

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

REGISTRATION No. 100456125

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

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 2024

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STATEMENT BY DIRECTORS
OF
AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 31 MARCH 2024

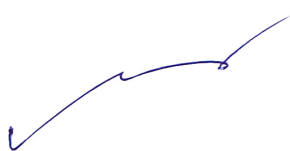
The Group's directors are responsible for the preparation and fair presentation of the consolidated financial statements, comprising the consolidated statement of financial position as at 31 March 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement 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: 28 June 2024



Daw Nay Myat Thu Aung
Director
Amata Holding Public Company Limited
Date: 28 June 2024



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 2024

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 2024, 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 2024 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;

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

It has been expressly stated in the land use agreement of Amata Resort and Spa (Andaman), not to transfer or sub-lease the agreed right and obligation to other person or organization.

The management of the Group intention for the land is to be sub-leased to United International Group Limited from Amata International Company Limited. So, the Company is in process for applying the sub-leasing approval from Taninthayi Region Government, Republic of the Union of Myanmar.

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

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

Notes no. 5: Property, Plant & Equipment

Amata Resort and Spa (Andaman) hotel constructed on the land stated above, having carrying value MMK 3,967,468,715 were recorded under property, plant and equipment and depreciation of hotel increased by MMK 68,899,601 for this year. As a result of not providing the land lease agreement, control and right to use of hotel constructed on this land could not be verified.



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Notes no. 7: Right-of-Use Assets

As included of the right-of-use assets MMK 429,767,843 in the consolidated statement of financial position, depreciation increased by MMK 6,931,739 for this year. Land lease agreement for Amata Resort and Spa (Andaman) was not available to review the right to direct use of this land/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. 22: Finance Lease Obligation

As included of the finance lease obligation MMK 461,386,190 in the consolidated statement of financial position, interest expenses increased by MMK 59,981,531 for this year. Land lease agreement for Amata Resort and Spa (Andaman) was not available to review the right to direct use of this land/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 Consolidated 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 Consolidated 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 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.



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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 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.



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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.



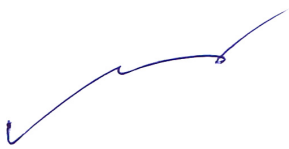
U Than Tint
CPA (PAPP-103)
Managing Director
Khin Su Htay & Associates Limited
Certified Public Accountants

Yangon,
Date: 28 JUN 2024

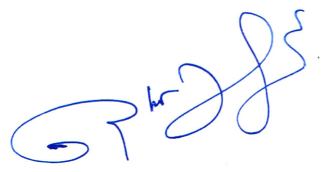
AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

		31-Mar-24	31-Mar-23
		MMK	MMK
Assets			
Non-current assets			
	Notes		
Property, plant and equipment	5	48,171,354,179	50,695,718,202
Intangible assets	6	18,561,269	39,218,684
Right-of-use assets	7	1,041,300,438	1,235,354,739
		<u>49,231,215,886</u>	<u>51,970,291,625</u>
Current assets			
Inventories	8	110,011,148	117,021,883
Accounts receivable	9	48,005,844	88,501,226
Deposit, prepayment and advance	10	33,566,632	64,901,978
Advance tax	11	15,558,208	25,558,898
Amount due from related parties	12	39,768,880	-
Cash and cash equivalents	13	31,494,342	174,640,150
		<u>278,405,054</u>	<u>470,624,135</u>
Total assets		<u><u>49,509,620,940</u></u>	<u><u>52,440,915,760</u></u>
Equity and liabilities			
Share capital	14	3,487,990,000	3,487,990,000
Retained earnings		7,833,229,951	13,116,911,858
Non controlling interest		804,746,074	964,490,218
		<u>12,125,966,025</u>	<u>17,569,392,076</u>
Current liabilities			
Accounts payable	15	9,145,107,594	5,942,338,893
Tax payable	16	111,901,791	106,636,078
Accrued expenses	17	883,630,762	810,956,481
Deposit received	18	572,104,525	733,879,694
Other liabilities	19	776,298,881	755,635,795
Amount due to related parties	20	2,279,970,837	2,721,502,716
Long-term borrowings	21	12,090,750,000	8,812,650,000
Finance lease obligation	22	1,363,580	3,170,914
		<u>25,861,127,970</u>	<u>19,886,770,571</u>
Non - current liabilities			
Long-term borrowings	21	10,379,250,000	13,657,350,000
Finance lease obligation	22	1,143,276,945	1,327,403,113
		<u>11,522,526,945</u>	<u>14,984,753,113</u>
Total equity and liabilities		<u><u>49,509,620,940</u></u>	<u><u>52,440,915,760</u></u>

Authenticated by:



U Win Aung
 Managing Director
 Amata Holding Public Company Limited
 Date : 28 June 2024

Daw Nay Myat Thu Aung
 Director
 Amata Holding Public Company Limited
 Date :28 June 2024

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

		31-Mar-24	31-Mar-23
		MMK	MMK
	Notes		
Revenue	23	2,607,864,291	3,512,306,957
Cost of sales	24	<u>(1,490,987,956)</u>	<u>(1,399,132,864)</u>
Gross profit		1,116,876,335	2,113,174,093
Other Income	25	7,399,143	1,880,355,687
Sales and marketing	26	(103,798,892)	(96,560,319)
Administration and general	27	(1,101,588,352)	(2,892,399,462)
Property operating and maintenance	28	(356,379,136)	(341,233,586)
Utility cost	29	(322,139,174)	(405,124,517)
Property tax		(4,012,000)	(4,012,000)
Lease rental		(15,250,000)	(14,713,334)
Write-off		(1,002,338)	(2,981,742)
Exchange rate differential	30	(53,738,708)	(4,528,151,932)
EBITDA		(833,633,122)	(4,291,647,112)
Depreciation and amortization	5, 6, 7	<u>(1,404,831,596)</u>	<u>(1,792,012,072)</u>
EBIT		(2,238,464,718)	(6,083,659,184)
Interest expense	31	<u>(2,908,115,481)</u>	<u>(1,863,266,240)</u>
Loss before tax		(5,146,580,199)	(7,946,925,424)
Income tax expenses		-	-
Commercial tax under provision		(52,492)	(68,163)
Gain on disposal		22,125,353	15,154,697
Capital gain tax		<u>(1,426,465)</u>	<u>(895,667)</u>
Loss for the year		(5,125,933,803)	(7,932,734,557)
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(5,125,933,803)</u>	<u>(7,932,734,557)</u>

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 2024

	31-Mar-24	31-Mar-23
	MMK	MMK
Profit Attributable to :		
Equity holder of the Company	(4,967,619,461)	(7,922,076,004)
Non-controlling interest	(158,314,342)	(10,658,553)
	(5,125,933,803)	(7,932,734,557)
Total Comprehensive Loss Attributable to :		
Equity holder of the Company	(4,967,619,461)	(7,922,076,004)
Non-controlling interest	(158,314,342)	(10,658,553)
	(5,125,933,803)	(7,932,734,557)
Negative earning per share (loss per share)		
Basic (MMK)	(473)	(755)

Authenticated by:



U Win Aung
Managing Director
Amata Holding Public Company Limited
Date : 28 June 2024




Daw Nay Myat Thu Aung
Director
Amata Holding Public Company Limited
Date : 28 June 2024

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024

	SHARE CAPITAL MMK	RETAINED EARNINGS MMK	Total MMK	NCI MMK	TOTAL EQUITY MMK
As at 01 April 2022	3,487,990,000	20,118,413,888	23,606,403,888	975,146,769	24,581,550,657
Prior year adjustments	-	1,001,173,474	1,001,173,474	2,002	1,001,175,476
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)
As at 31 March 2023	3,487,990,000	13,116,911,858	16,604,901,858	964,490,218	17,569,392,076
As at 01 April 2023	3,487,990,000	13,116,911,858	16,604,901,858	964,490,218	17,569,392,076
Prior year adjustments	-	(315,944,446)	(315,944,446)	(1,429,802)	(317,374,248)
Loss for the year	-	(4,967,619,461)	(4,967,619,461)	(158,314,342)	(5,125,933,803)
Dividend Paid	-	(118,000)	(118,000)	-	(118,000)
As at 31 March 2024	3,487,990,000	7,833,229,951	11,321,219,951	804,746,074	12,125,966,025

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 2024

	31-Mar-24	31-Mar-23
	MMK	MMK
Cash flows from operating activities		
Loss before taxation	(5,146,580,199)	(7,946,925,424)
Adjustments for:		
Depreciation and amortization	1,404,831,596	1,792,012,072
Adjustment of property, plant and equipment	2,380,850	1,500,000
Interest income	(1,098,545)	(1,014,250)
Interest expense	2,908,115,481	1,863,266,240
Write-off	1,002,338	2,981,742
Provision for baddebt	(194,400)	5,220,610
Exchange rate differential	-	4,320,542,921
Operating cash flows before working capital changes	(831,542,879)	37,583,911
Changes in working capital:		
Inventory	(2,926,753)	37,048,213
Trade and other receivables	63,670,673	2,853,992
Trade and other payables	97,626,920	78,363,872
Amount due to related parties	(499,300,759)	475,164,897
Cash generate from operations	(1,172,472,798)	631,014,885
Interest paid	(4,800,000)	(4,800,000)
Tax refund	-	7,241,666
Net cash (used in) / provided by operating activities	A (1,177,272,798)	633,456,551
Cash flows from investing activities		
Purchase of property, plant and equipment	(276,163,847)	(47,906,689)
Purchase of intangible assets	(1,229,800)	(8,675,600)
Proceeds from sale of property, plant and equipment	26,800,000	21,200,000
Proceeds from disposal of one business unit	1,403,311,964	-
Interest received	1,098,545	1,014,250
Net cash provided by / (used in) investing activities	B 1,153,816,862	(34,368,039)
Cash flows from financing activities		
Dividend paid	(118,000)	(80,599,500)
Repayemnt of short-term loan	(10,000,000)	-
Finance lease obligation	(102,031,400)	(437,770,711)
Net cash used in financing activities	C (112,149,400)	(518,370,211)
Net increase in cash and cash equivalents	A+B+C (135,605,336)	80,718,301
Cash and cash equivalents at the beginning of the year	174,640,150	93,921,849
Cash from My Hpa-an Residence (refer to Note -4)	(7,540,472)	-
Cash and cash equivalents at the end of the year	31,494,342	174,640,150

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 2024

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) Amata Resort and Spa (Andaman)

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).

During this financial year, Oriental Ballooning only operated in Bagan area.

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 the 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

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 2024 with related parties were as follows;

	31-Mar-24	31-Mar-23
	MMK	MMK
Amount due from related parties	39,768,880	-
Amount due to related parties	2,279,970,837	2,721,502,716

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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

4. Divestment**Under United International Group Limited**

On 03 April 2023, the board of directors resolved that to dispose My Hpa-an Residence by Amata hotel. The sale of My Hpa-an Residence by Amata hotel to Awinka Holding Company Limited was completed on 07 April 2023. The final sales price agreed was MMK 1,403,311,964, and there was no gain or loss arising on disposal as sale of business unit was made at carrying value at 07 April 2023.

At the date of disposal, the carrying value of assets and liabilities pertaining to divestment of My Hpa-an Residence by Amata hotel are given below:

	MMK
Assets	
Non-current assets	
Property, plant and equipment	1,433,100,330
Intangible asset	5,247,617
Right-of-use asset	175,227,137
Total non-current assets	<u>1,613,575,084</u>
Current assets	
Inventories	8,033,860
Trade and other receivables	673,460
Prepayments and advance	1,517,508
Cash and cash equivalents	7,540,472
Total current assets	<u>17,765,300</u>
Current liabilities	
Trade and other payables	19,424,130
Tax payable	201,722
Accrued expenses	12,131,058
Provision and deposit	5,254,600
Other liabilities	6,525,104
Total current liabilities	<u>43,536,614</u>
Non-current liabilities	
Finance lease obligation	184,491,806
Total non-current liabilities	<u>184,491,806</u>
Consideration Amount	<u>1,403,311,964</u>

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Total consideration amount for disposal of My Hpa-an Residence (MMK 1,403,311,964) was received during this financial year. The proceeds from the sale of My Hpa-an Residence by Amata hotel business unit are disclosed under the investing activities section of cash flows statement.

The Company disposed My Hpa-an Residence by Amata hotel at book value without making business valuation.

We noted that the Company has submitted the Capital Gain Tax return to Internal Revenue Department on 24 June 2024.

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5. 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 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
Additions	20,567,160	1,720,000	108,900,500	-	1,791,500	4,111,300	-	-	825,000	61,002,546	86,481,587	285,399,593
Write-off	-	(13,443,645)	(27,084,591)	(31,700,870)	(4,594,351)	-	-	(721,582)	(2,852,122)	(43,675,898)	-	(124,073,059)
Disposal -other	-	(5,265,365)	(98,358,000)	-	-	(25,900,000)	-	-	-	-	-	(129,523,365)
Disposal of My Hpa-an Residence <i>(refer to note 4)</i>	(1,474,338,465)	(7,891,000)	(73,773,170)	(28,430,364)	(3,161,672)	(13,027,499)	-	(260,000)	(213,556)	(46,853,384)	-	(1,647,949,110)
Transfer to hotel	-	-	-	(291,602)	-	-	-	-	-	(1,078,962)	-	(1,370,564)
Adjustment	-	-	-	-	-	-	-	-	-	-	(2,380,850)	(2,380,850)
At 31 Mar 2024	54,312,112,927	318,534,046	1,316,811,735	2,025,606,134	380,179,074	662,661,784	2,329,570,423	238,299,402	129,387,888	1,165,464,663	93,479,586	62,972,107,662
<i>Accumulated Dep:</i>												
At 01 Apr 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
Additions	988,039,147	15,603,724	62,980,212	73,183,849	31,999,977	9,629,799	116,939,685	40,701,359	4,886,389	25,400,693	-	1,369,364,834
Write-off	-	(13,430,137)	(27,057,965)	(31,667,471)	(4,581,381)	-	-	(719,502)	(2,840,742)	(43,532,906)	-	(123,830,104)
Disposal -other	-	(5,251,685)	(96,718,700)	-	-	(22,878,333)	-	-	-	-	-	(124,848,718)
Disposal of My Hpa-an Residence <i>(refer to note 4)</i>	(79,324,556)	(7,883,000)	(46,981,750)	(21,479,713)	(3,155,672)	(8,889,249)	-	(258,000)	(212,556)	(46,664,284)	-	(214,848,780)
Transfer to hotel	-	-	-	(291,602)	-	-	-	-	-	(1,078,962)	-	(1,370,564)
At 31 Mar 2024	6,859,408,878	306,986,824	1,144,475,583	1,980,742,991	332,696,368	643,859,847	2,111,162,425	213,477,598	117,515,890	1,090,427,079		14,800,753,483
<i>Net Book Value</i>												
At 31 Mar 2024	47,452,704,049	11,547,222	172,336,152	44,863,143	47,482,706	18,801,937	218,407,998	24,821,804	11,871,998	75,037,584	93,479,586	48,171,354,179
At 01 Apr 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

See note 4 for details regarding the line item "Disposal of My Hpa-an Residence" listed in Property, Plant & Equipment.

Under United International Group Limited

“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 Taninthayi Region Government, Republic of the Union of Myanmar (Lessor) and Amata International Company Limited (Lessee).

It has been expressly stated in the land use agreement of Amata Resort and Spa (Andaman), not to transfer or sub-lease the agreed right and obligation to other person or organization.

Amata Resort and Spa (Andaman) hotel (operated in November 2021) is in operation and Building Cost for this hotel MMK 4,133,976,085 was 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 Government Authority has not yet received at the time of this report.

As a result of this, the depreciation of hotels increased by MMK 68,899,601 for this year. (Note 7 and 22)

6. Intangible Assets

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

	31-Mar-24
	MMK
<i>Cost</i>	
At 01 April 2023	386,767,649
Addition	1,229,800
Disposal of My Hpa-an Residence (<i>refer to note 4</i>)	<u>(16,535,000)</u>
At 31 March 2024	<u>371,462,449</u>
<i>Accumulated Amortization</i>	
At 01 April 2023	347,548,965
Addition	16,639,598
Disposal of My Hpa-an Residence (<i>refer to note 4</i>)	<u>(11,287,383)</u>
At 31 March 2024	<u>352,901,180</u>
<i>Net Book Value</i>	
At 31 March 2024	<u>18,561,269</u>
At 01 April 2023	<u>39,218,684</u>

See note 4 for details regarding the line item “Disposal of My Hpa-an Residence” listed in Intangible Assets.

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7. Right-of-Use Assets

Details are shown as below:

	31-Mar-24
	MMK
<i>Cost</i>	
At 01 April 2023	1,331,423,071
Addition	-
Disposal of My Hpa-an Residence (refer to note 4)	(184,531,233)
At 31 March 2024	<u>1,146,891,838</u>
<i>Accumulated Depreciation</i>	
At 01 April 2023	96,068,332
Addition	18,827,164
Disposal of My Hpa-an Residence (refer to note 4)	(9,304,096)
At 31 March 2024	<u>105,591,400</u>
<i>Net Book Value</i>	
At 31 March 2024	<u>1,041,300,438</u>
At 01 April 2023	<u>1,235,354,739</u>

See note 4 for details regarding the line item “Disposal of My Hpa-an Residence” listed in Right-of-Use Assets.

Under United International Group Limited

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

	Lease period as per agreement	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 – Amata Resort and Spa - Andaman	Not contracted	70 Years

“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 Taninthayi Region Government, Republic of the Union of Myanmar (Lessor) and Amata International Company Limited (Lessee).

It has been expressly stated in the land use agreement of Amata Resort and Spa (Andaman), not to transfer or sub-lease the agreed right and obligation to other person or organization.

The Company’s management intention for the land is to be sub-leased to United International Group Limited from Amata International Company Limited. So, the Company is in process for applying the sub-leasing approval from Taninthayi Region Government, Republic of the Union of Myanmar. The approval of sub-leasing from the Government Authority has not yet received at the time of this report.

During the accounting period ended 31 March 2022, Amata Resort and Spa (Andaman) hotel is in operation, and right-of-use assets for this hotel MMK 464,426,539 was recorded under right-of-use assets. However, the Company has no land lease agreement with Amata International Company Limited for land lease to review approval for sub-leasing of land use,

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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 right-of-use assets increased by 6,931,739 for this year. (Notes 5 and 22)

8. Inventories

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Food and beverage	17,387,738	27,974,318
Supplies	67,034,605	73,320,099
Diesel and gas	21,980,300	12,664,156
Souvenir stock	3,608,505	3,063,310
	<u>110,011,148</u>	<u>117,021,883</u>

Inventories from disposal of My Hpa-an Residence (MMK 8,033,860) have been excluded from the inventories balance at 31 March 2024. (refer to Note -4)

9. Accounts Receivable

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Guest and city ledger	53,032,054	93,721,836
Provision for bad debts	(5,026,210)	(5,220,610)
	<u>48,005,844</u>	<u>88,501,226</u>

Accounts Receivable from disposal of My Hpa-an Residence (MMK 673,460) have been excluded from the accounts receivable balance at 31 March 2024. (refer to Note -4)

10. Deposit, Prepayment and Advance

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Deposit	3,752,737	24,400,203
Prepayment – Insurance	26,514,763	27,824,185
– Others	3,299,132	2,523,422
Advance others	-	10,154,168
	<u>33,566,632</u>	<u>64,901,978</u>

Prepayment and advance from disposal of My Hpa-an Residence (MMK 1,517,508) have been excluded from the deposit, prepayment and advance balance at 31 March 2024. (refer to Note -4)

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It comprises the followings:

	31-Mar-24	31-Mar-23
	MMK	MMK
Corporate income tax	1,065,744	1,065,744
Commercial tax	14,492,464	24,493,154
	<u>15,558,208</u>	<u>25,558,898</u>

(i) Corporate Income Tax

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Opening balance	1,065,744	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>1,065,744</u>

(ii) Commercial Tax

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Opening balance	24,493,154	18,738,203
Advance payment during the year	3,591,927	5,754,951
Commercial tax payable	(13,413,987)	-
Adjustment	(178,630)	-
Closing balance as at	<u>14,492,464</u>	<u>24,493,154</u>

12. Amount Due from Related Parties

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Awinka Holding Company Limited	39,768,880	-
	<u>39,768,880</u>	<u>-</u>

13. Cash and Cash Equivalents

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Cash in hand	20,492,678	75,743,491
Cash at bank	11,001,664	98,896,659
	<u>31,494,342</u>	<u>174,640,150</u>

Cash and cash equivalents from disposal of My Hpa-an Residence (MMK 7,540,472) have been excluded from the cash and cash equivalents balance at 31 March 2024. (refer to Note -4)

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Details are shown as below:

	31-Mar-24	31-Mar-23
	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>

15. Accounts Payable

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Trade payable	424,335,204	255,279,010
Other	116,917,503	89,310,350
Interest payable	8,603,854,887	5,597,749,533
	<u>9,145,107,594</u>	<u>5,942,338,893</u>

Trade and other payables from disposal of My Hpa-an Residence (MMK 19,424,130) have been excluded from the accounts payable balance at 31 March 2024. (refer to Note -4)

Out of total trade payable stated above, MMK 94,564,270 was long outstanding balances of United International Group Limited.

16. Tax Payable

It comprises the followings:

	31-Mar-24	31-Mar-23
	MMK	MMK
Capital gain tax	1,426,465	895,667
Commercial tax	110,475,326	105,740,411
	<u>111,901,791</u>	<u>106,636,078</u>

(i) Capital Gain Tax

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Opening balance	895,667	4,359,690
Provision for the year	1,426,465	895,667
Penalty	-	100,000
Offset with advance corporate income tax	-	(1,529,890)
Tax paid during the year	(895,667)	(2,929,800)
Closing balance as at	<u>1,426,465</u>	<u>895,667</u>

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(ii) Commercial Tax

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Opening balance	105,740,411	195,647,575
Disposal of My Hpa-an Residence (<i>refer to note 4</i>)	(201,722)	-
Provision for the year	78,975,327	105,740,412
Under provision	52,492	68,163
Penalty	15,707,192	-
Adjustment	(306,994)	-
Tax paid during the year	(76,077,393)	(195,715,739)
Advance commercial tax	(13,413,987)	-
Closing balance as at	<u>110,475,326</u>	<u>105,740,411</u>

See note 4 for details regarding the line item “Disposal of My Hpa-an Residence” listed in commercial tax.

17. Accrued Expenses

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Employee related expenses	13,516,231	11,452,369
Professional fee	252,086,691	203,676,194
CSR expenses	50,000,000	30,000,000
DCA flight movement charges	4,649,400	5,348,700
Royalty fees	364,142,440	364,142,440
NCDC	45,950,000	36,450,000
Others	153,286,000	159,886,778
	<u>883,630,762</u>	<u>810,956,481</u>

Accrued expenses from disposal of My Hpa-an Residence (MMK 12,131,058) have been excluded from the accrued expenses balance at 31 March 2024. (refer to Note -4)

18. Deposit Received

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Deposit received – Guest and agents (float)	542,870,415	564,744,484
– Others	29,234,110	169,135,210
	<u>572,104,525</u>	<u>733,879,694</u>

Provision and deposit from disposal of My Hpa-an Residence (MMK 5,254,600) have been excluded from the deposit received balance at 31 March 2024. (refer to Note -4)

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Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Commission	3,115,719	3,314,232
Service money	303,183,162	272,321,563
Short-term loan	470,000,000	480,000,000
	<u>776,298,881</u>	<u>755,635,795</u>

Other liabilities from disposal of My Hpa-an Residence (MMK 6,525,104) have been excluded from the other liabilities balance at 31 March 2024. (refer to Note -4)

Short-term loan

On 29 July 2020, its subsidiary – United International Group Limited (“UIG”) 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.

On 29 August 2023, UIG submitted the Covid-19 loan repayment schedule to Government Committee, however, the Committee has not yet approved this repayment schedule.

On 28 March 2024, UIG made a repayment of MMK 10,000,000 for a Covid-19 loan.

20. Amount Due to Related Parties

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Amata International Co., Ltd.	86,252,913	71,459,413
U Win Aung	2,193,717,924	2,650,043,303
	<u>2,279,970,837</u>	<u>2,721,502,716</u>

21. Long-Term Borrowings

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
<u>Long-term borrowings (USD 10.7 million)</u>		
Current portion	12,090,750,000	8,812,650,000
Non-current portion	10,379,250,000	13,657,350,000
	<u>22,470,000,000</u>	<u>22,470,000,000</u>

On 22 October 2016, its subsidiary – United International Group Limited (UIG) 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 SOFR). According to Waiver letter No.8 dated on 22 September 2023 and Waiver letter No.9 dated 18 December 2023 respectively, instalment payments were rescheduled with agreement of International Finance Corporation (IFC).

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According to Waiver letter No.9 dated 18 December 2023, the maturity date is 15 June 2024. However, UIG did not make repayment of IFC loan at the time of this report.

22. Finance Lease Obligation

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Current liabilities	1,363,580	3,170,914
Non-current liabilities	1,143,276,945	1,327,403,113
	<u>1,144,640,525</u>	<u>1,330,574,027</u>

The future minimum lease payments are as follows;

	31-Mar-24	31-Mar-23
	MMK	MMK
Within one year	148,230,160	174,079,415
Later than one year but within five years	592,920,640	688,536,080
Later than five years	7,659,938,480	9,048,398,800
	<u>8,401,089,280</u>	<u>9,911,014,295</u>

Finance lease obligation from disposal of My Hpa-an Residence (MMK 184,491,806) have been excluded from the finance lease obligation balance at 31 March 2024. (refer to Note -4)

Under United International Group Limited

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%
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 agreement. Details are shown as below:

Description	Lease Period as per agreement	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 - Amata Resort and Spa (Andaman)	Not contracted	70 Years

“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 Taninthayi Region Government, Republic of the Union of Myanmar (Lessor) and Amata International Company Limited (Lessee).

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It has been expressly stated in the land use agreement of Amata Resort and Spa (Andaman), not to transfer or sub-lease the agreed right and obligation to other person or organization.

The Company's management intention for the land is to be sub-leased to United International Group Limited from Amata International Company Limited. So, the Company is in process for applying the sub-leasing approval from Taninthayi Region Government, Republic of the Union of Myanmar.

During the accounting period ended 31 March 2022, Amata Resort and Spa (Andaman) hotel is in operation, and land lease for this hotel amount MMK 464,426,539 was recorded in finance lease obligation as initial lease liability. However, the Company has no land lease agreement with 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 finance lease obligation increased by MMK 59,981,531 for this year. (Notes 5 and 7)

23. Revenue

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Room / ballooning	1,804,365,527	2,441,491,776
Food and beverage	671,637,490	864,299,281
Guest laundry and spa	25,201,873	45,373,892
Other operating	106,659,401	161,142,008
Total	<u>2,607,864,291</u>	<u>3,512,306,957</u>

24. Cost of sales

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Room / ballooning (i)	917,587,795	728,482,474
Food and beverage (ii)	551,156,665	645,407,681
Guest laundry and spa (iii)	12,949,346	15,568,586
Other operating	9,294,150	9,674,123
Total	<u>1,490,987,956</u>	<u>1,399,132,864</u>

(i) Room/Ballooning

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
<u>Payroll and related expenses</u>		
Salaries and wages	418,086,766	255,565,959
Employee benefits	47,574,887	46,389,667
	<u>465,661,653</u>	<u>301,955,626</u>
<u>Other expenses</u>		
Ballooning cost	134,785,197	66,429,671
Service money	50,456,243	64,223,282

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Supplies	79,294,001	103,700,211
Maint general	26,242,959	9,501,350
Transportation	26,785,639	17,838,934
Printing and stationery	6,130,478	3,858,870
Motor vehicle expenses	24,743,178	45,962,114
License and tax	18,520,283	19,299,800
Miscellaneous	1,045,681	973,565
Pest control	12,120,000	16,722,495
Present & Donation	1,688,400	158,400
Flowers and decoration	1,744,100	9,181,030
Data processing expenses	2,474,500	1,701,800
Laundry	15,816,894	20,020,996
Commission	24,265,246	15,759,057
Postage, telephone, e-mail	13,409,393	16,004,154
Operation utensils	1,135,200	2,990,900
Others	11,268,750	12,200,219
	451,926,142	426,526,848
Total	917,587,795	728,482,474

(ii) Food and beverage

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
<u>Payroll and related expenses</u>		
Salaries and wages	99,198,400	94,435,934
Employee benefits	24,156,605	23,774,762
	123,355,005	118,210,696
<u>Other expenses</u>		
Food and beverage	328,024,883	404,946,650
Service money	22,187,704	34,277,675
Supplies	14,055,565	21,756,160
Transportation	20,868,843	14,968,900
Printing and stationery	2,626,565	3,325,929
License and tax	3,360,000	2,930,417
Miscellaneous	176,517	597,700
Flowers and decoration	1,254,500	1,040,300
Data processing expenses	510,000	550,000
Laundry	1,211,754	615,010
Postage, telephone, e-mail	1,074,575	192,000
Operation utensils	5,943,250	9,197,890
Kitchen utensils	17,933,620	22,646,086
Spoilage and loss	3,130,971	2,357,771
Others	5,442,913	7,794,497
	427,801,660	527,196,985
Total	551,156,665	645,407,681

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(iii) Guest laundry and spa

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
<u>Payroll and related expenses</u>		
Guest laundry	-	98,971
SPA and souvenir cost	7,291,065	9,574,827
	<u>7,291,065</u>	<u>9,673,798</u>
<u>Other expenses</u>		
Guest laundry	-	32,500
SPA and souvenir cost	5,658,281	5,862,288
	<u>5,658,281</u>	<u>5,894,788</u>
Total	<u><u>12,949,346</u></u>	<u><u>15,568,586</u></u>

25. Other Income

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Interest income	1,098,545	1,014,250
Other income	6,300,598	1,879,341,437
Total	<u><u>7,399,143</u></u>	<u><u>1,880,355,687</u></u>

26. Sales and Marketing

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
<u>Payroll and related expenses</u>		
Salaries and wages	84,789,149	66,412,469
Employee benefits	1,632,000	1,347,547
	<u>86,421,149</u>	<u>67,760,016</u>
<u>Other expenses</u>		
Printing and stationery	148,450	477,000
Data Processing expenses	818,500	694,300
Postage, telephone, e-mail	500,000	669,450
Marketing promotion	5,510,144	4,357,234
Advertising	7,300,944	18,498,044
Transportation	1,880,675	3,012,950
Miscellaneous	321,950	699,075
Others	897,080	392,250
	<u>17,377,743</u>	<u>28,800,303</u>
Total	<u><u>103,798,892</u></u>	<u><u>96,560,319</u></u>

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Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
<u>Payroll and related expenses</u>		
Salaries and wages	224,517,533	220,078,382
Employee benefits	44,447,557	36,004,673
	<u>268,965,090</u>	<u>256,083,055</u>
<u>Other expenses</u>		
DCA Flight Movement Charges	989,100	(37,800)
NYDC 5% Tax	18,750,000	6,625,000
Data processing expenses	5,845,410	4,180,585
Printing and stationery	3,658,577	3,349,280
Postage, telephone, e-mail	2,885,650	2,832,817
Transportation	34,082,343	35,718,679
Motor vehicle expenses	11,250,778	16,810,182
Professional fee	70,682,484	57,247,957
Provision for bad debt	(182,400)	5,220,610
Licenses and tax	40,849,789	27,364,997
Insurance	62,262,862	45,671,381
Present and donation	2,083,950	-
Yangon expenses allocation	491,383,809	474,884,652
AGM expenses	4,728,489	-
Pre-opening Expenses	-	3,568,593
Service money	36,342,819	50,647,864
Maintenance general	12,500	73,000
CSR expenses	20,000,000	20,000,000
Cleaning and garbage expenses	3,943,930	4,802,550
Miscellaneous	22,167,585	34,096,450
Others	885,587	2,278,600
Waiver of debt	-	1,840,981,010
	<u>832,623,262</u>	<u>2,636,316,407</u>
Total	<u>1,101,588,352</u>	<u>2,892,399,462</u>

28. Property Operating and Maintenance

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
<u>Payroll and related expenses</u>		
Salaries and wages	73,186,416	66,903,572
Employee benefits	14,966,877	14,001,210
	<u>88,153,293</u>	<u>80,904,782</u>
<u>Other expenses</u>		
Engineering supplies	3,544,031	4,650,190
Printing and stationery	55,950	322,925
Postage, telephone, e-mail	482,000	333,000
Transportation	12,196,350	11,073,950
Maintenance general	150,130,239	149,420,107

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Painting and renovation	35,989,860	24,489,750
Land scarping	22,457,382	20,098,993
Swimming pool	14,902,200	18,551,008
Plumbing and heating	1,470,500	-
Sewage and rubbish removal	4,609,784	4,613,500
Service money	10,396,497	12,691,746
Miscellaneous	3,856,600	1,692,400
Others	8,134,450	12,391,235
	268,225,843	260,328,804
Total	356,379,136	341,233,586

29. Utility Cost

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Water	7,773,983	3,594,592
Diesel, petrol	199,340,996	270,891,756
Electricity	115,024,195	130,638,169
Total	322,139,174	405,124,517

30. Exchange Rate Differential

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Exchange rate differential –realized	36,479,755	21,154,905
Exchange rate differential – unrealized	17,258,953	4,506,997,027
Total	53,738,708	4,528,151,932

31. Interest Expenses

Details are shown as below:

	31-Mar-24	31-Mar-23
	MMK	MMK
Short term loan interest	4,800,000	4,800,000
IFC loan interest	2,754,725,778	1,682,123,256
Finance Lease Interest	148,589,703	176,342,984
Total	2,908,115,481	1,863,266,240

The interest expenses relating to finance lease obligation of Amata Resort and Spa (Andaman) hotel MMK 59,981,531 for this year was included in the finance lease interest.

32. 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.

33. 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 entered into a loan facilities agreement with International Finance Corporation (IFC) with variable interest rate – sum of the relevant spread and SOFR.

The Group may face the risk of paying higher interest rates in the future, depending on how the market conditions change. Interest rate risk can affect the Group cash flow, profitability, and financial planning. To coverage for that risk, the management reviews every six months.

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;

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- Actual or potential violations of law or regulation which may attract a civil or criminal fine or penalty;
 - Failure to protect the Company's property; and
 - The possibility of civil claims (including acts or other events, which may lead to litigation or other disputes).
- The Company identifies and manages legal risk through effective use of its internal and external legal advisers.

Tax risk

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

34. Comparative Information

Certain figures of the year ended 31 March 2023 were classified and shown in the financial statements to facilitate comparison.

35. Authorisation of Financial Statements

The consolidated financial statements for the year ended 31 March 2024 were authorized by the Board of Directors for issue.