

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (“MD&A”) is based on Amata Holding Public Company Limited (“Amata”) Consolidated Audited Financial Statements for the financial period ended 31st March 2022 and should be read in conjunction with those financial statements and related notes thereto. All currency amounts in the MD&A are expressed in Myanmar Kyats unless otherwise specified.

Since the financial year of Myanmar is reset as 1st April to 31st March, Amata has duly set the 6-month financial period of 1st October 2021 to 31st March 2022 as the company’s FY 2021-2022. The following management discussion and analysis is compared between the 6-month financial period ended 31st March 2022 and 12-month financial period ended 30th September 2021.

1. Operating Results

The Group’s operating performance for the 6-month financial period ended 31st March 2022 and 12-month financial year ended 30th September 2021 are shown below.

(Kyat)	01-Oct-21 to 31-Mar-22	01-Oct-20 to 30-Sep-21	% Change
Operating Revenue			
Room Sales	1,187,137,161	311,018,290	282%
Passenger Income (Balloon)	-	-	
Food and Beverage	468,160,369	109,930,406	326%
Other operating	122,759,338	26,531,966	363%
Total	1,778,056,868	447,480,662	297%
Cost of Sales			
Room and Balloon	267,289,749	166,826,976	60%
Food and Beverage	287,942,402	127,042,288	127%
Other operating	13,216,961	7,218,268	83%
Total	568,449,112	301,087,532	89%
Gross Profit	1,209,607,756	146,393,130	726%
Other Income	1,154,956	2,000,439,778	-100%
Other Expense	(1,224,403,076)	8,477,430,096	-114%
EBITDA	2,435,165,788	(6,330,597,188)	-138%
EBIT	1,457,593,417	(8,438,791,712)	-117%
Interest Expense	1,009,219,558	1,611,671,310	-37%
Profit/(Loss) before Tax	448,373,859	(10,050,463,022)	-104%
Total Comprehensive Income	649,500,164	(10,024,094,822)	-106%

The Group’s principal business activity is the management and operations of resort hotel and hot air ballooning business. Specifically, the revenue of the Group is derived from revenue generated from the

subsidiaries, UIG which we own 99.99% and MB in which we have 51% interest. The revenue can be broken down into revenue from hotel and ballooning operations and revenue from food and beverages (F&B) and others (including spa operations, guest laundry, souvenir, etc.). Comparing the financial period ended 31st March 2022 with FY 2020-2021 ended 30th September 2021, the total operating revenue increased by 297%. Although there was no passenger income from hot air balloon business due to not being able to operate during the period, the increase in total operating revenue was contributed from room sales revenue which was resulted from resuming the operations of certain hotels. The cost of sales also increased by 89%. Due to the increased revenue of the Group and controlling the cost of sales, this year gross profit was increased by 726% compared with the previous year. However, other income was decreased by 100%. It was due to the inclusion of the write-off value of 2 billion Kyats payable to Amata International Company Limited (AIC) by United International Group Limited for assets transfer of Inle Hotel in the previous year's other income.

Since the outbreak of Covid-19 pandemic was being controlled due to the decrease in the rate of spread locally from late September 2021, the vaccinations and the increased awareness on how to prevent the virus, we were able to reopen some hotels in accordance with the Covid-19 prevention guidelines. Consequently, our Group's business performance and profitability was increased again in FY 2021-2022 as compared to previous FY 2020-2021. Other expenses such as sales and marketing, administrative and general expenses were decreased in the current financial period as compared to the previous financial year. As a result, there was an increase in revenue in the FY 2021-2022 but there was no proportionately increase in the cost of sales. Management was also able to control all expenses in accordance with the cost saving plan and there was an unrealized exchange gain of 1.88 billion Kyats due to the decrease in foreign currency exchange rates. Similar to gross profit, total comprehensive income turned to gain of 0.65 billion Kyats in current FY 2021-2022 as compared to the loss of 10 billion Kyats in previous FY 2020-2021.

Our profit and loss statement included the gains and losses due to foreign currency exchange rates and the written off for assets transfer of Inle Hotel and if they are not considered, the Group's loss would be lowered by 73% in this FY 2021-2022 as compared to FY 2020-2021.

(Kyat)	Financial Period ended 31 March 2022	Financial Year ended 30 September 2021	% Change
Total Comprehensive Income	649,500,164	(10,024,094,822)	
Other income adjustment	-	(2,000,000,000)	
Exchange rate adjustment	(1,878,988,993)	7,414,962,518	
Net loss - Operational	(1,229,488,829)	(4,609,132,304)	-73.3%

Foreign Currency Exchange Gain/Loss

Since the Group operates mainly in the Hotel industry, the business almost always encounters the exchange rate risk in general. The unexpected decrease of foreign currency exchange rates at the date of reporting has led to the significant foreign currency exchange gain for the Group. It could be seen by comparing the

financial statements of FY 2021-2022 and FY 2020-2021. As per below table extracted from the financial statements of the current period, unrealized exchange gain of 1.88 billion Kyats consists mainly of 1.59 billion Kyats from translation currency of the foreign currency loan.

(Kyat)	Financial Period ended 31 March 2022	Financial Year ended 30 September 2021
Ex rate differential - realized	(57,380,075)	(4,465)
Ex rate differential - unrealized	(1,878,988,993)	7,414,962,518
Total	(1,936,369,068)	7,414,958,053

2. Financial Condition

Non-Current Assets

The Group's non-current assets comprise of tangible, intangible and right of use for hotel and hot air ballooning services. A 9% increase in non-current assets was primarily attributable to the inclusion of 10 newly constructed Bungalows in Amata Resort & Spa (Andaman – Phoni) and new swimming pools in My Hpa-An Residence by Amata and right of use assets due to long-term land lease in accordance with the accounting standards despite showing depreciation and amortization of non-current assets.

(Kyat)	Financial Period ended 31 March 2022	Financial Year ended 30 September 2021	% Change
Non-current Assets	53,651,830,743	49,280,952,903	9%

Current Assets

The Group's current assets comprise of inventory, account receivables, prepayment and advance, amount due from related parties, and cash and cash equivalents. Current assets were decreased by 86% between FY 2020-2021 and FY 2021-2022. The main reason for that was 100% decrease in the amount due from related parties outweighed the increase of 61% in account receivables of the Group.

(Kyat)	Financial Period ended 31 March 2022	Financial Year ended 30 September 2021	% Change
Current Assets	501,797,957	3,597,069,270	-86%

Current Liabilities

The Group's major current liabilities include current portion of long-term borrowings, accounts payable, accrued expenses, tax payable, provision and deposit, amount due to related parties, and other liabilities, which consist of commission and other miscellaneous. A 16% increase in current liabilities for FY 2021-

2022 as compared to FY 2020-2021 was mainly due to an increase of 2.37 billion Kyats in amount due to related parties resulting from the construction of 10 bungalows in Amata Resort & Spa (Andaman – Phoni) and new swimming pools in My Hpa-An Residence by Amata, and an increase of 1.09 billion Kyats in current portion of principal payment for the foreign currency loan.

(Kyat)	Financial Period ended 31 March 2022	Financial Year ended 30 September 2021	% Change
Current Liabilities	14,000,620,872	12,117,196,735	16%

Non-Current Liabilities

Non-Current Liabilities comprise of long-term borrowings, other non-current liabilities and finance lease obligation. As at FY 2021-2022, we have outstanding long-term borrowing of foreign currency loan equivalent of 14.30 billion Kyats. A 12% drop in non-current liabilities for the FY 2021-2022 as compared to FY 2020-2021 was mainly due to the reporting of long-term borrowing which will be due next year to current liabilities and a decrease of foreign currency exchange rate in current financial period.

(Kyat)	Financial Period ended 31 March 2022	Financial Year ended 30 September 2021	% Change
Non-current Liabilities	15,571,457,171	17,682,221,610	-12%

Total Equity

The total equity consists of share capital, retained earnings and non-controlling interest (NCI). For FY 2021-2022, the total equity increased by 7% as compared to FY 2020-2021. It was mainly due to the reopening and resumption of the operation of some hotels, the gain from foreign currency exchange rates and dividend reserve.

(Kyat)	Financial Period ended 31 March 2022	Financial Year ended 30 September 2021	% Change
Total Equity	24,581,550,657	23,078,603,828	7%

Review and Business Outlook of Amata

Due to the outbreak of Coronavirus (Covid-19) in early 2020 and recent changes of unexpected situations, the Tourism Sector has faced with the toughest challenges.

We were able to reopen some hotels in accordance with the Covid-19 prevention guidelines in FY 2021-2022 due to the decrease in the rate of spread locally from late September 2021, the vaccinations and the

increased awareness on how to prevent the virus. However, we could not achieve the expected revenue and profit since only some hotels were reopened due to the unexpected situations. Nevertheless, until the time comes for the tourism industry to recover, the company is trying to protect the interest of the shareholders by reducing operation costs and other expenses, making necessary arrangements, operating sales promotion programs in full swing, and setting the strategies based on the changing economic situation and requirements.

On 1st November 2021, amidst the crisis period, the company managed to open 10 luxury bungalows with private swimming pool in Amata Resort & Spa Hotel project which was started since 2017 and located on Andaman – Phoni Island. Moreover, the company managed to expand and constructed the new swimming pool with the area of (25' x 50') in My Hpa-An Residence by Amata Hotel.

The Group has some foreign currency loan for debt financing to expand the hotel business, however, that is a long term loan and the Group has reached an agreement with the loan provider for a revised loan repayment schedule. As at the latest practicable date, the Group's management believes that the Group has the ability to pay its short and long term debt according to its schedule.

Although the new hotel, Amata Resort & Spa (Andaman), which is located on Phoni Island, Myeik Archipelago is only opened starting from 1st November 2021, the hotel won over the hearts of its customers due to being privately located on Phoni Island, being able to enjoy the natural beauties of both under and above water by carefully preserving the natural resources, and being able to relax peacefully. For the abovementioned reasons, it is expected that this hotel could increase the revenue of the Group in the coming tourism period. With the decrease in the rate of Covid-19 spread locally in the upcoming periods, the tourism industry could recover and the Group is aiming to resume hotels and hot air ballooning services unless unexpected situations occurred and will continue our efforts to achieve the increased revenue of the Group and good future prospects.

On Behalf of the Board of Directors,



U Win Aung

Chairman