

Updated : 31st October, 2023
Company Name : Amata Holding Public Co., Ltd.
Company Representative : U Win Aung (Chairman)
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Code : 00007

I . Fundamental Views on Corporate Governance and Other Key Information

1 . Corporate Attributes

Fiscal Year-End	31 st March, 2023 (FY2022-2023)
Sector Classification	Hotel and Tourism Sector
Number of Employees (consolidated) as of the End of 31 st March, 2023	236
Revenue, Profit after Tax, Total Assets and Net Assets (consolidated) for FY 2022-2023	Revenue: MMK 3,512,306,957 Loss after Tax: MMK 7,932,734,557 Total Assets: MMK 52,440,915,760 Net Assets: MMK 17,569,392,076
Number of Consolidated Subsidiaries and Associated Companies as of the End of 31 st March, 2023	2 subsidiaries

2 . Fundamental Views on Corporate Governance

Since corporate governance is one of the key elements in improving growth and ensuring market integrity and financial stability, Amata identifies it as a set of relationships between a company's management, its board, its shareholders and other stakeholders. The purpose of corporate governance for Amata is to provide the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined. In line with the Company's vision to be the leading Hotel & Tourism Group in Myanmar, the board of directors of Amata is committed to high standards of corporate governance as a fundamental part of discharging its responsibilities to protect and to enhance long-term shareholders' value whilst taking into account the interests of other stakeholders.

Our view on corporate governance is generally established on the basic principles of accountability, transparency, fairness, and responsibility. Also, as Amata is one of the listed companies of Yangon

Stock Exchange (YSX), we are striving to comply with the Securities and Exchange Commission of Myanmar (SECM)'s Notification on *Requirements for Effective Corporate Governance* issued on 3rd December, 2020 and YSX's Listing Business Regulations. We are also committed to comply with all other relevant laws and regulations in the jurisdictions we operate in to uphold the highest standards of ethics and business conduct in our business operations.

3 . Status of Major Shareholders [As of 31st May, 2023 (Record Date)]

	Name	Attributes	Nationality	Number of shares held	Shareholding ratio (%)
1	U Win Aung	Chairman	Myanmar	4,360,000	41.53%
2	Amata International Co., Ltd.	Corporate	Myanmar	3,960,000	37.72%
3	Daw Nilar Win	Executive Director	Myanmar	400,200	3.81%
4	Daw Nay Myat Thu Aung	Non-executive Director	Myanmar	400,000	3.81%
5	Daw Khin Su Su Han	Non-executive Director	Myanmar	400,000	3.81%
6	Daw Than Than Aung	Non-executive Director	Myanmar	393,500	3.75%
7	Daw Thunn Nadi Win Aung	Retail Investor	Myanmar	265,200	2.53%
8	U Thant Zaw Win	Retail Investor	Myanmar	48,847	0.47%
9	Daw Thiri Khaing @ Gillian Johnstone	Employee	Myanmar	40,000	0.38%
10	U Nyunt Win Tun	Employee	Myanmar	40,000	0.38%

(Note) Total issued shares: 10,497,598 shares

4 . Policy on Foreigner Ownership

Foreign Shareholding Ratio (As of the End of the Previous Fiscal Year)	0.0111%
Foreign Shareholding Limit Determined by the Company	28.58%
Reasons for setting the above Foreign Shareholding Limit and a future policy on foreigner ownership	The above Foreign Shareholding Limit is set in accordance with the SECM's Notification No. 1/2019 and as the Company deems appropriate. This limit will be adjusted from time to time according to the market situation and the Company's direction.

5 . Policy on Dividends

Subject to the Companies Law, our Company may, from time to time with the approval of the Shareholders in general meeting, declare dividends to be paid to the Shareholders but no dividend shall be declared in excess of the amount recommended by our Board.

Our Company will pay dividends, if any, only if the requirements under Section 107 of the Companies Law are met. Section 107 of the Companies Law provides that a company may not pay a dividend unless (i) the company will, immediately after the payment of the dividend, satisfy the solvency test; (ii) the making of the dividend is fair and reasonable to the company's shareholders as a whole; and (iii) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

Our Board has the discretion to recommend the payment of dividends. Moving forward, the Company is in the process of adopting a dividend policy for the benefit of Shareholders but there are no concrete plans as of the Latest Practicable Date. We will pay cash dividends, if any, in Kyats.

No dividend was proposed by the board of directors of the company for FY2022-2023.

II . Status of Corporate Governance Systems

1 . Composition of Corporate Governance Structure

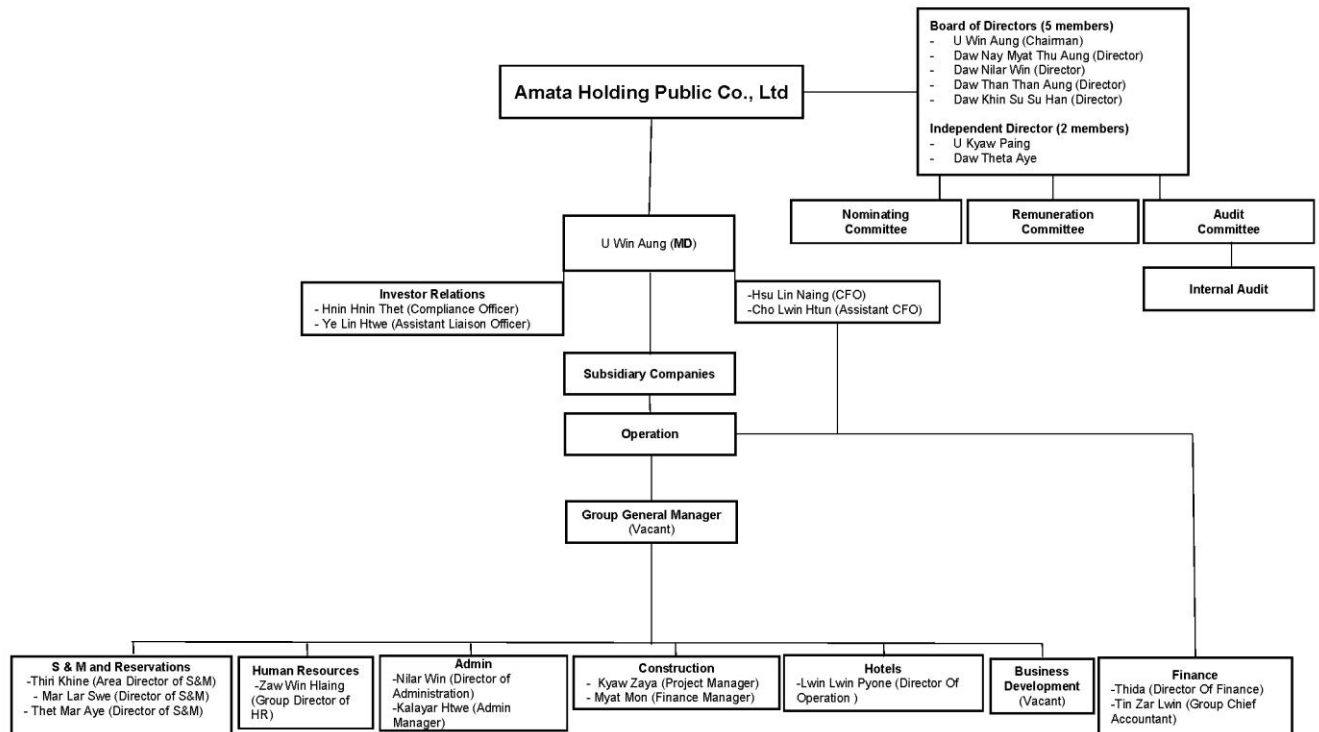
(1) Composition of Corporate Governance Structure

Amata's board of directors recognizes the importance of corporate governance and the maintenance of high standards of accountability to adopt corporate governance practices which are generally consistent with prevailing international principles, to the extent reasonably practicable taking into account local conditions in Myanmar.

Our board of directors is responsible for taking major policy, strategy and strategic decisions and ensure management implements that strategy and strategic decisions. The board provides the entrepreneurial leadership of the company within the framework of prudent and effective controls which enable risk to be assessed and managed. The board also sets the company's strategic aims and ensures that the necessary financial and human resources are in place for the company to meet its objective and review management performance.

Since the board is responsible for supervising specific aspects of governance, Amata has established three (3) committees: (a) the Audit Committee; (b) the Nominating Committee; and (c) the Remuneration Committee.

MANAGEMENT REPORTING STRUCTURE



Audit Committee

The Audit Committee will assist our Board in discharging its responsibility to safeguard the Company’s assets, maintain adequate accounting records and develop and maintain effective systems of internal control, with the overall objective of ensuring that the management creates and maintains an effective control environment in our Company. The Audit Committee will provide a channel of communication between the Board, management and the external auditors on matters relating to audit.

The Audit Committee shall meet periodically to perform the following functions:

- (i) review the audit plans of the external auditors and our internal auditors (if any), including the results of the review and evaluation of our system of internal controls by our external auditors and internal auditors (if any);

- (ii) review the annual financial statements and the external auditors' report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with applicable financial reporting standards, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of management, where necessary, before submission to our Company for approval;
- (iii) review the periodic financial statements comprising the profit and loss statements and the balance sheets and such other information required by law, before submission to our Company for approval;
- (iv) review and discuss with external and internal auditors (if any), any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Company's operating results or financial position and our management's response;
- (v) review the co-operation given by our management to our external auditors;
- (vi) consider the appointment and re-appointment of the external auditors;
- (vii) review and approve related party transactions pursuant to the RPT Procedures;
- (viii) review any potential conflicts of interests;
- (ix) review the procedures by which employees of our Company may, in confidence, report to the Chairman of the Audit Committee possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions in relation thereto;
- (x) undertake such other reviews and projects as may be requested by our Board, and report to our Board its findings from time to time on matters arising and requiring the attention of our Audit Committee; and
- (xi) undertake generally such other functions and duties as may be required by law.

Pursuant to the abovementioned duties relating to the Company's audit function, the Audit Committee has the authority to make decisions independently from the Board. In light of due review of the abovementioned functions, the committee assumes authority to assess appropriateness and properness of the Company's financial and accounting records for approval by a General Meeting of Shareholders and the Board of Directors.

Apart from the duties listed above, the Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Myanmar law, rule or regulation which has or is likely to have a material impact on our Company's operating results and/or financial position. Each member of the Audit Committee shall abstain from voting on any resolutions in respect of matters in which he is interested.

The meetings of the Audit Committee are convened as and when deemed necessary by the Chairman of the Audit Committee. Resolutions of an Audit Committee meeting shall be decided by a simple majority of votes. In case of an equality of votes, the Chairman shall vote a second or casting vote.

Nominating Committee

The Nominating Committee is responsible for (a) re-nomination of our Directors having regard to a Director's contribution and performance, (b) determining annually whether or not a Director is independent, and (c) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director.

The Nominating Committee has the authority to make decisions independently from the Board on how the Board's performance is to be evaluated and proposes objective performance criteria, subject to the approval of the Board, which address how the Board has enhanced long-term Shareholders' value. The Board intends to implement a process to be carried out by the Nominating Committee for assessing the effectiveness of the Board as a whole and for assessing the contribution by each individual Director to the effectiveness of the Board. Each member of the Nominating Committee is required to abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the Nominating Committee in respect of the assessment of his performance or re-nomination as Director.

The Nominating Committee assumes the authority to make proposals relating to the nomination and re-nomination of members of the Board of Directors for approval at a General Meeting of Shareholders. Resolutions of a Nominating Committee meeting shall be decided by a simple majority of votes. In case of an equality of votes, the Chairman shall vote a second or casting vote.

Remuneration Committee

The Remuneration Committee is responsible for recommending to our Board a framework of remuneration for our Directors and Executive Officers, and determining specific remuneration packages for each Director and Executive Officer. The recommendations of our Remuneration Committee are submitted for endorsement by the entire Board. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits in kind shall be covered by our Remuneration Committee. Each member of the Remuneration Committee is required to abstain from voting on any resolutions and making recommendations and/or participating in any deliberations of the Remuneration Committee in respect of his remuneration package.

Resolutions of a Remuneration Committee meeting shall be decided by a simple majority of votes. In case of an equality of votes, the Chairman shall vote a second or casting vote.

Internal Audit

The internal auditor is in charge of the internal control function of our Company and it reports directly to the Audit Committee. The internal auditor must independently audit our Company according to his or her professional code of ethics. The internal auditor must report to the Board and the Audit Committee on its findings with explanation and suggestion on a monthly basis.

Internal auditing should be done based on the varying level of risks. The internal auditor must identify the risks and thereafter to define the level of risks such as high, moderate and low. The internal auditors must give priority to cases which are of high risks.

(2) Reasons for Adoption of Current Corporate Governance Structure

Regarding the composition of the governance structure including the board of directors, Amata's current system ensures that the management considers the best interests of our shareholders and all stakeholders, long-term corporate success and economic growth, improves the trust in the market, enhance the greater accountability and responsibility of business for all stakeholders, corporate social responsibility and environment that is capable of the company to reducing company failures and enhance the specific range of effective internal control, identify and manage wide range of risks, to extend the investor confidence and to create value of major and minor stakeholders.

The Company has adopted this corporate governance structure because it judges the structure to be workable for realizing and ensuring the Company's corporate governance and for conducting appropriate and efficient corporate management. Aiming to implement sound management based on high self-discipline, the Company shall evaluate the actual situation of the Holding, set appropriate targets, and implement highly effective measures.

2 . Information of Directors

Position	Name	Profile	Number of Shares Held	Date of Birth
Chairman	U Win Aung	Please refer to Section 4.3 (Page 72-73) of DDL English version	4,360,000	16-09-1966
Non-executive Director	Daw Nay Myat Thu Aung	Please refer to Section 4.3 (Page 72-73) of DDL English version	400,000	02-09-1972
Executive Director	Daw Nilar Win	Please refer to Section 4.3 (Page 72-73) of DDL English version	400,200	06-05-1971
Non-executive Director	Daw Khin Su Su Han	Please refer to Section 4.3 (Page 72-73) of DDL English version	400,000	04-10-1971
Non-executive Director	Daw Than Than Aung	Please refer to Section 4.3 (Page 72-73) of DDL English version	393,500	26-10-1945
Independent Director	U Kyaw Paing	Please refer to Section 4.3 (Page 72-73) of DDL English version	-	13-06-1949
Independent Director	Daw Theta Aye	Please refer to Section 4.3 (Page 72-73) of DDL English version	-	23-03-1982

The following directors have concurrent positions in the board of directors of other companies.

Position	Name	Concurrent positions and companies
Chairman	U Win Aung	<ul style="list-style-type: none"> ▪ Managing Director of The Utility Plastic Industry Co., Ltd. ▪ Chairman/Managing Director of Amata International Co., Ltd. ▪ Managing Director of United International Group Ltd. ▪ Managing Director of Myanmar Ballooning Co., Ltd. ▪ Managing Director of Awinka Holding Co., Ltd. ▪ Managing Director of EDGE Hospitality Co., Ltd. ▪ Managing Director of Barboon Coffee Co., Ltd.

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Non-executive Director	Daw Nay Myat Thu Aung	<ul style="list-style-type: none"> ▪ Director of Amata International Co., Ltd. ▪ Director of United International Group Ltd. ▪ Director of The Utility Plastic Industry Co., Ltd.
Non-executive Director	Daw Khin Su Su Han	<ul style="list-style-type: none"> ▪ Deputy General Manager of Nilar Yoma Trading Co., Ltd.
Independent Director	U Kyaw Paing	<ul style="list-style-type: none"> ▪ CEO of Myanmar Construction and Development Public Co., Ltd. ▪ Vice Chairman of Myanmar Construction Entrepreneurs Association
Independent Director	Daw Theta Aye	CEO of Mother Finance Co., Ltd.

3 . Information of Members of Specialized Committees

(Audit Committee)

Position	Name
Independent Director	Daw Theta Aye (Committee Chair)
Non-executive Director	Daw Khin Su Su Han (Committee Member)
Non-executive Director	Daw Nay Myat Thu Aung (Committee Member)

(Nominating Committee)

Position	Name
Independent Director	U Kyaw Paing (Committee)
Chairman	U Win Aung (Committee Member)
Non-executive Director	Daw Nay Myat Thu Aung (Committee Member)
Non-executive Director	Daw Than Than Aung (Committee Member)

(Remuneration Committee)

Position	Name
Independent Director	U Kyaw Paing (Committee Chair)
Chairman	U Win Aung (Committee Member)
Non-executive Director	Daw Nay Myat Thu Aung (Committee Member)
Executive Director	Daw Nilar Win (Committee Member)

4 . Information of Meetings of the Board and Specialized Committees

(1) The number of meetings of the Board and specialized committees in the previous fiscal year:

Meetings of the Board	8 times
Audit Committee	4 times
Remuneration Committee	3 times
Nominating Committee	3 times
Annual General Meeting	-

(2) Attendance at meetings of the Board and specialized committees in the previous fiscal year:

Position	Name	Attendance ("—" means the director doesn't belong to the committee.)			
		Meeting of the Board	Audit Committee	Remuneration Committee	Nominating Committee
Chairman	U Win Aung	8/8 times, 100%	—	3/3 times, 100%	3/3 times, 100%
Non-executive Director	Daw Nay Myat Thu Aung	8/8 times, 100%	4/4 times, 100%	3/3 times, 100%	3/3 times, 100%
Executive Director	Daw Nilar Win	8/8 times, 100%	4/4 times, 100%	3/3 times, 100%	—
Non-executive Director	Daw Than Than Aung	8/8 times, 100%	—	—	3/3 times, 100%
Non-executive Director	Daw Khin Su Su Han	8/8 times, 100%	4/4 times, 100%	—	—
Independent Director	U Kyaw Paing	8/8 times, 100%	—	3/3 times, 100%	3/3 times, 100%
Independent Director	Daw Theta Aye	8/8 times, 100%	4/4 times, 100%	—	—

5 . Process for the Selection, Appointment and Re-appointment of New Directors (if any)

The Nominating Committee is responsible for identifying and nominating the candidates in accordance with the Company's Constitution and Myanmar Companies Law 2017. The committee considers the professional code of ethics & conduct and the wide range of background, balance of skill, knowledge, experience and conflict of interest. Remuneration Committee is responsible for recommending and determining specific remuneration packages for the directors. The recommendations of our Nominating and Remuneration Committee are submitted for endorsement by the entire Board and the Board determines the decision for New Directors. The person so appointed shall be subject to the approval of the members at the next general meeting of the Company.

6 . Remuneration of Directors, etc.

(1) Remuneration policies and procedure for setting remuneration, if any

The Remuneration Committee is responsible for recommending to our Board a framework of remuneration for our Directors, Executive Officers and management level, and determining specific remuneration packages for each Directors, Executive Officers and management level. The recommendations of our Remuneration Committee are submitted for endorsement by the entire Board.

Although the Company does not have the specific Remuneration policies and procedures for setting the remuneration of Directors, Executive Officers and management level, it is made sure that the level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company. The Company's remuneration for Independent Directors is based on the Company's performance and determined by the Remuneration Committee in a formal and transparent procedure.

The Company remunerate Independent Directors as basic retainer fee USD \$2000 (per month) for FY 2018-2019 and USD \$10,000 (per year) for FY 2019-2020. As for FY 2020-2021, FY 2022, FY 2022-2023, the company doesn't remunerate for Independent Directors due to the adverse impact of COVID-19 pandemic and significant uncontrollable situations which severely affected Amata Group's business performance and profitability.

(2) Outline of Remuneration

Remuneration of Directors for the previous fiscal year

Total Amount	Nil
Base / Fixed Salary	Nil
Variable or Performance-related Income	Nil
Benefits in Kind	Nil
Stock Options	Nil
Number of Directors	7 Directors

III. Implementation of Measures for Shareholders

1 . Status of efforts to facilitate the exercise of voting rights by shareholders

Firstly, in line with Myanmar Companies Law 2017, we make the timely shipment (at least 28 days in advance) of the notice of shareholders meeting.

Secondly, the company publishes shareholders meeting notices and Annual General Meeting (AGM) Invitation information on the company’s website as well as on Yangon Stock Exchange (YSX) website in a timely fashion and the company then advertises its Annual General Meeting (AGM) Invitation cover page in the national newspaper. Furthermore, the company will send Annual General Meeting (AGM) Invitation and its requirements to the shareholders by using the invitation platforms such as Viber, and Electronic mail as necessary.

Then, the company prepares the Voting Form and relevant Notices in both Myanmar and English versions and allows shareholders the voting period of almost 10 days in order to facilitate the exercise of voting rights by the shareholders including foreign investors.

To fill the voting form by shareholders, the company also provides the voting instructions in the invitation beforehand accordingly.

2 . Status of IR Activities

The company organized the investor relationship (IR) team to timely disclose the company’s material, nonpublic information relating to the company on the Amata Holding Public Company Limited’s website (<http://www.amataholding.com/>) and YSX website (<https://ysx-mm.com/>) for the best interest of the investors.

The disclosure of the company's information imposes precisely on the matters which have a considerable impact on investment decisions of the investors, such as the risk factors for the potential loss and the basic potential business activities. Furthermore, as part of being the listed company of YSX and in line with relevant prescribed regulations and guidelines, we are always committed to make both statutory and timely disclosures with accurate, prompt and useful information for our investors and general public.

IV. Status of Internal Control System

1. Basic Policy on Internal Control System

Amata defines internal control as a process, effected by an entity's board of directors, management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance. From the perspective of securing the appropriateness of business such as compliance with laws and regulations, Management of Amata Group has set up goals and objectives for the long and short term to achieve management strategies and KPIs in an organizational manner.

Goals and Objectives are clearly set and discuss with BOD and all the management level. We arrange monthly management level meeting which is chaired by Chairman and there are also weekly departmental head meetings. Furthermore, financial performance and operational performance of the Group are reported daily and monthly to all management levels and all performance will be overseen very closely by all senior level staffs. Since goals and objectives are clearly discussed and set from top to bottom of the management team, everyone is aware of their mission and their duty to achieve respective goal. Our management is hand on, listening to different opinions and welcoming inputs from individual. We work as a team and we value building our teamwork.

Besides, we always have alternative plan if we face unexpected difficult situation. From time to time, we make quick decisions and change our plans to adapt to the changing economic climate and demand which may affect the implementation of certain expansion plans. We pride ourselves on our quick implementation of plans to avoid any unnecessary delay and we always review our performance and improvement. Also, we compare and compete with others to have competitive advantage and we make our team to be motivated at always. All in all, our Management is giving full support to team members as well as all necessary means and ways are led to achieve the Company's objectives.

2. Status of Constructing Internal Control System

Regarding the status of constructing the internal control system, Amata adopts COSO's Internal Control – Integrated Framework since it enables organizations to effectively and efficiently develop systems of internal control that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision making and governance of the organization. The framework assists management, board of directors, external stakeholders, and others interacting with the entity in their respective duties regarding internal control without being overly prescriptive.

The framework provides for three categories of objectives, which allow Amata to focus on differing aspects of internal control:

- Operations Objectives – These pertain to effectiveness and efficiency of the entity's operations, including operational and financial performance goals, and safeguarding assets against loss.
- Reporting Objectives – These pertain to internal and external financial and non-financial reporting and may encompass reliability, timeliness, transparency, or other terms as set forth by regulators, recognized standard setters, or the entity's policies.
- Compliance Objectives – These pertain to adherence to laws and regulations to which the entity is subject.

A direct relationship exists between objectives, which are what an entity strives to achieve, components, which represent what is required to achieve the objectives, and the organization structure of Amata (the operating units, legal entities, and other).

The framework sets out seventeen principles representing the fundamental concepts associated with each component. Because these principles are drawn directly from the components, we can achieve effective internal control by applying all principles. All principles apply to operations, reporting, and compliance objectives of Amata. The principles supporting the components of internal control are listed below.

Control Environment

1. The organization demonstrates a commitment to integrity and ethical values.
2. The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control.
3. Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.

4. The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.
5. The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.

Risk Assessment

6. The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.
7. The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.
8. The organization considers the potential for fraud in assessing risks to the achievement of objectives.
9. The organization identifies and assesses changes that could significantly impact the system of internal control.

Control Activities

10. The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.
11. The organization selects and develops general control activities over technology to support the achievement of objectives.
12. The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.

Information and Communication

13. The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.
14. The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.
15. The organization communicates with external parties regarding matters affecting the functioning of internal control.

Monitoring Activities

16. The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.
17. The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.

V. Related Party Transaction

1 . Related Party Transaction Policy

RPT Procedures

Our Directors acknowledge the need for the interests of minority Shareholders to be safeguarded. In view of the foregoing, during the Previous Offering, our Directors had voluntarily adopted the RPT Procedures with a view to ensuring that Related Party Transactions are on normal commercial terms and are transacted on an arm's length basis on terms and prices not more favorable to the related party than if they were transacted with a third party and are not prejudicial to the interests of our Company and our minority Shareholders.

Our Directors may from time to time revise the RPT Procedures in such manner as may be considered appropriate by our Board. In this regard, the Board had on 29 June 2020 revised the RPT Procedures as follows. However, pursuant to the Instruction No. (3/2020) of SECM on *Material Related Party Transactions for Listed Companies and Public Companies with More than One Hundred Shareholders*, the Company is in the midst of updating and enhancing its RPT policies and procedures.

Definitions

For the purpose of the RPT Procedures, unless the context otherwise requires:

“associate” means:

- (a) specifically, in relation to a company, means:
 - (i) a director or secretary of the company;
 - (ii) a related body corporate;

- (iii) a director or secretary of a related body corporate; and
 - (iv) a person who controls the company, or who is controlled by the company; and
- (b) generally, in relation to a person (including a company), means:
- (i) a person in concert with whom the person is acting, or proposes to act in relation to the relevant matter;
 - (ii) a person with whom the person is, or proposes to become, associated, whether formally or informally, in any other way in relation to the relevant matter; and
 - (iii) a prescribed person in relation to the relevant matter,
- (c) does not in any case include someone who may otherwise be considered an associate under paragraphs (a) or (b) merely because they:
- (i) give advice to the person, or act on the person's behalf, in the proper performance of the functions attaching to a professional capacity or a business relationship; or
 - (ii) have been appointed to as a proxy or representative of a person at a meeting of members, or of a class of members, of a company.

“related body corporate” of a body corporate (which includes a company) means:

- (a) a holding company of the body corporate;
- (b) a subsidiary of the body corporate; or
- (c) a subsidiary of a holding company of the body corporate;

“related party” means:

- (a) in relation to a body corporate, a person which controls the body corporate; and
- (b) in relation to a person (including a body corporate):
 - (i) an associate of the person (other than a related body corporate of the person);
 - (ii) a spouse, parent or child of an associate of the person; and
 - (iii) a body corporate controlled by any of the persons referred to in sub-sections (a) or (b)(i) and (ii) above.

“control” means, in relation to a company, the capacity to dominate decision-making, directly or

indirectly, in relation to the financial and operating policies of that company;

“Related Party Transaction” means a transaction with a related party.

General Procedures

The following procedures will be implemented by our Group in relation to Related Party Transactions:

- (a) when purchasing any products or procuring any services from a related party, two (2) additional quotations from non-related parties will be obtained as a comparison to ensure that our Group’s interests and minority Shareholders’ interests are not disadvantaged. The purchase price or fee for services shall not be higher than the most competitive price or fee of the two (2) additional quotations from non-related parties. Pertinent factors, including but not limited to quality, requirements, specifications, delivery time and track record will be considered in determining the most competitive price or fee;
- (b) when selling any products or supplying services to a related party, the price or fee and terms of two (2) other successful transactions of a similar nature with non-related parties will be used as comparison to ensure that the interests of our Group and minority Shareholders are not disadvantaged. The price or fee for the sale of products or the supply of services shall not be lower than the lowest price or fee of the two (2) other successful transactions with non-related parties;
- (c) when renting immovable properties from or to a related party, appropriate steps will be taken to ensure that such rent is matched with prevailing market rates, including adopting measures such as making relevant enquiries with landlords of similar properties and obtaining suitable reports or reviews published by property agents (including an independent valuation report by a property valuer, where considered appropriate). The amount payable shall be based on the most competitive market rental rates of similar properties in terms of size, suitability for purpose and location, based on the results of the relevant inquiries; and
- (d) where it is not possible to compare against the terms of other transactions with

unrelated third parties and given that the products or services may be purchased only from a related party, the Related Party Transaction will be approved the Board in accordance with Section 187 of the Companies Law or by Shareholders in accordance with Section 188 of the Companies Law. In determining the transaction price payable to the related party for such products and/or service, factors such as, but not limited to, quantity, requirements and specifications will be taken into account.

Review and Approval Procedures

- (a) All Related Party Transactions entered into by our Group will be approved by the Board in accordance with Section 187 of the Companies Law or by Shareholders in accordance with Section 188 of the Companies Law.
- (b) Our Audit Committee will review all Related Party Transactions, if any, on a quarterly basis to ensure that they are made on terms that are no worse than arm's length from the perspective of the company. In accordance with the procedures outlined above, our Audit Committee will take into account all relevant non-quantitative factors.
- (c) We shall prepare all the relevant information to assist our Audit Committee in its review and will keep a register of interests in accordance with Section 189 of the Companies Law, recording all Related Party Transactions. The basis for entry into the transactions, including the quotations and other evidence obtained to support such basis, shall also be recorded in the register.
- (d) Directors who vote in favour of authorising an Related Party Transaction must sign a certificate stating that, in their opinion, the entering into of the Related Party Transaction is in the best interest of the company, is reasonable in the circumstances, and is on terms that are no worse than arm's length from the perspective of the company, and the grounds for that opinion.
- (e) For all Related Party Transactions, if a member of our Audit Committee has an interest in a transaction or is a nominee for the time being of the relevant related party, he shall abstain from participating in the review process of the Audit Committee in relation to that transaction.

Disclosure

We will disclose in our annual report the aggregate value of Related Party Transactions entered into during the financial year under review. The aggregate value of the Related Party Transactions entered into with the same related party (as determined reasonably by our Board) will also be disclosed.

2 . Outline of Related Party Transactions

As of 31 March 2023, the transactions with related parties are as follows.

Name or company name of related party	Attributes of related party	Voting right ratio	Outline of trade with related party	Contents of trading, terms and conditions, policy to determine terms and conditions	Trading amount (MMIK) /Ratio to total assets	Item	Balance at the end of FY (MMK)
U Win Aung	Shareholder and director (Chairman) of the Company; director of UIG; and shareholder and director of MB	41.53% of the Company; 30% of MB	Payment of amount to be made to related party (U Win Aung) by UIG at the end of previous FY (as at 01 April 2022)	Outstanding payables	2,337,377,564/ (4.46%)	Amount due to related parties (Current liabilities)	2,610,891,013
			UIG advanced funds received from U Win Aung for hotel construction	Construction or renovation works delivered to the respective hotel	95,513,449/ (0.18%)		

			and expansion.	properties (Note 1)			
			UIG leased hotel land and building from U Win Aung	Accrual of unpaid rental fee (Note 2)	178,000,000/ (0.34%)		
			MB advance funds received from U Win Aung for balloon operation expenses.	Outstanding payables (Note 3)	39,152,291/ (0.07%)	Amount due to related parties (Current liabilities)	39,152,291
AIC	Controlled 100% by U Win Aung, who is a shareholder and director of the Company, and his spouse Daw Nay Myat Thu Aung	37.72% of the Company	Payment of amount to be made to related party (AIC) by UIG at the end of previous FY (as at 01 April 2022)	Outstanding payables	56,909,413/ (0.11%)	Amount due to related parties (Current Liabilities)	71,459,413
			UIG leased hotel land and building from AIC	Accrual of unpaid rental fee (Note 4)	14,550,000/ (0.03%)		

(Note 1) Regarding the fund provided by U Win Aung for the Amata Resort & Spa (Andaman) which is located at "Phoni" Island to finish the total of 14 Villas' construction and to settle the funds in other hotel renovation expenses.

(Note 2) Regarding the rental of land and building from U Win Aung, the rental fee was set based on prevailing market prices for similar transactions in the vicinity of the relevant property. UIG has not periodically paid the rental fee as the payment period has not been

determined and the amount corresponding to the unpaid rental fee has been recorded as a payable.

(Note 3) Regarding the fund provided from U Win Aung to operate the balloon business of Myanmar Ballooning Co., Ltd for its business started at the Bagan Region in this FY year.

(Note 4) Regarding the rental of land and building from AIC, the rental fee was set based on prevailing market prices for similar transactions in the vicinity of the relevant property. UIG has not periodically paid the rental fee as the payment period has not been determined and the amount corresponding to the unpaid rental fee has been recorded as a payable.

- End -