-	-	(2,778,000)	-	(2,778,000)
Transfer to Hotel	18,058,530	-	-	(1,751,496)	-	-	(37,528,680)	-	-	16,753,776	(206,904)	(4,674,774)
<b>At 31 March 2021</b>	<b>51,506,100,636</b>	<b>317,015,752</b>	<b>1,283,200,672</b>	<b>2,012,120,765</b>	<b>292,300,961</b>	<b>776,136,010</b>	<b>3,880,850</b>	<b>2,351,003,532</b>	<b>117,176,906</b>	<b>124,391,454</b>	<b>1,143,738,776</b>	<b>59,927,066,313</b>
<i>Accumulated Dep:</i>												
<b>At 01 October 2020</b>	3,496,387,497	266,782,575	875,654,091	1,226,001,661	227,886,260	618,573,851	-	1,499,444,632	106,076,630	90,699,456	916,502,743	9,324,009,396
Additions	470,552,876	26,908,280	76,377,876	160,077,671	27,685,593	37,157,285	-	167,927,824	6,605,006	10,009,729	101,911,179	1,085,213,318
Write-off	-	-	-	-	-	-	-	-	-	(154,333)	-	(154,333)
Transfer to Hotel	-	-	-	(1,751,496)	-	-	-	-	-	(446,224)	(206,904)	(2,404,624)
<b>At 31 March 2021</b>	<b>3,966,940,373</b>	<b>293,690,854</b>	<b>952,031,968</b>	<b>1,384,327,836</b>	<b>255,571,853</b>	<b>655,731,136</b>	<b>-</b>	<b>1,667,372,456</b>	<b>112,681,636</b>	<b>100,108,627</b>	<b>1,018,207,017</b>	<b>10,406,663,757</b>
<i>Net Book Value</i>												
<b>At 31 March 2021</b>	<b>47,539,160,263</b>	<b>23,324,898</b>	<b>331,168,704</b>	<b>627,792,929</b>	<b>36,729,108</b>	<b>120,404,874</b>	<b>3,880,850</b>	<b>683,631,075</b>	<b>4,495,271</b>	<b>24,282,827</b>	<b>125,531,759</b>	<b>49,520,402,557</b>
<b>At 01 October 2020</b>	<b>47,991,654,609</b>	<b>50,233,177</b>	<b>407,546,581</b>	<b>787,432,216</b>	<b>64,414,700</b>	<b>157,562,158</b>	<b>39,334,380</b>	<b>851,558,900</b>	<b>11,100,277</b>	<b>19,716,222</b>	<b>227,442,936</b>	<b>50,607,996,157</b>

The Group did not perform physically count all of Property, Plant and Equipment at the end of 31 March 2021.

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**5. Intangible Assets**

Intangible Assets are stated at cost less accumulated amortisation. Details are shown as below:

	<b>31-Mar-21</b>
	<b>MMK</b>
<i>Cost</i>	
At 01 October 2020	359,260,824
Additions	-
At 31 March 2021	<u><b>359,260,824</b></u>
<i>Accumulated Amortization</i>	
At 01 October 2020	227,125,505
Adjustment	-
Amortization for the year	28,651,181
At 31 March 2021	<u><b>255,776,686</b></u>
<i>Net Book Value</i>	
At 31 March 2021	<u><b>103,484,138</b></u>
At 01 October 2020	<u><b>132,135,319</b></u>

**6. Right of Used Assets**

Details are shown as below:

	<b>31-Mar-21</b>
	<b>MMK</b>
<i>Cost</i>	
At 01 October 2020	682,465,300
Additions	-
At 31 March 2021	<u><b>682,465,300</b></u>
<i>Accumulated Depreciation</i>	
At 01 October 2020	29,298,720
Adjustment	-
Depreciation for the year	5,947,712
At 31 March 2021	<u><b>35,246,432</b></u>
<i>Net Book Value</i>	
At 31 March 2021	<u><b>647,218,868</b></u>
At 01 October 2020	<u><b>653,166,580</b></u>

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The useful life of right of used assets and building was not agreed with lease contract. Details are shown as below:

	<b>Lease period as per</b>	<b>Useful Life</b>
Land Lease – Ngapali Beach	15 years	58 Years
Land Lease – Amata Garden Resort – Bagan	15 years	60 Years
Land Lease – My Bagan Residence by Amata	15 years	49 Years
Land Lease – Amata Garden Resort Inle Lake	50 years	56 Years

**7. Inventories**

Details are shown as below:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
Food	23,872,777	34,445,514
Beverage	20,690,574	23,488,148
Cleaning supplies	1,611,723	1,785,684
Guest supplies	8,077,422	12,184,394
Massage oil	336,842	366,842
Souvenir stock	12,248,568	12,246,864
Printing supplies	8,865,436	9,456,621
Engineering supplies	42,761,453	42,654,644
Diesel	3,034,685	5,519,232
Gas	10,664,650	10,958,250
H.K guest supplies	5,658,637	5,270,758
Operation utensil	96,800	193,600
Chemical	2,451,048	1,786,047
Stationery	136,202	184,439
Head office - store	18,493,382	21,758,395
Staff uniform	492,651	492,650
	<b>159,492,850</b>	<b>182,792,082</b>

**8. Accounts Receivable**

Details are shown as below:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
AR - Guest ledger	4,102,476	-
AR - City ledger	45,584,074	422,481,694
	<b>49,686,550</b>	<b>422,481,694</b>

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**9. Prepayments and Advance**

Details are shown as below:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
Prepayment - Insurance	22,241,396	27,668,040
- Others	3,401,374	82,707,032
- Advertising	-	8,966,652
- Rental	2,250,000	20,375,000
Deposit Paid	83,061,891	55,899,435
Advance Others	4,698,850	12,947,698
Pre-Opening Expenses	26,657,150	91,357,031
	<b>142,310,661</b>	<b>299,920,888</b>

**10. Amount due from Related Parties**

Details are shown as below:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
Amount Due from Director	2,071,120,279	1,968,987,731
Current AC - Awinka	142,279,614	131,884,314
Current AC - YGN		4,165,287
Amata International Co., Ltd		3,107,981
	<b>2,213,399,893</b>	<b>2,108,145,313</b>

**11. Advance Tax**

It comprises the followings:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
Corporate Income Tax	9,837,300	3,502,505
Commercial Tax	349,353,911	233,403,428
	<b>359,191,211</b>	<b>236,905,933</b>

**(i) Corporate Income Tax**

Details are shown as below:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
Opening balance	9,837,300	3,502,505
Cash paid during the period	-	
Adjustment	-	
<b>Closing balance as at</b>	<b>9,837,300</b>	<b>3,502,505</b>

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**(ii) Commercial Tax**

Details are shown as below:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
Opening balance	349,040,174	33,483,714
Advance payment during the period	313,738	200,328,284
Tax refund adjustment	-	(408,571)
<b>Closing balance as at</b>	<b>349,353,911</b>	<b>233,403,428</b>

**12. Cash and Cash Equivalents**

Details are shown as below:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
Cash in hand	612,807,270	882,032,043
Cash at bank	45,610,180	179,808,417
	<b>658,417,450</b>	<b>1,061,840,460</b>
Bank overdraft	(847,300,367)	(808,517,515)
	<b>(188,882,917)</b>	<b>253,322,945</b>

**13. Share Capital**

Details are shown as below:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
<i><b>Issued, Subscribed and Fully paid up Capital</b></i>		
10,000,000 shares of Ks 100 each	1,000,000,000	1,000,000,000
497,598 shares of Ks 5000 each	2,487,990,000	2,487,990,000
<b>Total</b>	<b>3,487,990,000</b>	<b>3,487,990,000</b>

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**14. Accounts Payable**

Details are shown as below:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
Trade payable	233,414,863	219,471,378
Souvenir	1,192,916	1,164,494
Other	36,150,868	-
Interest payable	1,910,548,034	-
	<b><u>2,181,306,681</u></b>	<b><u>220,635,872</u></b>

**15. Tax Payable**

It comprises the followings:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
Corporate income tax	181,428,236	262,141,474
Commercial tax	477,886,925	310,007,487
	<b><u>659,315,161</u></b>	<b><u>572,148,961</u></b>

**(i) Corporate Income Tax**

Details are shown as below:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
Opening balance	181,428,236	104,874,954
Provision for the period	-	262,198,756
Under provision	-	-
Tax paid during the period	-	(104,932,236)
<b>Closing balance as at</b>	<b><u>181,428,236</u></b>	<b><u>262,141,474</u></b>

**(ii) Commercial Tax**

Details are shown as below:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
Opening balance	457,102,028	93,648,394
Provision for the period	2,597,978	440,539,226
Under provision	-	-
Tax paid during the period	-	(224,180,133)
Exchange difference	18,186,919	-
<b>Closing balance as at</b>	<b><u>477,886,925</u></b>	<b><u>310,007,487</u></b>

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**16. Accrued Expenses**

Details are shown as below:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
Salaries and wages	-	28,153,650
Social security	1,498,671	6,852,435
Electricity	14,721,536	24,983,140
Telephone and internet	-	5,029,868
Diesel	1,802,200	1,802,200
Water	-	115,500
Others	71,844,659	593,204,092
Employee income tax	2,587,917	9,950,141
Audit fee	25,854,400	24,355,020
DCA Flight movement charges	11,629,800	12,480,300
Royalty fees	299,925,570	150,425,440
NCDC	36,450,000	47,684,000
Advisory fees	15,554,250	-
	<b>481,869,003</b>	<b>905,035,786</b>

**17. Deposit Received**

Details are shown as below:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
Deposit received - Guest	309,777,623	301,842,388
- Others	27,062,247	64,582,755
- Agents(Float)	129,893,957	170,843,667
	<b>466,733,827</b>	<b>537,268,810</b>

**18. Other Liabilities**

Details are shown as below:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
Commission	2,891,027	21,074,425
Service money	186,616,234	433,626,331
Short-term loan	480,000,000	-
Staff fund	549,633	116,917
	<b>670,056,894</b>	<b>454,817,673</b>

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**19. Amount Due to Related Parties**

Details are shown as below:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
Current AC - Inter Company		
Amata International Co., Ltd.	39,511,413	-
	<u><b>39,511,413</b></u>	<u><b>-</b></u>

**20. Dividend Payable**

Details are shown as below:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
Opening balance	948,937,347	700,072,097
Proposed dividend	-	524,879,900
Dividend paid	(294,950)	(703,414,400)
	<u><b>948,642,397</b></u>	<u><b>521,537,597</b></u>

The Company proposed the dividends amounting MMK 524,879,900 in accordance with the resolution of the Annual General Meeting held on 13 December 2019.

**21. Long-Term Borrowings**

Details are shown as below:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
Current portion	1,137,006,000	1,324,140,000
Non-current portion	14,581,294,000	14,961,260,000
	<u><b>15,718,300,000</b></u>	<u><b>16,285,400,000</b></u>

On 22 October 2016, its subsidiary – United International Group Limited entered into a loan facilities agreement with International Finance Corporation (IFC) for principal amount of USD 10.7 million with interest rate (Variable Interest Rate – sum of the Relevant Spread and LIBOR) and is repayable as per agreement.

For the period 01 Oct 2019 to 31 March 2020, we didn't consider exchange effect for long-term borrowing (USD 10.7 million).

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**22. Finance Lease Obligation**

Details are shown as below:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
<b><u>Descriptions</u></b>		
Current liabilities	34,478,092	18,014,976
Non-current liabilities	718,115,135	752,454,708
	<b>752,593,227</b>	<b>770,469,684</b>

The future minimum lease payments are as follows;

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
<b><u>Descriptions</u></b>		
Within one year	130,906,092	119,712,322
Later than one year but within five years	462,333,694	498,046,016
Later than five years	4,092,000,000	4,176,000,000
	<b>4,685,239,786</b>	<b>4,793,758,339</b>

Lease period and interest rate for finance lease obligation are as follows;

<b>Description</b>	<b>Lessor</b>	<b>Lease Period</b>	<b>Interest Rate</b>
Ngapali Beach	U Win Aung Amata International Co., Ltd.	58 Years	13%
Amata Garden Resort – Bagan	U Win Aung	60 years	13%
My Bagan Residence by Amata	U Win Aung	49 years	13%
Amata Garden Resort Inle Lake	Ministry of Environmental Conservation and Forestry	50 years	13%

Lease period in the calculation statement of finance lease obligation was not agreed with lease contract. Details are shown as below:

<b>Description</b>	<b>Lease Period as per contract</b>	<b>Lease Period as per Calculation Statement</b>
Land Lease – Ngapali Beach	15 years	58 Years
Land Lease – Amata Garden Resort – Bagan	15 years	60 Years
Land Lease – My Bagan Residence by Amata	15 years	49 Years
Land Lease – Amata Garden Resort Inle Lake	50 years	56 Years

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**23. Other Non-current Liabilities**

Details are shown as below:

	<b>31-Mar-21</b>	<b>31-Mar-20</b>
	<b>MMK</b>	<b>MMK</b>
Payable to Amata International Company	2,000,000,000	3,000,000,000
	<b><u>2,000,000,000</u></b>	<b><u>3,000,000,000</u></b>

**24. Operating Income – Room/Ballooning**

Details are shown as below:

	<b>01-Oct-20 to 31-Mar-21 MMK</b>	<b>01-Oct-19 to 31-Mar-20 MMK</b>
Room sales	42,313,242	3,248,295,951
Passenger income	-	3,760,446,063
<b>Total</b>	<b><u>42,313,242</u></b>	<b><u>7,008,742,013</u></b>

**25. Operating Income – Food and Beverage**

Details are shown as below:

	<b>01-Oct-20 to 31-Mar-21 MMK</b>	<b>01-Oct-19 to 31-Mar-20 MMK</b>
Food sales	8,462,245	991,122,170
Beverage sales	3,668,276	400,974,299
Others	-	46,312,830
<b>Total</b>	<b><u>12,130,521</u></b>	<b><u>1,438,409,299</u></b>

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**26. Operating Income – Guest Laundry and Spa**

Details are shown as below:

	<b>01-Oct-20 to 31-Mar-21 MMK</b>	<b>01-Oct-19 to 31-Mar-20 MMK</b>
Guest laundry	74,238	14,401,552
SPA and souvenir	-	122,273,859
<b>Total</b>	<b>74,238</b>	<b>136,675,411</b>

**27. Operating Income – Other Operating**

Details are shown as below:

	<b>01-Oct-20 to 31-Mar-21 MMK</b>	<b>01-Oct-19 to 31-Mar-20 MMK</b>
Revenue - Others	128,319	5,614,812
- Boat	97,658	4,658,347
- Mini Bar	15,000	5,861,815
- Bicycle	-	113,333
Others operating income	135,552	55,958,646
<b>Total</b>	<b>376,529</b>	<b>72,206,953</b>

**28. Operating Expenditure – Room/Ballooning**

Details are shown as below:

	<b>01-Oct-20 to 31-Mar-21 MMK</b>	<b>01-Oct-19 to 31-Mar-20 MMK</b>
<b><u>Payroll and related expenses</u></b>		
Salaries and wages	55,973,135	1,052,314,767
Employee benefits	2,944,266	62,201,807
	<b>58,917,401</b>	<b>1,114,516,574</b>

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Cost of sales - balloon gas	-	179,522,000
Cost of sales - other	-	1,974,127
Pilot team expenses	220,000	177,460,744
Compensation fees	-	1,674,000
Catering charges	-	93,652,846
Bank charges	-	760,753
Insurance	-	87,028,032
Commission	-	84,021,032
Present and donation	34,000	1,127,720
Maint general	146,500	16,777,883
Test flying charges	-	8,152,400
Medical expense	-	4,800
China, glass and silverware	-	202,300
Cleaning supplies	934,050	13,638,251
Guest supplies	1,399,105	66,935,400
Data processing expenses	805,020	1,621,995
Printing and stationery	111,454	13,178,185
Laundry	230,832	13,522,124
Linen	-	1,897,887
Uniform	1,393,408	11,906,284
Flowers and decoration	502,100	5,941,881
Postage, telephone, e-mail	1,843,701	36,671,367
Motor vehicle expenses	952,062	18,604,695
Travelling	-	5,661,593
Pest control	1,545,000	12,711,513
License and tax	10,010,729	5,602,706
Complimentary / entertainment	403,008	23,162,066
Commission	-	48,898,641
Transportation and labor	529,500	10,851,283
Operation utensils	211,300	14,025,620
Music and Royalties	-	343,800
Miscellaneous	106,900	310,700
Service money	666,251	-
Legal and consultant fees	-	172,177,466
	<b>22,044,920</b>	<b>1,130,022,095</b>
<b>Total</b>	<b>80,962,321</b>	<b>2,244,538,669</b>

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**29. Operating Expenditure – Food and Beverage**

Details are shown as below:

	<b>01-Oct-20 to 31-Mar-21 MMK</b>	<b>01-Oct-19 to 31-Mar-20 MMK</b>
<b><u>Cost of sales</u></b>		
Food cost	4,152,500	383,298,210
Beverage cost	1,066,700	94,357,344
	<b><u>5,219,200</u></b>	<b><u>477,655,555</u></b>
<b><u>Payroll and related expenses</u></b>		
Salaries and wages	27,673,812	207,490,510
Employee benefits	627,705	33,105,680
	<b><u>28,301,517</u></b>	<b><u>240,596,190</u></b>
<b><u>Other expenses</u></b>		
China, glass and silverware	-	867,410
Cleaning supplies	165,850	11,716,345
Guest supplies	192,325	9,150,043
Data processing expenses	-	459,000
Printing and stationery	104,150	3,904,422
Laundry	-	2,475,167
Linen	-	251,350
Uniform	1,203,376	7,439,388
Flowers and decoration	7,100	3,546,927
Postage, telephone, e-mail	6,500	656,500
Transportation and labor	68,200	11,938,779
Travelling for F&B Dept	190,000	1,978,523
License and tax	600,000	3,122,000
Complimentary / entertainment	153,000	7,789,293
Operation utensils	259,550	9,274,563
Kitchen utensils	8,000	5,001,588
Spoilage and loss	2,657,179	2,363,798
Music and royalties	-	24,197,875
Kitchen fuel	645,500	25,635,645
Service money	295,663	-
Miscellaneous	59,501	1,850,106
	<b><u>6,615,894</u></b>	<b><u>133,618,722</u></b>
<b>Total</b>	<b><u>40,136,611</u></b>	<b><u>851,870,467</u></b>

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**30. Operating Expenditure – Guest Laundry and Spa**

Details are shown as below:

	<b>01-Oct-20 to 31-Mar-21 MMK</b>	<b>01-Oct-19 to 31-Mar-20 MMK</b>
<b><u>Payroll and related expenses</u></b>		
Guest laundry	-	-
SPA and souvenir cost	1,287,863	28,492,781
	<b>1,287,863</b>	<b>28,492,781</b>
<b><u>Other expenses</u></b>		
Guest laundry	-	143,566
SPA and souvenir cost	193,303	34,893,498
	<b>193,303</b>	<b>35,037,063</b>
<b>Total</b>	<b>1,481,166</b>	<b>63,529,844</b>

**31. Operating Expenditure – Other Operating**

Details are shown as below:

	<b>01-Oct-20 to 31-Mar-21 MMK</b>	<b>01-Oct-19 to 31-Mar-20 MMK</b>
Mini bar	3,771	1,623,583
Boat expenses	-	92,800
Bicycle expense	-	64,300
Staff related	-	1,513,705
Others	2,978,067	-
<b>Total</b>	<b>2,981,838</b>	<b>3,294,389</b>

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**32. Other Income**

Details are shown as below:

	<b>01-Oct-20 to 31-Mar-21 MMK</b>	<b>01-Oct-19 To 31-Mar-20 MMK</b>
Interest Income	145,046	492,805
Others Income	3,920,169	13,288,312
<b>Total</b>	<b>4,065,215</b>	<b>13,781,117</b>

**33. Sales and Marketing**

Details are shown as below:

	<b>01-Oct-20 to 31-Mar-21 MMK</b>	<b>01-Oct-19 to 31-Mar-20 MMK</b>
<b><u>Payroll and related expenses</u></b>		
Salaries and wages	16,432,292	118,841,658
Employee benefits	-	2,096,340
	<b>16,432,292</b>	<b>120,937,998</b>
<b><u>Other expenses</u></b>		
Printing and stationery	-	1,064,621
Data processing	-	37,500
Uniform	-	30,000
Postage , telephone ,e-mail	55,000	1,376,450
Marketing promotion	-	28,638,173
Advertising	3,492,633	26,723,415
Entertainment	-	4,282,332
Travelling	-	5,074,460
Miscellaneous	-	73,400
	<b>3,547,633</b>	<b>67,300,351</b>
<b>Total</b>	<b>19,979,925</b>	<b>188,238,349</b>

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**34. Administration and General**

Details are shown as below:

	<b>01-Oct-20 to 31-Mar-21 MMK</b>	<b>01-Oct-19 to 31-Mar-20 MMK</b>
<b><u>Payroll and related expenses</u></b>		
Salaries and wages	67,990,639	302,880,491
Employee benefits	5,726,734	42,173,480
	<b>73,717,373</b>	<b>345,053,971</b>
<b><u>Other expenses</u></b>		
DCA flight movement charges	-	10,117,800
NYDC 5% tax	-	98,275,000
Data processing expenses	273,700	879,000
Printing and stationery	186,700	4,566,193
Laundry	-	33,900
Uniform	633,012	4,973,931
Postage,telephone, e-mail	2,439,310	2,460,050
Transportation and labour	354,917	3,947,310
Drinking water	-	3,600
Motor vehicle expenses	491,586	7,114,620
Cleaning and garbage Expenses	403,800	6,018,785
Legal and consultant fees	32,649,492	48,608,422
Bank charges	478,270	17,855,695
Cash (overage)/shortage	90,803	291,890
Entertainment	172,300	2,419,329
Travelling	2,597,185	35,123,068
Licenses and tax	9,062,610	34,912,933
Insurance	16,822,988	13,775,051
Present and donation	134,500	6,738,070
Yangon expenses allocation	172,418,703	387,603,009
Medical expenses	39,700	518,950
Miscellaneous	1,220,301	5,087,940
Launching Event Expenses	3,985,044	7,376,460
Pre-opening expenses	21,050,698	45,837,717
Service money	1,367,078	-
Test flying charges	-	1,464,995
Office rental	12,000,000	-
DICA Charges	300,000	-
	<b>279,172,697</b>	<b>746,003,716</b>
<b>Total</b>	<b>352,890,070</b>	<b>1,091,057,687</b>

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**35. Property Operating and Maintenance**

Details are shown as below:

	<b>01-Oct-20 to 31-Mar-21 MMK</b>	<b>01-Oct-19 to 31-Mar-20 MMK</b>
<b><u>Payroll and related expenses</u></b>		
Salaries and wages	22,398,687	92,852,057
Employee benefits	866,323	15,233,871
	<b><u>23,265,010</u></b>	<b><u>108,085,928</u></b>
<b><u>Other expenses</u></b>		
Engineering supplies	275,400	6,120,121
Printing and stationery	10,810	276,269
Uniform	364,236	2,474,118
Postage, telephone,e-mail	82,000	605,000
Transportation and labour	330,500	6,258,682
Maintenance	7,517,400	70,447,278
Travelling	60,000	352,700
Painting and renovation	1,490,280	23,868,916
Kitchen equipment	-	625,548
Land scaping	3,806,997	14,313,300
Swimming pool	1,275,660	6,554,154
Light bulb	71,200	16,571,541
Sound system	-	425,000
Plumbing and heating	-	294,900
Sewage and rubbish removal	325,000	7,523,500
Service money	231,013	
Miscellaneous	271,400	487,000
	<b><u>16,111,896</u></b>	<b><u>157,198,027</u></b>
<b>Total</b>	<b><u>39,376,906</u></b>	<b><u>265,283,954</u></b>

**36. Utility Cost**

Details are shown as below:

	<b>01-Oct-20 to 31-Mar-21 MMK</b>	<b>01-Oct-19 to 31-Mar-20 MMK</b>
Water	429,650	4,149,150
Diesel, petrol	2,125,953	47,413,146
Electricity	19,843,566	236,197,856
<b>Total</b>	<b><u>22,399,169</u></b>	<b><u>287,760,152</u></b>

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**37. Exchange rate differential**

Details are shown as below:

	<b>01-Oct-20 to 31-Mar-21 MMK</b>	<b>01-Oct-19 to 31-Mar-20 MMK</b>
Exchange rate differential - realized	(4,267,874)	18,985,150
Exchange rate differential - unrealized	<u>1,678,497,751</u>	<u>121,998,669</u>
<b>Total</b>	<b><u>1,674,229,877</u></b>	<b><u>140,983,818</u></b>

**38. Income Tax Expenses**

Details are shown as below:

	<b>01-Oct-20 to 31-Mar-21 MMK</b>	<b>01-Oct-19 to 31-Mar-20 MMK</b>
Income tax expenses	-	262,198,756
Corporate income tax under provision	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>-</u></b>	<b><u>262,198,756</u></b>

**39. Financial risk management**

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business whilst managing its risks. The main areas of financial risks faced by the Company and the policy in respect of the major areas of treasury activity are set out as follow:

***Foreign exchange risk***

The Company may have foreign exchange loss for the translation of foreign exchange transactions, assets or liabilities which are denominated in foreign currencies.

***Interest rate risk***

The Company does not have any interest bearing assets or liabilities. Hence, the Company does not have any exposure to interest rate risk.

***Liquidity and cash flow risks***

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

***Operational risk***

Operational risk, which is inherent in all business activities, is the potential for financial loss, and business instability arising from failures in internal controls, operational process or the systems that support them.

The goal of operational risk management is to balance cost and risk within the constraints of the risk appetite of the Company and to be consistent with the prudent management required of an organization.

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It is recognized that such risks can never be entirely eliminated and that the cost of controls in minimizing these risks may outweigh the potential benefits. Accordingly, the Company continues to invest in risk management and mitigation such as business continuity management and incident management. In reinforcement of the implementation of the Company's risk strategy, independent checks on risk issues are undertaken by the internal audit function.

***Legal risk***

Legal risk is the risk that the business activities of the Company have with unintended or unexpected legal consequences. It includes risk arising from:

- Inadequate documentation, legal or regulatory incapacity, insufficient authority of a counterparty and uncertainty about the validity or enforceability of a contract in counterparty insolvency;
- Actual or potential violations of law or regulation which may attract a civil or criminal fine or penalty;
- Failure to protect the Company's property; and
- The possibility of civil claims (including acts or other events, which may lead to litigation or other disputes).

The Company identifies and manages legal risk through effective use of its internal and external legal advisers.

***Tax risk***

Tax risk is the risk of loss or increased charges associated with changes in, or errors in the interpretation of, taxation rates or law.

**40. Comparative Information**

Certain Figures of the period from 01 October 2019 to 31 March 2020 were reclassified and shown in the financial statements to facilitate comparison.

**41. Authorisation of Financial Statements**

The interim consolidated financial statements for the period from 01 October 2020 to 31 March 2021 were authorized by the Board of Directors for issue.