

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

REGISTRATION No. 100456125

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

KHIN SU HTAY & ASSOCIATES LIMITED

CERTIFIED PUBLIC ACCOUNTANTS

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
REGISTRATION No. 100456125

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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STATEMENT BY DIRECTORS
OF
AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 31 MARCH 2023

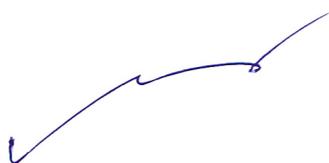
The Group's directors are responsible for the preparation and fair presentation of the consolidated financial statements, comprising the consolidated statement of financial position as at 31 March 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the 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 the 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 the consolidated financial statements for each year that give a true and fair view of the state of affairs of the Group as at the end of the financial year and of the operating results of the Group for that year. It also requires the directors to ensure the Group keeps proper accounting records according to Section 258 and 261 of Myanmar Companies Law 2017 ("the Law") that disclose with reasonable accuracy of the consolidated financial position of the Group. The directors are also responsible for safeguarding the assets of the Group and to prevent and detect fraud and other irregularities.

The directors have made an assessment of the Group's ability to continue as a going concern and have no reason to believe the Group 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 financial statements for issue.

On behalf of the Board of Directors,



U Win Aung
Managing Director
Amata Holding Public Company Limited
Date: 30-6-2023

Daw Nay Myat Thu Aung
Director
Amata Holding Public Company Limited
Date: 30-6-2023



KHIN SU HTAY & ASSOCIATES LIMITED

Certified Public Accountants
(Company Registration Number: 100124548)

C-1 / 005, Ground Floor, Hninnsi Street, Yuzana Highway Complex,
Narnat Taw Road, Kamayut Township, Yangon, Myanmar

Email: thantint@kshal.com

Tel: (95-09) 422953862, 422953863

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

OF

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED 31 MARCH 2023

Qualified Opinion

We have audited the consolidated financial statements of **Amata Holding Public Company Limited** (“the Company”) and its **Subsidiaries** (“the Group”), which comprise the consolidated statement of financial position of the Group as at 31 March 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the effects of adjustments if any, arising from the matters described in Basis for qualified opinion, the consolidated financial statements of the Group are properly drawn up in accordance with International Financial Reporting Standards (IFRS) and the provisions of Myanmar Companies Law 2017 (“the Law”), so as to give a true and fair view of the state of affairs of the Group as at 31 March 2023 and of the results, changes in equity and cash flows of the Group for the year then ended.

Basis for Qualified Opinion

Based on our audit, we noted as follows;

Permission for land use (Form-15) of “My Hpa-an Residence” was granted by Central Committee for the Management of Vacant, Fallow and Virgin Lands dated 19 March 2020, is under the name of Awinka Holding Company Limited (U Win Aung).

Land lease agreement for “Amata Resort and Spa (Andaman)” was made between the Republic of the Union of Myanmar, Taninthayi Region Government (Lessor) and Amata International Company Limited (Lessee) on 28 March 2016.

It has been expressly stated in the land used agreements of My Hpa-an Residence and Amata Resort and Spa (Andaman), not to transfer or sub-lease the agreed right and obligation to others person or organization.

The management of the Group intention for the land is to be sub-leased to United International Group Limited from Awinka Holding Company Limited and Amata International Company Limited respectively. So, the Company is in process for applying the sub-leasing approval from the respective Government Authority (i.e., Central Committee for the Management of Vacant, Fallow and Virgin Lands and Republic of the Union of Myanmar, Taninthayi Region Government).

The approval of sub-leasing from the respective Government Authority has not yet received at the time of this report.



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As a result of above condition, we report as notes to the consolidated financial statements as follows;

Notes no. 4: Property, Plant & Equipment

My Hpa-an Residence and Amata Resort and Spa (Andaman) hotels constructed on the lands stated above, having carrying value MMK 1,395,013,910 and MMK 4,036,368,316 were recorded under property, plant and equipment and depreciation of hotels increased by MMK 93,471,909 for the year ended 31 March 2023 and MMK 40,994,321 for the period from 01 October 2021 to 31 March 2022 respectively. As a result of not providing the land lease contracts, control and right to use of hotels constructed on these lands could not be verified.

Notes no. 6: Right of Used Assets

As included of the right of use assets at MMK 611,926,719 in the consolidated statement of financial position, depreciation increased by MMK 16,755,125 for the year ended 31 March 2023 and MMK 20,275,928 for the period from 01 October 2021 to 31 March 2022 respectively. Land lease agreement contracts with United International Group Limited for “My Hpa-an Residence” and “Amata Resort and Spa (Andaman)” were not available to review the right to direct use of these lands/approval for sub-leasing of land use, permission of construction, rights and obligation of the Company, lease period, annual rental fees, etc. during the course of audit.

Notes no. 21: Finance Lease Obligation

As included of the finance lease obligation at MMK 645,896,013 in the consolidated statement of financial position, interest expenses increased by MMK 83,968,727 for the year ended 31 March 2023 and MMK 41,985,816 for the period from 01 October 2021 to 31 March 2022 respectively. Land lease agreement contracts with United International Group Limited for “My Hpa-an Residence” and “Amata Resort and Spa (Andaman)” were not available to review the right to direct use of these lands/approval for sub-leasing of land use, permission of construction, rights and obligation of the Company, lease period, annual rental fees, etc. during the course of audit.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Myanmar, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the provisions of Myanmar Companies Law 2017 (“the Law”) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going



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concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Group to express an opinion on the consolidated financial
-



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statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Further to our opinion, we report as follows:

- (a) The proper books of account have been kept by the Group in accordance with the provisions of the Section 258 of the Law.
- (b) In accordance with the provisions of Section 280 (b) (i) and (ii) of the Law:
 - we have obtained all the information and explanations we have required; and
 - the financial statements are drawn up in conformity with the provisions of the Law.



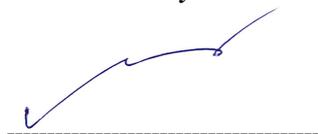
U Than Tint
CPA (PAPP-103)
Managing Director
Khin Su Htay & Associates Limited
Certified Public Accountants

Yangon,
Date: 30 June 2023

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

		31-Mar-23 MMK	31-Mar-22 MMK
Assets			
Non-current assets			
	Notes		
Property, plant and equipment	4	50,695,718,202	52,321,128,228
Intangible assets	5	39,218,684	66,708,238
Right of used assets	6	1,235,354,739	1,263,994,277
		51,970,291,625	53,651,830,743
Current assets			
Inventories	7	117,021,883	157,051,838
Accounts receivable	8	88,501,226	100,804,231
Deposit, prepayments and advance	9	64,901,978	121,444,536
Advance tax	10	25,558,898	28,575,503
Cash and cash equivalents	11	174,640,150	93,921,849
		470,624,135	501,797,957
Total assets		52,440,915,760	54,153,628,700
Equity and liabilities			
Share capital	12	3,487,990,000	3,487,990,000
Retained earnings		13,116,911,858	20,118,413,888
Non controlling interest		964,490,218	975,146,769
		17,569,392,076	24,581,550,657
Current liabilities			
Accounts payable	13	5,942,338,893	4,469,185,748
Tax payable	14	106,636,078	200,007,265
Accrued expenses	15	810,956,481	785,197,726
Deposit received	16	733,879,694	585,400,841
Other liabilities	17	755,635,795	712,424,583
Amount due to related parties	18	2,721,502,716	2,424,286,977
Dividend payable	19	-	-
Long-term borrowings	20	8,812,650,000	4,725,035,000
Finance lease obligation	21	3,170,914	99,082,732
		19,886,770,571	14,000,620,872
Non - current liabilities			
Long-term borrowings	20	13,657,350,000	14,299,565,000
Finance lease obligation	21	1,327,403,113	1,271,892,171
		14,984,753,113	15,571,457,171
Total equity and liabilities		52,440,915,760	54,153,628,700

Authenticated by:



U Win Aung
 Managing Director
 Amata Holding Public Company
 Limited Date :30-6-2023




Daw Nay Myat Thu Aung
 Director
 Amata Holding Public Company
 Limited Date :30-6-2023

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

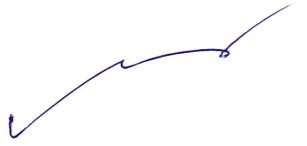
		01-Apr-22 to 31-Mar-23 MMK	01-Oct-21 to 31-Mar-22 MMK
	Notes		
Revenue			
Room / ballooning	22	2,441,491,776	1,187,137,161
Food and beverage	23	864,299,281	468,160,369
Guest laundry and spa	24	45,373,892	32,916,409
Other operating	25	161,142,008	89,842,929
		3,512,306,957	1,778,056,868
Cost of sales			
Room / ballooning	26	(728,482,474)	(267,289,749)
Food and beverage	27	(645,407,681)	(287,942,402)
Guest laundry and spa	28	(15,568,586)	(10,367,040)
Other operating	29	(9,674,123)	(2,849,921)
		(1,399,132,864)	(568,449,112)
Gross profit		2,113,174,093	1,209,607,756
Other Income	30	1,880,355,687	1,154,956
Sales and marketing	31	(96,560,319)	(19,228,500)
Administration and general	32	(2,892,467,625)	(434,196,433)
Property operating and maintenance	33	(341,233,586)	(102,752,785)
Utility cost	34	(405,124,517)	(144,370,274)
Property tax		(4,012,000)	(6,018,000)
Lease rental		(14,713,334)	(5,400,000)
Write-off		(2,981,742)	-
Exchange rate differential	35	(4,528,151,932)	1,936,369,068
		(4,291,715,275)	2,435,165,788
EBITDA		(4,291,715,275)	2,435,165,788
Depreciation	4, 6	(1,754,685,618)	(951,293,472)
Amortization	5	(37,326,454)	(26,278,899)
		(6,083,727,347)	1,457,593,417
EBIT		(6,083,727,347)	1,457,593,417
Interest expense	36	(1,863,266,240)	(1,009,219,558)
(Loss)/profit before tax		(7,946,993,587)	448,373,859
Income tax expenses	37	-	181,428,236
Commercial tax over provision		-	8,128,959
Gain on disposal		15,154,697	12,999,000
Capital gain tax		(895,667)	(1,429,890)
(Loss)/profit for the year/period		(7,932,734,557)	649,500,164
Other comprehensive income		-	-
Total comprehensive income for the year/period		(7,932,734,557)	649,500,164

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

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	01-Apr-22 to 31-Mar-23 MMK	01-Oct-21 to 31-Mar-22 MMK
Profit Attributable to :		
Equity holder of the Company	(7,922,076,004)	645,735,863
Non-controlling interest	(10,658,553)	3,764,301
	(7,932,734,557)	649,500,164
Total Comprehensive Income Attributable to :		
Equity holder of the Company	(7,922,076,004)	645,735,863
Non-controlling interest	(10,658,553)	3,764,301
	(7,932,734,557)	649,500,164
Negative earning per share (loss per share) / Earning per share Basic (MMK)	(755)	62

Authenticated by:



U Win Aung
 Managing Director
 Amata Holding Public Company Limited
 Date : 30-6-2023




Daw Nay Myat Thu Aung
 Director
 Amata Holding Public Company Limited
 Date : 30-6-2023

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	SHARE CAPITAL MMK	RETAINED EARNINGS MMK	Total MMK	NCI MMK	TOTAL EQUITY MMK
As at 01 October 2021	3,487,990,000	19,052,382,310	22,540,372,310	538,231,518	23,078,603,828
Profit for the period	-	645,735,863	645,735,863	3,764,301	649,500,164
Dividend (<i>see notes 20</i>)	-	520,026,150	520,026,150	428,616,247	948,642,397
Prior year adjustments	-	(99,730,435)	(99,730,435)	4,534,703	(95,195,732)
As at 31 March 2022	3,487,990,000	20,118,413,888	23,606,403,888	975,146,769	24,581,550,657
As at 01 April 2022	3,487,990,000	20,118,413,888	23,606,403,888	975,146,769	24,581,550,657
Loss for the year		(7,922,076,004)	(7,922,076,004)	(10,658,553)	(7,932,734,557)
Dividend Paid		(80,599,500)	(80,599,500)	-	(80,599,500)
Prior year adjustments		1,001,173,474	1,001,173,474	2,002	1,001,175,476
As at 31 March 2023	3,487,990,000	13,116,911,858	16,604,901,858	964,490,218	17,569,392,076

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

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	01-Apr-22 to 31-Mar-23 MMK	01-Oct-21 to 31-Mar-22 MMK
Cash flows from operating activities		
(Loss)/profit before taxation	(7,946,993,587)	448,373,859
Adjustments for:		
Depreciation	1,754,685,618	951,293,472
Adjustment of property, plant and equipment	1,500,000	-
Amortization	37,326,454	26,278,899
Interest income	(1,014,250)	(914,132)
Interest expense	1,863,266,240	1,009,219,558
Write-off	2,981,742	-
Provision for baddebt	5,220,610	-
Exchange rate differential	4,320,542,921	(1,879,199,610)
Operating cash flows before working capital changes	37,515,748	555,052,046
Changes in working capital:		
Inventory	37,048,213	(26,433,417)
Trade and other receivables	2,853,992	145,898,538
Amount due from related parties	-	2,256,530,153
Trade and other payables	78,432,035	(173,067,158)
Amount due to related parties	475,164,897	2,357,734,814
Cash flows from/(used in) operating activities	631,014,885	5,115,714,976
Interest paid	(4,800,000)	(4,800,000)
Tax refund	7,241,666	-
Net cash provided by operating activities	A 633,456,551	5,110,914,976
Cash flows from investing activities		
Purchase of property, plant and equipment	(47,906,689)	(4,711,470,224)
Purchase of intangible assets	(8,675,600)	(17,669,925)
Proceeds from sale of property, plant and equipment	21,200,000	13,000,000
Interest received	1,014,250	914,132
Net cash used in investing activities	B (34,368,039)	(4,715,226,017)
Cash flows from financing activities		
Dividend paid	(80,599,500)	-
Finance lease obligation	(437,770,711)	(252,262,142)
Net cash used in financing activities	C (518,370,211)	(252,262,142)
Net increase in cash and cash equivalents	A+B+C 80,718,301	143,426,817
Cash and cash equivalents at the beginning of the year/period	93,921,849	(49,504,968)
Cash and cash equivalents at the end of the year/period	174,640,150	93,921,849

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

These notes form an integral part of and should be read in conjunction with the accompanying 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 Company is listed in the Yangon Stock Exchange Joint Venture Company Limited on 03 June 2021.

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
- (vi) Amata Resort and Spa (Andaman) was operated in November 2021.

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

(c) Use of Estimates and Judgements

The preparation of the 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 consolidated financial statements.

(d) Basis of Consolidation

(a) Subsidiaries

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 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 consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(b) Associated companies

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

(c) Equity method of accounting

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

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

(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 consolidated financial statements.

(a) Foreign Currency Translation

The Company maintains its accounting records in Myanmar Kyats. The financial statements are presented in Myanmar Kyats (MMK), which is functional and presentation currency of the Company.

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

All monetary assets and liabilities denominated in foreign currencies other than Myanmar Kyats outstanding at the reporting date are translated to the functional currency at the exchange rate of MMK 2,100.00 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 debt.

The allowance for doubtful accounts is established at 10% of trade and other accounts receivable balances that remain overdue for 365 days or more as of the reporting date.

(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 includes 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.

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When parts of an item of property, plant and equipment have different useful lives, they are accounted for as 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.

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:

	Useful Lives
-Building	60, 58, 56, 49,20 years
-Balloon (15 units)	7 years
-Plant and machinery	5 years
-Furniture and fixtures	5 years
-Office equipment	3 years
-Vehicle	5 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 Group 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.

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.

Revenue from Ballooning operations

Rental and related services income are recognized in profit or loss as the services are provided.

(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 Group 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 Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group 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 Group 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 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 Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group 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 Group 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 is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax

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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 Group assesses at each balance sheet date whether there is objective evidence that a financial asset or the Group 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 Group of financial assets that can be reliably estimated.

(o) Related Parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group 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 Group 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:

Name of individuals	Nature of relationship
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 Subsidiary

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

Transaction	Pricing policies
Land lease	Contractually agreed prices

Significant transactions for the year ended 31 March 2023 with related parties were as follows;

	31-Mar-23	31-Mar-22
	MMK	MMK
Payable to related party	2,721,502,716	2,424,286,977

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Significant agreement with related party

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

Land Lease – Amata Resort & Spa- Ngapali	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:

												MMK
	Building	Office Equipment	Plant & Machinery	Furniture & Fixture	Data Processing Equipment	Motor Vehicles	Balloon (15 units)	Boat & Bicycle	Others	Operation Equipment	Construction in Progress	Total
<i>Costs</i>												
At 01 Apr 2022	55,763,384,232	349,942,385	1,395,028,844	2,083,102,970	296,196,947	744,877,983	2,329,570,423	233,923,654	129,545,366	1,198,739,243	21,756,312	64,546,068,359
Additions	2,500,000	3,460,000	13,819,600	2,926,000	89,946,650	-	-	357,330	2,083,200	4,147,500	12,574,389	131,814,669
Disposal	-	-	(565,000)	-	-	(47,400,000)	-	-	-	-	-	(47,965,000)
Transfer to hotel	-	(9,988,329)	(1,156,448)	-	-	-	-	5,000,000	-	(6,816,382)	(6,529,550)	(19,490,709)
Transfer to MD	-	-	-	-	-	-	-	-	-	-	(16,922,302)	(16,922,302)
Adjustment	-	-	-	-	-	-	-	-	-	-	(1,500,000)	(1,500,000)
At 31 Mar 2023	55,765,884,232	343,414,056	1,407,126,996	2,086,028,970	386,143,597	697,477,983	2,329,570,423	239,280,984	131,628,566	1,196,070,361	9,378,849	64,592,005,017
<i>Accumulated Dep:</i>												
At 01 Apr 2022	4,938,082,832	310,470,901	1,114,090,971	1,702,452,098	288,825,875	660,414,643	1,845,665,784	132,220,861	109,734,722	1,122,981,444	-	12,224,940,131
Additions	1,012,611,455	17,465,350	139,883,293	258,545,830	19,607,569	46,938,654	148,556,956	41,532,880	5,948,077	41,667,026	-	1,732,757,090
Disposal	-	-	(564,030)	-	-	(41,355,667)	-	-	-	-	-	(41,919,697)
Transfer to hotel	-	(9,988,329)	(1,156,448)	-	-	-	-	-	-	(8,345,932)	-	(19,490,709)
At 31 Mar 2023	5,950,694,287	317,947,922	1,252,253,786	1,960,997,928	308,433,444	665,997,630	1,994,222,740	173,753,741	115,682,799	1,156,302,538	-	13,896,286,815
<i>Net Book Value</i>												
At 31 Mar 2023	49,815,189,945	25,466,134	154,873,210	125,031,042	77,710,153	31,480,353	335,347,683	65,527,243	15,945,767	39,767,823	9,378,849	50,695,718,202
At 01 Apr 2022	50,825,301,400	39,471,484	280,937,873	380,650,872	7,371,072	84,463,340	483,904,639	101,702,793	19,810,644	75,757,799	21,756,312	52,321,128,228

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Under United International Group Limited

“My Hpa-an Residence” is situated on the land plot at Survey No.5/54, O.SS.66 Tanmalauk-Gwin, Tawpon Village, Hpa-an Township, Hpa-an District, Kayin State and Permission for land use (Form-15) granted by Central Committee for the Management of Vacant, Fallow and Virgin Lands dated 19 March 2020, is under the name of Awinka Holding Company Limited (U Win Aung).

“Amata Resort and Spa (Andaman)” is situated on “Poni” island Myeik (Mergui) Archipelago area which is the 50 years (extendable 2 times for 10 years each) land lease agreement (dated 28 March 2016) between the Republic of the Union of Myanmar, Taninthayi Region Government (Lessor) and Amata International Company Limited (Lessee).

It has been expressly stated in the land used agreements of My Hpa-an Residence and Amata Resort and Spa (Andaman), not to transfer or sub-lease the agreed right and obligation to others person or organization.

My Hpa-an Residence (operated in October 2019) and Amata Resort and Spa-Andaman hotels (operated in November 2021) hotels are in operation and Building Cost for these hotels MMK 1,474,338,465 and MMK 4,133,976,085 were recorded under property, plant and equipment without approval for sub-leasing of land use under the name of United International Group Limited and the approval of sub-leasing from the respective Government Authority has not yet received at the time of this report.

As a result of this, the depreciation of hotels increased by MMK 93,471,909 for the year ended 31 March 2023 and MMK 40,994,321 for the period from 01 October 2021 to 31 March 2022 respectively. (Note 6 and 22).

5. Intangible Assets

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

	31-Mar-23
	MMK
<i>Cost</i>	
At 01 April 2022	376,930,749
Addition	9,836,900
At 31 March 2023	386,767,649
<i>Accumulated Amortization</i>	
At 01 April 2022	310,222,511
Addition	37,326,454
At 31 March 2023	347,548,965
<i>Net Book Value</i>	
At 31 March 2023	39,218,684
At 01 April 2022	66,708,238

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6. Right of Used Assets

Details are shown as below:

	31-Mar-23
	MMK
<i>Cost</i>	
At 01 April 2022	1,331,412,060
Adjustment	11,011
At 31 March 2023	<u>1,331,423,071</u>
<i>Accumulated Depreciation</i>	
At 01 April 2022	67,417,783
Adjustment	6,722,021
Addition	21,928,528
At 31 March 2023	<u>96,068,332</u>
<i>Net Book Value</i>	
At 31 March 2023	<u>1,235,354,739</u>
At 01 April 2022	<u>1,263,994,277</u>

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

	Lease period as per contract	Useful life
Land Lease – Amata Resort & Spa- Ngapali	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
Land Lease - My Hpa-an Residence by Amata	Not contracted	59 Years & 6 Months
Land Lease – Amata Resort and Spa - Andaman	Not contracted	70 Years

Under United International Group Limited

“My Hpa-an Residence” is situated on the land plot at Survey No.5/54, O.SS.66 Tanmalauk-Gwin, Tawpon Village, Hpa-an Township, Hpa-an District, Kayin State and Permission for land use (Form-15) granted by Central Committee for the Management of Vacant, Fallow and Virgin Lands dated 19 March 2020, is under the name of Awinka Holding Company Limited (U Win Aung).

“Amata Resort and Spa (Andaman)” is situated on “Poni” island Myeik (Mergui) Archipelago area which is the 50 years (extendable 2 times for 10 years each) land lease agreement (dated 28 March 2016) between the Republic of the Union of Myanmar, Taninthayi Region Government (Lessor) and Amata International Company Limited (Lessee).

It has been expressly stated in the land used agreements of My Hpa-an Residence and Amata Resort and Spa (Andaman), not to transfer or sub-lease the agreed right and obligation to others person or organization.

The Company’s management intention for the land is to be sub-leased to United International Group Limited from Awinka Holding Company Limited and Amata International Company Limited respectively. So, the Company is in process for applying the sub-leasing approval from the respective Government Authority (i.e., Central Committee for the Management of

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Vacant, Fallow and Virgin Lands and Republic of the Union of Myanmar, Taninthayi Region Government). The approval of sub-leasing from the respective Government Authority has not yet received at the time of this report.

During the previous accounting period ended 31 March 2022, My Hpa-an Residence and Amata Resort and Spa (Andaman) hotels are in operation, and right-of-use assets for these hotels **MMK 184,531,232 and MMK 464,426,539 were recorded under right-of-use assets respectively.** However, **the Company have no land lease contracts with Awinka Holding Company Limited and Amata International Company Limited** for land lease to review approval for sub-leasing of land use, permission of construction, rights and obligation of the Company, lease period, annual rental fees, etc. during the course of audit.

As a result of this, the depreciation of hotels increased by MMK 16,755,125 for the year ended 31 March 2023 and MMK 20,275,928 for the period from 01 October 2021 to 31 March 2022 respectively. (Notes 4 and 22).

7. Inventories

Details are shown as below:

	31-Mar-23	31-Mar-22
	MMK	MMK
Food	9,172,398	10,326,725
Beverage	18,801,920	17,668,872
Cleaning supplies	1,067,314	1,493,505
Guest supplies	5,594,223	6,652,172
Massage oil	247,170	503,720
Souvenir stock	3,063,310	12,209,368
Printing supplies	8,024,481	7,950,458
Engineering supplies	39,866,928	39,683,136
Diesel	9,191,196	29,367,668
Gas	3,472,960	9,756,400
H.K guest supplies	3,437,558	6,039,099
Chemical	2,466,465	2,353,973
Stationery	136,203	136,202
Head office – store	12,479,757	12,417,890
Staff uniform	-	492,650
	<u>117,021,883</u>	<u>157,051,838</u>

During this financial year, its subsidiary - Myanmar Ballooning Company Limited write off the amount of inventory (MMK 2,981,742).

8. Accounts Receivable

Details are shown as below:

	31-Mar-23	31-Mar-22
	MMK	MMK
Guest ledger	32,500	7,687,699
City ledger	93,689,336	93,116,532
Provision for bad debts	(5,220,610)	-
	<u>88,501,226</u>	<u>100,804,231</u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****9. Deposit, Prepayments and Advance**

Details are shown as below:

	31-Mar-23	31-Mar-22
	MMK	MMK
Deposit	24,400,203	101,349,304
Prepayment – Insurance	27,824,185	8,130,101
– Others	2,523,422	2,816,288
Advance others	10,154,168	5,580,250
Pre-opening expenses	-	3,568,593
	<u>64,901,978</u>	<u>121,444,536</u>

10. Advance Tax

It comprises the followings:

	31-Mar-23	31-Mar-22
	MMK	MMK
Corporate income tax	1,065,744	9,837,300
Commercial tax	24,493,154	18,738,203
	<u>25,558,898</u>	<u>28,575,503</u>

(i) Corporate Income Tax

Details are shown as below:

	31-Mar-23	31-Mar-22
	MMK	MMK
Opening balance	9,837,300	9,837,300
Offset - Capital gain tax (Mar'2022)	(1,529,890)	-
Refund	(7,241,666)	-
Closing balance as at	<u>1,065,744</u>	<u>9,837,300</u>

(ii) Commercial Tax

Details are shown as below:

	31-Mar-23	31-Mar-22
	MMK	MMK
Opening balance	18,738,203	191,144,432
Advance payment during the year/period	5,754,951	807,644
Commercial tax payable	-	(195,030,648)
Adjustment	-	21,816,775
Closing balance as at	<u>24,493,154</u>	<u>18,738,203</u>

11. Cash and Cash Equivalents

Details are shown as below:

	31-Mar-23	31-Mar-22
	MMK	MMK
Cash in hand	75,743,491	27,002,021
Cash at bank	98,896,659	66,919,828
	<u>174,640,150</u>	<u>93,921,849</u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Share Capital

Details are shown as below:

	31-Mar-23	31-Mar-22
	MMK	MMK
<i>Issued, Subscribed and Fully paid-up Capital</i>		
10,000,000 shares of Ks 100 each	1,000,000,000	1,000,000,000
497,598 shares of Ks 5,000 each	2,487,990,000	2,487,990,000
	<u>3,487,990,000</u>	<u>3,487,990,000</u>

13. Accounts Payable

Details are shown as below:

	31-Mar-23	31-Mar-22
	MMK	MMK
Trade payable	255,279,010	231,772,408
Other	89,310,350	84,194,703
Interest payable	5,597,749,533	4,153,218,637
	<u>5,942,338,893</u>	<u>4,469,185,748</u>

Out of total trade payable stated above, MMK 13,958,688 was long outstanding balances of United International Group Limited.

14. Tax Payable

It comprises the followings:

	31-Mar-23	31-Mar-22
	MMK	MMK
Corporate income tax	-	-
Capital gain tax	895,667	4,359,690
Commercial tax	105,740,411	195,647,575
	<u>106,636,078</u>	<u>200,007,265</u>

(i) Corporate Income Tax

Details are shown as below:

	31-Mar-23	31-Mar-22
	MMK	MMK
Opening balance	-	181,428,236
Over provision	-	(181,428,236)
Closing balance as at	<u>-</u>	<u>-</u>

(ii) Capital Gain Tax

Details are shown as below:

	31-Mar-23	31-Mar-22
	MMK	MMK
Opening balance	4,359,690	2,929,800
Provision for the year/period	895,667	1,429,890
Penalty	100,000	-
Offset with advance corporate income tax	(1,529,890)	-
Tax Paid during the year	(2,929,800)	-
Closing balance as at	<u>895,667</u>	<u>4,359,690</u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****(iii) Commercial Tax**

Details are shown as below:

	31-Mar-23	31-Mar-22
	MMK	MMK
Opening balance	195,647,575	416,313,537
Provision for the year/period	105,740,412	53,341,704
Under/over provision	68,163	(8,128,959)
Tax paid during the year/period	(195,715,739)	(208,380,502)
Exchange rate differential	-	(57,498,205)
Closing balance as at	<u>105,740,411</u>	<u>195,647,575</u>

15. Accrued Expenses

Details are shown as below:

	31-Mar-23	31-Mar-22
	MMK	MMK
Social security	6,386,694	1,661,639
Electricity	12,110,170	51,451,060
Telephone and internet	690,661	6,544,551
Diesel	10,450,000	8,180,000
Others	136,635,947	113,587,822
Employee income tax	5,065,675	8,446,323
Audit fee	78,110,000	41,276,270
DCA flight movement charges	5,348,700	11,629,800
Royalty fees	364,142,440	331,372,500
NCDC	36,450,000	36,450,000
Advisory fees	125,566,194	164,597,761
CSR expenses	30,000,000	10,000,000
	<u>810,956,481</u>	<u>785,197,726</u>

16. Deposit Received

Details are shown as below:

	31-Mar-23	31-Mar-22
	MMK	MMK
Deposit received – Guest	438,915,396	366,720,470
– Others	169,135,210	104,760,618
– Agents (float)	125,829,088	113,919,753
	<u>733,879,694</u>	<u>585,400,841</u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023****17. Other Liabilities**

Details are shown as below:

	31-Mar-23	31-Mar-22
	MMK	MMK
Commission	3,314,232	3,478,562
Service money	272,321,563	228,396,387
Short-term loan	480,000,000	480,000,000
Staff fund	-	549,634
	<u>755,635,795</u>	<u>712,424,583</u>

Short-term loan

On 29 July 2020, its subsidiary – United International Group Limited borrowed a Covid – 19 Loan from Government for principal amount of MMK 480,000,000 with interest rate 1% and is repayable on 28 July 2021. According to Notification no. 2/2021 of UMFCCI dated 11 September 2021, the Covid-19 Loan is repayable on 28 July 2022. However, it is repayable on 28 July 2023 according to Notification no. 3/2022 of UMFCCI dated 04 November 2022.

18. Amount Due to Related Parties

Details are shown as below:

	31-Mar-23	31-Mar-22
	MMK	MMK
Amata International Co., Ltd.	71,459,413	86,909,413
Amount due to Director	2,650,043,303	2,337,377,564
	<u>2,721,502,716</u>	<u>2,424,286,977</u>

19. Dividend Payable

Details are shown as below:

	31-Mar-23	31-Mar-22
	MMK	MMK
Opening balance	-	948,642,397
Adjustment to retained earnings	-	(948,642,397)
	<u>-</u>	<u>-</u>

In accordance with Myanmar Companies Law 2017, Division 14 - Dividend, Section 106 (C), the Group adjusted dividend payable to the retained earnings during the accounting period from 01 October 2021 to 31 March 2022.

20. Long-Term Borrowings

Details are shown as below:

	31-Mar-23	31-Mar-22
	MMK	MMK
<i>Long-term borrowings (USD 10.7 million)</i>		
Current portion	8,812,650,000	4,725,035,000
Non-current portion	13,657,350,000	14,299,565,000
	<u>22,470,000,000</u>	<u>19,024,600,000</u>

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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). According to Waiver letter No.7 on 14 June 2022, instalment payments were rescheduled with agreement of International Finance Corporation (IFC).

21. Finance Lease Obligation

Details are shown as below:

	31-Mar-23	31-Mar-22
	MMK	MMK
Current liabilities	3,170,914	99,082,732
Non-current liabilities	1,327,403,113	1,271,892,171
	<u>1,330,574,027</u>	<u>1,370,974,903</u>

The future minimum lease payments are as follows;

	31-Mar-23	31-Mar-22
	MMK	MMK
Within one year	174,079,415	146,427,089
Later than one year but within five years	688,536,080	440,421,524
Later than five years	9,048,398,800	5,352,000,000
	<u>9,911,014,295</u>	<u>5,938,848,613</u>

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

Description	Lessor	Lease Period	Interest Rate
Amata Resort & Spa- Ngapali	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%
My Hpa-an Residence by Amata	U Win Aung (Awinka Holding Co., Ltd.)	59 Years & 6 Months	13%
Amata Resort and Spa (Andaman)	U Win Aung (Amata International Co., Ltd.)	70 Years	13%

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

Description	Lease Period as per contract	Lease Period as per Calculation Statement
Land Lease – Amata Resort & Spa- Ngapali	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
Land Lease - My Hpa-an Residence by Amata	Not contracted	59 Years & 6 Months
Land Lease - Amata Resort and Spa (Andaman)	Not contracted	70 Years

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Under United International Group Limited

“My Hpa-an Residence” is situated on the land plot at Survey No.5/54, O.SS.66 Tanmalauk-Gwin, Tawpon Village, Hpa-an Township, Hpa-an District, Kayin State and Permission for land use (Form-15) granted by Central Committee for the Management of Vacant, Fallow and Virgin Lands dated 19 March 2020, is under the name of Awinka Holding Company Limited (U Win Aung).

“Amata Resort and Spa (Andaman)” is situated on “Poni” island Myeik (Mergui) Archipelago area which is the 50 years (extendable 2 times for 10 years each) land lease agreement (dated 28 March 2016) between the Republic of the Union of Myanmar, Taninthayi Region Government (Lessor) and Amata International Company Limited (Lessee).

It has been expressly stated in the land used agreements of My Hpa-an Residence and Amata Resort and Spa (Andaman), not to transfer or sub-lease the agreed right and obligation to others person or organization.

The Company’s management intention for the land is to be sub-leased to United International Group Limited from Awinka Holding Company Limited and Amata International Company Limited respectively. So, the Company is in process for applying the sub-leasing approval from the respective Government Authority (i.e., Central Committee for the Management of Vacant, Fallow and Virgin Lands and Republic of the Union of Myanmar, Taninthayi Region Government).

During the previous accounting period ended 31 March 2022, My Hpa-an Residence and Amata Resort and Spa (Andaman) hotels are in operation, and land lease for these hotels amount **MMK 184,531,232 and MMK 464,426,539 were recorded in finance lease obligation as initial lease liability** respectively. However, **the Company have no land lease contracts with Awinka Holding Company Limited and Amata International Company Limited** for land lease to review approval for sub-leasing of land use, permission of construction, right and obligation of the Company, lease period, annual rental fees, etc. during the course of audit.

As a result of this, the interest expenses of hotels increased by MMK 83,968,727 for the year ended 31 March 2023 and MMK 41,985,816 for the period from 01 October 2021 to 31 March 2022 respectively. (Notes 4 and 6).

22. Operating Income – Room/Ballooning

Details are shown as below:

	01-Apr-22 to 31-Mar-23 MMK	01-Oct-21 to 31-Mar-22 MMK
Room sales	2,118,084,841	1,187,137,161
Passenger income	323,406,935	-
Total	<u>2,441,491,776</u>	<u>1,187,137,161</u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

23. Operating Income – Food and Beverage

Details are shown as below:

	01-Apr-22 to 31-Mar-23 MMK	01-Oct-21 to 31-Mar-22 MMK
Food sales	672,216,720	353,253,955
Beverage sales	188,121,825	111,415,478
Others	3,960,736	3,490,936
Total	864,299,281	468,160,369

24. Operating Income – Guest Laundry and Spa

Details are shown as below:

	01-Apr-22 to 31-Mar-23 MMK	01-Oct-21 to 31-Mar-22 MMK
Guest laundry	8,247,998	2,802,409
SPA and souvenir	37,125,894	30,114,000
Total	45,373,892	32,916,409

25. Operating Income – Other Operating

Details are shown as below:

	01-Apr-22 to 31-Mar-23 MMK	01-Oct-21 to 31-Mar-22 MMK
Revenue – Others	1,681,921	756,942
- Boat	3,546,376	2,799,295
- Mini bar	924,229	540,064
- Car transport	-	29,126
Others operating income	154,989,482	85,717,502
Total	161,142,008	89,842,929

26. Operating Expenditure – Room/Ballooning

Details are shown as below:

	01-Apr-22 to 31-Mar-23 MMK	01-Oct-21 to 31-Mar-22 MMK
<u>Payroll and related expenses</u>		
Salaries and wages	255,565,959	73,635,037
Employee benefits	46,389,667	17,534,255
	301,955,626	91,169,292
<u>Other expenses</u>		
Cost of sales - Balloon Gas	19,376,130	-
Cost of sales - Other	2,981,970	-

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Pilot team expenses	24,110,006	19,362,333
Compensation Fees	723,000	-
Catering Charges	8,411,140	-
Bank charges	43,415	122,085
Insurance	10,765,125	-
Present & Donation	158,400	-
Maint general	9,501,350	3,947,114
Test Flying Charges	62,300	-
China, glass and silverware	917,400	308,900
Cleaning supplies	18,350,741	8,499,663
Guest supplies	81,174,570	38,381,673
Data processing expenses	1,701,800	1,631,158
Printing and stationery	3,858,870	1,486,847
Laundry	20,020,996	5,277,644
Linen	3,257,500	3,088,195
Uniform	3,464,375	30,000
Flowers and decoration	9,181,030	1,766,800
Postage, telephone, e-mail	16,004,154	12,512,588
Motor vehicle expenses	45,962,114	20,194,431
Travelling	6,272,950	671,000
Pest control	16,722,495	8,129,190
License and tax	19,299,800	8,032,352
Complimentary / entertainment	8,446,524	3,742,246
Commission	15,759,057	1,127,350
Transportation and labor	11,565,984	3,100,989
Operation utensils	2,990,900	1,426,350
Music & Royalties	289,320	-
Miscellaneous	930,150	545,500
Service money	64,223,282	32,736,049
	426,526,848	176,120,457
Total	728,482,474	267,289,749

27. Operating Expenditure – Food and Beverage

Details are shown as below:

	01-Apr-22 to 31-Mar-23 MMK	01-Oct-21 to 31-Mar-22 MMK
<u>Cost of sales</u>		
Food cost	339,939,085	148,430,528
Beverage cost	65,007,565	26,758,491
	404,946,650	175,189,019
<u>Payroll and related expenses</u>		
Salaries and wages	94,435,934	42,051,929
Employee benefits	23,774,762	9,895,388
	118,210,696	51,947,317

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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Other expenses

China, glass and silverware	1,215,600	329,157
Cleaning supplies	8,323,130	3,921,570
Guest supplies	11,780,430	4,211,158
Data processing expenses.	550,000	119,700
Printing and stationery	3,325,929	1,653,024
Laundry	615,010	50,289
Linen	437,000	521,600
Uniform	667,125	32,500
Flowers and decoration	1,040,300	723,200
Postage, telephone, e-mail	192,000	89,000
Transportation and labor	13,163,900	5,395,355
Travelling for F&B Dept	1,805,000	491,500
License and tax	2,930,417	1,675,000
Complimentary / entertainment	7,017,372	5,734,620
Operation utensils	9,197,890	3,955,300
Kitchen utensils	2,602,400	617,550
Spoilage and loss	2,357,771	1,076,299
Music and royalties	110,000	250,000
Kitchen fuel	20,043,686	10,003,730
Miscellaneous	597,700	323,580
Service money	34,277,675	19,631,934
	122,250,335	60,806,066
Total	645,407,681	287,942,402

28. Operating Expenditure – Guest Laundry and Spa

Details are shown as below:

	01-Apr-22 to 31-Mar-23 MMK	01-Oct-21 to 31-Mar-22 MMK
<u>Payroll and Related Expenses</u>		
Guest Laundry	98,971	-
SPA and souvenir cost	9,574,827	5,524,288
	9,673,798	5,524,288
<u>Other expenses</u>		
Guest laundry	32,500	308,850
SPA and souvenir cost	5,862,288	4,533,902
	5,894,788	4,842,752
Total	15,568,586	10,367,040

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Details are shown as below:

	01-Apr-22 to 31-Mar-23 MMK	01-Oct-21 to 31-Mar-22 MMK
Mini bar	280,578	203,538
Boat expenses	-	30,000
Bicycle expense	-	18,000
Others	9,393,545	2,598,383
Total	9,674,123	2,849,921

30. Other Income

Details are shown as below:

	01-Apr-22 to 31-Mar-23 MMK	01-Oct-21 to 31-Mar-22 MMK
Interest income	1,014,250	914,132
Other income	1,879,341,437	240,824
Total	1,880,355,687	1,154,956

During this financial year, the following events occurred in its subsidiary - United International Group Limited and it was recorded under other income.

- i. The company received cash discount from a travel and tour agent (deposit received) - USD 4,582.45; Equi: Kyats 8,477,532.50.
- ii. Head office (Yangon) of the Company waived the debt – MMK 1,840,981,010 owing from My Hpa-an Residence by Amata which one the hotel operated by the Company. In Notes 32- Administration and general expenses, it was also recorded as expenses. As a result, the waiver income is offset with the waiver expenses, so it was not affected to the financial performance of the Company.

31. Sales and Marketing

Details are shown as below:

	01-Apr-22 to 31-Mar-23 MMK	01-Oct-21 to 31-Mar-22 MMK
<u>Payroll and related expenses</u>		
Salaries and wages	66,412,469	18,645,000
Employee benefits	1,347,547	81,000
	67,760,016	18,726,000
<u>Other expenses</u>		
Printing and stationery	477,000	3,000
Data Processing expenses	694,300	-
Uniform	34,000	-

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Postage, telephone, e-mail	669,450	274,000
Marketing promotion	4,357,234	40,000
Advertising	18,498,044	(705,000)
Entertainment	358,250	1,280
Travelling	3,012,950	659,500
Miscellaneous	699,075	229,720
	28,800,303	502,500
Total	96,560,319	19,228,500

32. Administration and General

Details are shown as below:

	01-Apr-22 to 31-Mar-23	01-Oct-21 to 31-Mar-22
<u>Payroll and related expenses</u>	MMK	MMK
Salaries and wages	220,078,382	93,911,415
Employee benefits	36,004,673	13,186,350
	256,083,055	107,097,765
<u>Other expenses</u>		
DCA Flight Movement Charges	(37,800)	-
NYDC 5% Tax	6,625,000	-
Data processing expenses	4,180,585	916,044
Printing supplies	54,000	82,150
Printing and stationery	3,295,280	1,607,122
Laundry	-	7,428
Uniform	811,600	38,000
Postage, telephone, e-mail	2,832,817	1,215,300
Transportation and labour	15,413,874	5,154,806
Motor vehicle expenses	16,810,182	10,288,263
Cleaning and garbage expenses	4,802,550	3,427,150
Audit fees	44,504,000	7,847,735
Legal and consultant fees	8,798,357	4,364,000
Bad Debt	5,220,610	-
Bank charges	5,250,141	5,256,675
Cash (overage)/shortage	(1,672)	68,699
Entertainment	1,468,672	3,250,600
Travelling	20,304,805	3,141,750
Licenses and tax	27,364,997	3,372,098
Insurance	45,671,381	24,509,805
Present and donation	-	500,000
Yangon expenses allocation	474,884,652	202,088,378
Medical expenses	884,750	816,575
Miscellaneous	28,029,722	4,409,390
AGM expenses	-	2,856,950
Pre-opening Expenses	3,568,593	6,199,253
Service money	50,647,864	23,638,797
Maintenance general	73,000	35,000
CSR expenses	20,000,000	10,000,000

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YSX expenses	3,945,600	2,006,700
Waiver of debt	1,840,981,010	-
	2,636,384,570	327,098,668
Total	2,892,467,625	434,196,433

As mentioned above Notes 30, waiver of debt- MMK 1,840,981,010 represents the waived amount of debt by head office (Yangon) of United International Group Limited owing from “My Hpa-an Residence by Amata” which one of the hotel operated by the Company.

33. Property Operating and Maintenance

Details are shown as below:

	01-Apr-22 to 31-Mar-23 MMK	01-Oct-21 to 31-Mar-22 MMK
<u>Payroll and related expenses</u>		
Salaries and wages	66,903,572	23,934,516
Employee benefits	14,001,210	5,616,947
	80,904,782	29,551,463
<u>Other expenses</u>		
Engineering supplies	4,650,190	1,388,650
Printing and stationery	322,925	33,622
Uniform	461,500	-
Postage, telephone, e-mail	333,000	77,000
Transportation and labour	8,893,250	1,591,300
Maintenance	149,420,107	31,893,810
Travelling	2,180,700	-
Painting and renovation	24,489,750	11,198,034
Kitchen equipment	-	4,700
Land scarping	20,098,993	4,432,505
Swimming pool	18,551,008	10,248,170
Light bulb	11,429,735	3,390,450
Sound system	500,000	90,000
Plumbing and heating	-	181,250
Sewage and rubbish removal	4,613,500	80,000
Service money	12,691,746	7,131,300
Miscellaneous	1,692,400	1,460,531
	260,328,804	73,201,322
Total	341,233,586	102,752,785

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Details are shown as below:

	01-Apr-22 to 31-Mar-23 MMK	01-Oct-21 to 31-Mar-22 MMK
Water	3,594,592	1,368,885
Diesel, petrol	270,891,756	63,272,125
Electricity	130,638,169	79,729,264
Total	405,124,517	144,370,274

35. Exchange Rate Differential

Details are shown as below:

	01-Apr-22 to 31-Mar-23 MMK	01-Oct-21 to 31-Mar-22 MMK
Exchange rate differential – realized	21,154,905	(57,380,074)
Exchange rate differential – unrealized	4,506,997,027	(1,878,988,994)
Total	4,528,151,932	(1,936,369,068)

36. Interest Expenses

Details are shown as below:

	01-Apr-22 to 31-Mar-23 MMK	01-Oct-21 to 31-Mar-22 MMK
Short term loan interest	4,800,000	2,411,250
IFC loan interest	1,682,123,256	917,113,350
Finance Lease Interest	176,342,984	89,694,958
Total	1,863,266,240	1,009,219,558

The interest expenses relating to finance lease obligation of My Hpa-an Residence and Amata Resort and Spa (Andaman) hotels MMK 83,968,727 for the year ended 31 March 2023 and MMK 41,985,816 for the period from 01 October 2021 to 31 March 2022 respectively were included in the finance lease interest.

37. Income Tax Expenses

Details are shown as below:

	01-Apr-22 to 31-Mar-23 MMK	01-Oct-21 to 31-Mar-22 MMK
Income tax expenses	-	-
Corporate income tax over provision	-	(181,428,236)
Total	-	(181,428,236)

38. Impairment – Non-financial Assets

The carrying amounts of the Group's non-financial assets should be reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amounts are estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The Group did not review at the reporting date to determine whether there is any indication of impairment.

39. Financial Risk Management

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

Foreign exchange risk

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

Liquidity and cash flow risks

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

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 Group and to be consistent with the prudent management required of an organization.

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 Group 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 Group 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

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- 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. Event Subsequent to 31 March 2023

On 03 April 2023, board of directors of Amata Holding Public Company Limited and United International Group Limited decided to sell My Hpa-an Residence by Amata to Awinka Holding Company Limited at book value (MMK 1,403,311,964). As a result, all assets and liabilities held by My Hpa-an Residence by Amata were transferred to Awinka Holding Company Limited on 07 April 2023. As of 31 March 2023, assets held at My Hpa-an Residence by Amata amounted to MMK 1,631,340,384 and liabilities held at My Hpa-an Residence by Amata amounted to MMK 228,028,420 after head office has waived the amount receivable from My Hpa-an Residence by Amata (note 30). The Management expected that this divestment of hotel would result in a no profit or loss.

There is no material subsequent events effecting the financial statements for the year ended 31 March 2023 other than the event mentioned above.

41. Comparative Information

Figures of the period from 01 October 2021 to 31 March 2022 were shown in the financial statements to facilitate comparison.

42. Authorisation of Financial Statements

The consolidated financial statements for the year ended 31 March 2023 were authorized by the Board of Directors for issue.