

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

REGISTRATION No. 100456125

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 APRIL 2024 TO 30 SEPTEMBER 2024

KHIN SU HTAY & ASSOCIATES LIMITED

CERTIFIED PUBLIC ACCOUNTANTS

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

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 01 APRIL 2024 TO 30 SEPTEMBER 2024

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STATEMENT BY DIRECTORS
OF
AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE PERIOD FROM 01 APRIL 2024 TO 30 SEPTEMBER 2024

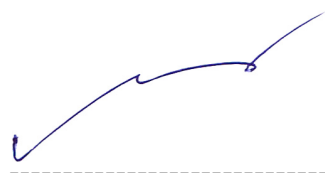
The Group's directors are responsible for the preparation and fair presentation of the interim consolidated financial statements, comprising the interim consolidated statement of financial position as at 30 September 2024, the interim consolidated statement of profit or loss and other comprehensive income, the interim consolidated statement of changes in equity and the interim statement of cash flows for the period from 01 April 2024 to 30 September 2024, and the interim notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34), 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 interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible 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: 28-01-2025



Daw Nay Myat Thu Aung
Director
Amata Holding Public Company Limited



KHIN SU HTAY & ASSOCIATES LIMITED

Certified Public Accountants
(Company Registration Number: 100124548)

C1 / 005, Ground Floor, Hninnsi Street, Yuzana Highway Complex,
Narnat Taw Road, Kamayut Township, Yangon, Myanmar

Email: thantint@kshal.com

Tel: (95-09) 422953862, 422953863

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION TO THE MEMBERS

OF

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES FOR THE PERIOD FROM 01 APRIL 2024 TO 30 SEPTEMBER 2024

Introduction

We have reviewed the accompanying interim consolidated financial information of **AMATA HOLDING PUBLIC COMPANY LIMITED (“the Company”)** and its **Subsidiaries (“the Group”)**, which comprise the interim consolidated statement of financial position of the Group as at 30 September 2024, the interim consolidated statement of profit or loss and other comprehensive income, the interim consolidated statement of changes in equity and the interim consolidated statement of cash flows of the Group for the period from 01 April 2024 to 30 September 2024 and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated financial information in accordance with the provisions of Myanmar Companies Law 2017 (“the Law”) and International Accounting Standard 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on these interim consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISAs) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

Based on information provided by management, 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 used agreement of Amata Resort and Spa (Andaman), not to transfer or sub-lease the agreed right and obligation to others person or organization.

The management of the Group intention for the land is to be sub-leased to United International Group Limited from 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.



KHIN SU HTAY & ASSOCIATES LIMITED

Certified Public Accountants
(Company Registration Number: 100124548)

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As a result of above condition, we report in the interim 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 3,933,019 (in thousands) were recorded under property, plant and equipment and depreciation of hotel increased by MMK 34,450 (in thousands) for this period. As a result of not providing the land lease contract, control and right to use of hotel constructed on this land could not be verified.

Notes no. 7: Right-of-Use Assets

As included of the right-of-use assets MMK 426,302 (in thousands) in the interim consolidated statement of financial position, depreciation increased by MMK 3,466 (in thousands) for this period. Land lease agreement contract 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 461,376 (in thousands) in the interim consolidated statement of financial position, interest expenses increased by MMK 29,990 (in thousands) for this period. Land lease agreement contract 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.

Qualified Conclusion

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information does not present fairly, in all material respects, in accordance with the provisions of Myanmar Companies Law 2017 (“the Law”) and International Accounting Standard 34 *Interim Financial Reporting* (IAS 34).



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

Yangon,
Date: 28 January 2025

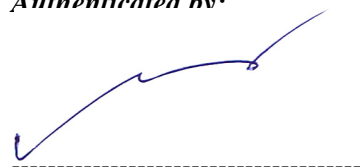
AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2024

		30-Sep-24	31-Mar-24
		MMK'000	MMK'000
Assets			
Non-current assets	Notes		
Property, plant and equipment	5	46,154,677	48,171,354
Intangible assets	6	14,964	18,562
Right-of-use assets	7	1,011,266	1,041,300
		47,180,907	49,231,216
Current assets			
Inventories	8	86,660	110,011
Accounts receivable	9	13,202	48,006
Deposit, prepayments and advance	10	15,266	33,567
Advance tax	11	7,960	15,558
Amount due from related parties	12	47,959	39,769
Cash and cash equivalents	13	20,002	31,494
		191,049	278,405
Total assets		47,371,956	49,509,621
Equity and liabilities			
Share capital	14	3,487,990	3,487,990
Retained earnings		3,817,220	7,833,230
Non controlling interest		757,240	804,746
		8,062,450	12,125,966
Current liabilities			
Accounts payable	15	10,535,629	9,145,107
Tax payable	16	82,192	111,902
Accrued expenses	17	921,024	883,630
Deposit received	18	545,158	572,105
Other liabilities	19	777,103	776,299
Amount due to related parties	20	2,831,561	2,279,971
Long-term borrowings	21	13,776,000	12,090,750
Finance lease obligation	22	3,671	1,364
		29,472,338	25,861,128
Non - current liabilities			
Long-term borrowings	21	8,694,000	10,379,250
Finance lease obligation	22	1,143,168	1,143,277
		9,837,168	11,522,527
Total equity and liabilities		47,371,956	49,509,621

Authenticated by:



U Win Aung
Managing Director
Amata Holding Public Company Limited

Date : 28-01-2025




Daw Nay Myat Thu Aung
Director
Amata Holding Public Company Limited

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 01 APRIL 2024 TO 30 SEPTEMBER 2024

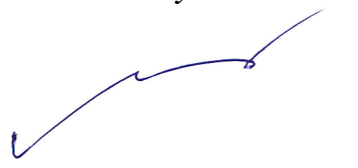
		01-Apr-24 to 30-Sep-24 MMK'000	01-Apr-23 to 30-Sep-23 MMK'000
	Notes		
Revenue	23	221,303	1,136,669
Cost of sales	24	(187,443)	(495,959)
Gross profit		33,860	640,710
Other Income	25	729	2,534
Sales and marketing	26	(20,687)	(50,261)
Administration and general	27	(441,516)	(507,766)
Property operating and maintenance	28	(68,174)	(171,836)
Utility cost	29	(70,529)	(153,485)
Property tax		(2,006)	(2,006)
Lease rental		(6,100)	(5,400)
Impairment loss	30	(1,338,923)	-
Write-off		(13)	(413)
Exchange rate differential	31	(10,819)	(13,445)
EBITDA		(1,924,178)	(261,368)
Depreciation	5, 7	(663,273)	(716,580)
Amortization	6	(3,597)	(9,305)
EBIT		(2,591,048)	(987,253)
Interest expense	32	(1,484,337)	(979,717)
Loss before tax		(4,075,385)	(1,966,970)
Income tax expenses		-	-
Gain on disposal		14,889	19,839
Capital gain tax		(3,000)	(1,198)
Loss for the period		(4,063,496)	(1,948,329)
Other comprehensive income		-	-
Total comprehensive income for the period		(4,063,496)	(1,948,329)

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

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD FROM 01 APRIL 2024 TO 30 SEPTEMBER 2024


	01-Apr-24 to 30-Sep-24 MMK'000	01-Apr-23 to 30-Sep-23 MMK'000
Profit Attributable to :		
Equity holder of the Company	(4,015,990)	(1,891,424)
Non-controlling interest	(47,506)	(56,905)
	(4,063,496)	(1,948,329)
Total Comprehensive Income Attributable to :		
Equity holder of the Company	(4,015,990)	(1,891,424)
Non-controlling interest	(47,506)	(56,905)
	(4,063,496)	(1,948,329)
Negative earning per share (loss per share)		
Basic (MMK)	(0.383)	(0.180)

Authenticated by:



U Win Aung
 Managing Director
 Amata Holding Public Company Limited

Date : 28-01-2025

Daw Nay Myat Thu Aung
 Director
 Amata Holding Public Company Limited

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
INTEIRM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 01 APRIL 2024 TO 30 SEPTEMBER 2024

	SHARE CAPITAL	RETAINED EARNINGS	TOTAL	NCI	TOTAL EQUITY
	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000
As at 01 April 2024	3,487,990	7,833,230	11,321,220	804,746	12,125,966
Loss for the period	-	(4,015,990)	(4,015,990)	(47,506)	(4,063,496)
Dividend paid	-	(20)	(20)	-	(20)
As at 30 September 2024	3,487,990	3,817,220	7,305,210	757,240	8,062,450

	SHARE CAPITAL	RETAINED EARNINGS	TOTAL	NCI	TOTAL EQUITY
	MMK'000	MMK'000	MMK'000	MMK'000	MMK'000
As at 01 April 2023	3,487,990	13,116,912	16,604,902	964,490	17,569,392
Loss for the period	-	(1,891,424)	(1,891,424)	(56,905)	(1,948,329)
Dividend paid	-	(118)	(118)	-	(118)
As at 30 September 2023	3,487,990	11,225,370	14,713,360	907,585	15,620,945

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

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 01 APRIL 2024 TO 30 SEPTEMBER 2024

	01-Apr-24 to 30-Sep-24 MMK'000	01-Apr-23 to 30-Sep-23 MMK'000
Cash flows from operating activities		
Net loss before taxation	(4,075,385)	(1,966,970)
Adjustments for:		
Depreciation	663,273	716,580
Adjustment of property, plant and equipment	-	2,381
Amortization	3,597	9,305
Interest income	(32)	(953)
Interest expense	1,484,337	979,717
Impairment loss	1,338,923	-
Write-off	13	413
Provision for bad debt	(3,572)	
Exchange rate differential	-	(11,778)
Operating cash flows before working capital changes	(588,846)	(271,305)
Changes in working capital:		
Inventories	23,338	(1,592)
Trade and other receivables	55,861	(22,387)
Trade and other payables	(62,662)	49,282
Amount due to related parties	534,400	(663,563)
Cash generated from operations	(37,909)	(909,565)
Interest paid	-	(4,800)
Net cash used in operating activities	(37,909)	(914,365)
	A	
Cash flows from investing activities		
Purchase of property, plant and equipment	(595)	(169,785)
Purchase of intangible assets	-	(1,230)
Proceeds from sale of property, plant and equipment	60,000	24,500
Proceeds from disposal of one business unit	-	990,000
Interest received	32	953
Net cash provided by investing activities	59,437	844,438
	B	
Cash flows from financing activities		
Dividend paid	(20)	(118)
Finance lease obligation	(33,000)	(35,186)
Net cash used in financing activities	(33,020)	(35,304)
	C	
Net decrease in cash and cash equivalents	(11,492)	(105,231)
	A+B+C	
Cash and cash equivalents at the beginning of the period	31,494	174,640
Cash from My Hpa-an Residence (refer to Note -4)	-	(7,540)
Cash and cash equivalents at the end of the period	20,002	61,869

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

INTERIM NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 APRIL 2024 TO 30 SEPTEMBER 2024

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

1. General Information

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

The 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).

2. Basis of Preparation of the Interim Consolidated Financial Statements

(a) Statement of Compliance

The interim consolidated financial statements are prepared in compliance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34), International Financial Reporting Standards (IFRS) and the provision of Myanmar Companies Law 2017 (“the Law”).

(b) Basis of Measurement

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

(c) Use of Estimates and Judgements

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

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

Impairment

Management has to make certain assumptions and estimates that may substantially impact the presentation of the Group’s financial position and / or results of operations. Such estimates, assumptions or the exercise of discretion mainly relate to the useful life

of non-current assets, revenue, costs, future cash flows and the discounted cash flows used for impairment testing.

Essential estimates and assumptions that may affect reporting in property, plant and equipment, intangible assets and right-of-use assets of the financial statements are described in this Notes No. 5, 6 and 7.

Changes in assumptions or circumstances could require changes in the carrying amounts. This could lead to the recognition of additional impairment losses in the future.

(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 interim consolidated financial statements using the equity method of accounting less impairment losses.

(c) Equity method of accounting

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

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

(d) Investment in associate

Investment in associated is initially recognized at the transaction price (including transaction costs) under the equity method of accounting and carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the profit or loss of the investee is recognized in the investor's profit or loss. Distributions received from and investee reduces the carrying amount of the investment.

3. Significant Accounting Policies

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

(a) Foreign Currency Translation

The Company maintains its accounting records in Myanmar Kyats. The interim 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 interim statement of profit or loss and other comprehensive income.

(b) Cash and Cash Equivalents

Cash and cash equivalents in the interim statement 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.

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

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

Revalued assets

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

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

Subsequent costs

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

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 of 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

AMATA HOLDING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

REGISTRATION No. 100456125

INTERIM NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 01 APRIL 2024 TO 30 SEPTEMBER 2024

-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.

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

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

(n) **Impairment of Financial Assets**

The 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

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Significant transactions for the period from 01 April 2024 to 30 September 2024 with related parties were as follows;

	30-Sep-24	31-Mar-24
	MMK'000	MMK'000
Receivable from related parties	47,959	39,769
Payable to related parties	2,831,561	2,279,971

Significant agreement with related party

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

Land Lease – Amata Resort & Spa- Ngapali	15 years
Land Lease – Amata Garden Resort – Bagan	15 years
Land Lease – My Bagan Residence by Amata	15 years

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 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 1,403,312 (in thousands) 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'000
Total assets except cash and cash equivalents	1,623,800
Cash and cash equivalents	7,540
Total assets	1,631,340
Total liabilities	228,028
Consideration Amount	1,403,312

Total consideration amount for disposal of My Hpa-an Residence was received during the financial year ended 31 March 2024. 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.

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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'000											
	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 2024	54,312,113	318,534	1,316,812	2,025,606	380,179	662,662	2,329,570	238,299	129,388	1,165,465	93,480	62,972,108
Additions	-	-	-	-	-	-	-	-	-	595	-	595
Disposal	-	-	(45,109)	-	-	(56,888)	-	-	-	-	-	(101,997)
At 30 Sep 2024	54,312,113	318,534	1,271,703	2,025,606	380,179	605,774	2,329,570	238,299	129,388	1,166,060	93,480	62,870,706
<i>Accumulated Dep:</i>												
At 01 Apr 2024	6,859,409	306,987	1,144,476	1,980,743	332,696	643,860	2,111,162	213,478	117,516	1,090,427	-	14,800,754
Additions	494,019	7,899	23,237	10,662	16,108	3,194	57,840	20,351	2,535	18,015	-	653,860
Disposal	-	-	-	-	-	(56,886)	-	-	-	-	-	(56,886)
At 30 Sep 2024	7,353,428	314,886	1,167,713	1,991,405	348,804	590,168	2,169,002	233,829	120,051	1,108,442	-	15,397,728
<i>Accumulated Impairment:</i>												
At 01 Apr 2024	-	-	-	-	-	-	-	-	-	-	-	-
Additions (refer to Note 30)	1,306,326	195	803	493	91	-	-	1	73	2,879	7,440	1,318,301
At 30 Sep 2024	1,306,326	195	803	493	91	-	-	1	73	2,879	7,440	1,318,301
<i>Net Book Value</i>												
At 30 Sep 2024	45,652,359	3,453	103,187	33,708	31,284	15,606	160,568	4,469	9,264	54,739	86,040	46,154,677
At 01 Apr 2024	47,452,704	11,547	172,336	44,863	47,483	18,802	218,408	24,821	11,872	75,038	93,480	48,171,354

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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 used agreement of Amata Resort and Spa (Andaman), not to transfer or sub-lease the agreed right and obligation to others 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 (in thousands) 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 34,450 (in thousands) for this period. (Note 7 and 22)

6. Intangible Assets

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

	30-Sep-24
	MMK'000
<i>Cost</i>	
At 01 April 2024	371,463
Addition	-
At 30 September 2024	<u>371,463</u>
<i>Accumulated Amortization</i>	
At 01 April 2024	352,901
Addition	3,597
At 30 September 2024	<u>356,498</u>
<i>Accumulated Impairment</i>	
At 01 April 2024	-
Addition (refer to Note 30)	1
At 30 September 2024	<u>1</u>
<i>Net Book Value</i>	
At 30 September 2024	<u>14,964</u>
At 01 April 2024	<u>18,562</u>

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7. Right-of-Use Assets

Details are shown as below:

	30-Sep-24
	MMK'000
<i>Cost</i>	
At 01 April 2024	1,146,892
Addition	-
At 30 September 2024	<u>1,146,892</u>
<i>Accumulated Depreciation</i>	
At 01 April 2024	105,592
Addition	9,413
At 30 September 2024	<u>115,005</u>
<i>Accumulated Impairment</i>	
At 01 April 2024	-
Addition (refer to Note 30)	20,621
At 30 September 2024	<u>20,621</u>
<i>Net Book Value</i>	
At 30 September 2024	<u>1,011,266</u>
At 01 April 2024	<u>1,041,300</u>

Under United International Group Limited

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

	Lease period as per contract	Useful life
Land Lease – Amata Resort & Spa- Ngapali	15 years	58 Years
Land Lease – Amata Garden Resort – Bagan	15 years	60 Years
Land Lease – My Bagan Residence by Amata	15 years	49 Years
Land Lease – Amata Garden Resort Inle Lake	50 years	56 Years
Land Lease – 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 used agreement of Amata Resort and Spa (Andaman), not to transfer or sub-lease the agreed right and obligation to others person or organization.

The Company’s management intention for the land is to be sub-leased to United International Group Limited from 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.

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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 464,427 (in thousands) 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, 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 hotel increased by MMK 3,466 (in thousands) for this period. (Notes 5 and 22)

8. Inventories

Details are shown as below:

	30-Sep-24	31-Mar-24
	MMK'000	MMK'000
Food and beverage	8,509	17,388
Supplies	60,821	67,034
Diesel and gas	13,726	21,980
Souvenir stock	3,604	3,609
	86,660	110,011

9. Accounts Receivable

Details are shown as below:

	30-Sep-24	31-Mar-24
	MMK'000	MMK'000
Guest and city ledger	14,656	53,032
Provision for bad debts	(1,454)	(5,026)
	13,202	48,006

10. Deposit, Prepayments and Advance

Details are shown as below:

	30-Sep-24	31-Mar-24
	MMK'000	MMK'000
Deposit	3,644	3,753
Prepayment – Insurance	7,584	26,515
– Others	4,038	3,299
	15,266	33,567

11. Advance Tax

It comprises the followings:

	30-Sep-24	31-Mar-24
	MMK'000	MMK'000
Corporate income tax	1,066	1,066
Commercial tax (i)	6,894	14,492
	7,960	15,558

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(i) Commercial Tax

Details are shown as below:

	30-Sep-24	31-Mar-24
	MMK'000	MMK'000
Opening balance	14,492	24,493
Advance payment	816	3,592
Commercial tax payable	(8,414)	(13,414)
Adjustment	-	(179)
Closing balance as at	6,894	14,492

12. Amount Due from Related Parties

Details are shown as below:

	30-Sep-24	31-Mar-24
	MMK'000	MMK'000
Awinka Holding Company Limited	47,959	39,769
	47,959	39,769

13. Cash and Cash Equivalents

Details are shown as below:

	30-Sep-24	31-Mar-24
	MMK'000	MMK'000
Cash in hand	15,105	20,493
Cash at bank	4,897	11,001
	20,002	31,494

14. Share Capital

Details are shown as below:

	30-Sep-24	31-Mar-24
	MMK'000	MMK'000
<i>Issued, Subscribed and Fully paid-up Capital</i>		
10,000,000 shares of Ks 100 each	1,000,000	1,000,000
497,598 shares of Ks 5,000 each	2,487,990	2,487,990
	3,487,990	3,487,990

15. Accounts Payable

Details are shown as below:

	30-Sep-24	31-Mar-24
	MMK'000	MMK'000
Trade payable	465,090	424,335
Other	56,546	116,917
Interest payable	10,013,993	8,603,855
	10,535,629	9,145,107

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16. Tax Payable

It comprises the followings:

	30-Sep-24	31-Mar-24
	MMK'000	MMK'000
Capital gain tax (i)	4,569	1,427
Commercial tax (ii)	77,623	110,475
	82,192	111,902

(i) Capital Gain Tax

Details are shown as below:

	30-Sep-24	31-Mar-24
	MMK'000	MMK'000
Opening balance	1,426	896
Provision	3,000	1,426
Penalty	143	-
Tax Paid during the year	-	(895)
Closing balance as at	4,569	1,427

(ii) Commercial Tax

Details are shown as below:

	30-Sep-24	31-Mar-24
	MMK'000	MMK'000
Opening balance	110,475	105,740
Disposal of My Hpa-an Residence (<i>refer to note 4</i>)	-	(202)
Provision	6,639	78,975
Over/under provision	-	53
Penalty	423	15,707
Adjustment	-	(307)
Tax paid	(31,500)	(76,077)
Advance commercial tax	(8,414)	(13,414)
Closing balance as at	77,623	110,475

17. Accrued Expenses

Details are shown as below:

	30-Sep-24	31-Mar-24
	MMK'000	MMK'000
Employee related expenses	10,537	13,516
Professional fee	249,083	252,087
CSR expenses	60,000	50,000
DCA flight movement charges	4,649	4,649
Royalty fees	364,142	364,142
NCDC	45,950	45,950
Others	186,663	153,286
	921,024	883,630

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18. Deposit Received

Details are shown as below:

	30-Sep-24	31-Mar-24
	MMK'000	MMK'000
Deposit received – Guest and agents (float)	535,288	542,871
– Others	9,870	29,234
	545,158	572,105

19. Other Liabilities

Details are shown as below:

	30-Sep-24	31-Mar-24
	MMK'000	MMK'000
Commission	3,116	3,116
Service money	303,987	303,183
Short-term loan	470,000	470,000
	777,103	776,299

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 (in thousands) for a Covid– 19 loan.

20. Amount Due to Related Parties

Details are shown as below:

	30-Sep-24	31-Mar-24
	MMK'000	MMK'000
Amata International Co., Ltd.	95,020	86,253
U Win Aung	2,736,541	2,193,718
	2,831,561	2,279,971

21. Long-Term Borrowings

Details are shown as below:

	30-Sep-24	31-Mar-24
	MMK'000	MMK'000
<u>Long-term borrowings (USD 10.7 million)</u>		
Current portion	13,776,000	12,090,750
Non-current portion	8,694,000	10,379,250
	22,470,000	22,470,000

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On 22 October 2016, its subsidiary – United International Group Limited entered into a loan facilities agreement with International Finance Corporation (IFC) for principal amount of USD 10.7 million with interest rate (Variable Interest Rate – sum of the Relevant Spread and SOFR). According to Waiver letter No.9 dated 18 December 2023 respectively, instalment payments were rescheduled with agreement of International Finance Corporation (IFC).

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

22. Finance Lease Obligation

Details are shown as below:

	30-Sep-24 MMK'000	31-Mar-24 MMK'000
Current liabilities	3,671	1,364
Non-current liabilities	1,143,168	1,143,277
	<u>1,146,839</u>	<u>1,144,641</u>

The future minimum lease payments are as follows;

	30-Sep-24 MMK'000	31-Mar-24 MMK'000
Within one year	148,230	148,230
Later than one year but within five years	592,921	592,921
Later than five years	7,587,938	7,659,938
	<u>8,329,089</u>	<u>8,401,089</u>

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 contract. Details are shown as below:

Description	Lease Period as per contract	Lease Period as per Calculation Statement
Land Lease – Amata Resort & Spa- Ngapali	15 years	58 Years
Land Lease – Amata Garden Resort – Bagan	15 years	60 Years
Land Lease – My Bagan Residence by Amata	15 years	49 Years
Land Lease – Amata Garden Resort Inle Lake	50 years	56 Years
Land Lease - 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

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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 used agreement of Amata Resort and Spa (Andaman), not to transfer or sub-lease the agreed right and obligation to others person or organization.

The Company's management intention for the land is to be sub-leased to United International Group Limited from 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 (in thousands) 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 hotel increased by MMK 29,990 (in thousands) for this period. (Notes 5 and 7)

23. Revenue

Details are shown as below:

	01-Apr-24 to 30-Sep-24 MMK'000	01-Apr-23 to 30-Sep-23 MMK'000
Room / ballooning	133,667	744,101
Food and beverage	74,524	328,315
Guest laundry and spa	2,569	9,328
Other operating	10,543	54,925
Total	221,303	1,136,669

24. Cost of sales

Details are shown as below:

	01-Apr-24 to 30-Sep-24 MMK'000	01-Apr-23 to 30-Sep-23 MMK'000
Room / ballooning (i)	105,419	225,890
Food and beverage (ii)	76,392	262,115
Guest laundry and spa (iii)	1,298	4,213
Other operating	4,334	3,741
Total	187,443	495,959

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(i) Room/Ballooning

Details are shown as below:

	01-Apr-24 to 30-Sep-24 MMK'000	01-Apr-23 to 30-Sep-23 MMK'000
<u>Payroll and related expenses</u>		
Salaries and wages	50,309	84,348
Employee benefits	13,246	17,527
	63,555	101,875
<u>Other expenses</u>		
Ballooning cost	-	1,584
Service money	3,779	19,265
Supplies	11,743	40,150
Maint general	78	440
Transportation	2,855	11,263
Printing and stationery	165	1,608
Motor vehicle expenses	4,444	12,756
License and tax	2,814	8,393
Miscellaneous	75	397
Pest control	3,020	6,360
Present & Donation	80	391
Flowers and decoration	136	281
Data processing expenses	137	726
Laundry	2,564	9,448
Commission	3,520	1,014
Postage, telephone, e-mail	4,806	5,724
Operation utensils	460	449
Others	1,188	3,766
	41,864	124,015
Total	105,419	225,890

(ii) Food and beverage

Details are shown as below:

	01-Apr-24 to 30-Sep-24 MMK'000	01-Apr-23 to 30-Sep-23 MMK'000
<u>Payroll and related expenses</u>		
Salaries and wages	17,493	44,054
Employee benefits	3,919	8,264
	21,412	52,318
<u>Other expenses</u>		
Food and beverage	37,533	164,719
Service money	2,110	11,456
Supplies	2,137	6,387
Transportation	1,294	8,386
Printing and stationery	233	1,204

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License and tax	692	600
Miscellaneous	10	28
Flowers and decoration	83	346
Data processing expenses	-	396
Laundry	167	324
Postage, telephone, e-mail	65	805
Operation utensils	438	3,308
Kitchen utensils	2,511	8,069
Spoilage and loss	6,875	1,539
Others	833	2,230
	54,980	209,797
Total	76,392	262,115

(iii) Guest laundry and spa

Details are shown as below:

	01-Apr-24 to 30-Sep-24 MMK'000	01-Apr-23 to 30-Sep-23 MMK'000
<u>Payroll and related expenses</u>		
Guest laundry	-	-
SPA and souvenir cost	694	2,266
	694	2,266
<u>Other expenses</u>		
Guest laundry	-	-
SPA and souvenir cost	604	1,947
	604	1,947
Total	1,298	4,213

25. Other Income

Details are shown as below:

	01-Apr-24 to 30-Sep-24 MMK'000	01-Apr-23 to 30-Sep-23 MMK'000
Interest income	32	953
Other income	697	1,581
Total	729	2,534

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26. Sales and Marketing

Details are shown as below:

	01-Apr-24 to 30-Sep-24 MMK'000	01-Apr-23 to 30-Sep-23 MMK'000
<u>Payroll and related expenses</u>		
Salaries and wages	19,308	41,815
Employee benefits	191	1,175
	19,499	42,990
<u>Other expenses</u>		
Printing and stationery	51	145
Data Processing expenses	60	369
Postage, telephone, e-mail	120	255
Marketing promotion	-	2,981
Advertising	538	2,139
Transportation	263	1,142
Miscellaneous	156	240
	1188	7,271
Total	20,687	50,261

27. Administration and General

Details are shown as below:

	01-Apr-24 to 30-Sep-24 MMK'000	01-Apr-23 to 30-Sep-23 MMK'000
<u>Payroll and related expenses</u>		
Salaries and wages	79,617	107,198
Employee benefits	19,379	20,894
	98,996	128,092
<u>Other expenses</u>		
Data processing expenses	2,250	2,789
Printing and stationery	2,147	1,366
Postage, telephone, e-mail	961	1,856
Transportation	11,163	20,267
Motor vehicle expenses	4,674	6,900
Professional fee	22,092	18,184
Provision for bad debt	(3,572)	12
Licenses and tax	5,696	4,555
Insurance	28,368	31,122
Present and donation	668	46
Yangon expenses allocation	243,238	243,672
AGM expenses	5,092	4,728
Service money	2,836	17,604
Maintenance general	-	12
CSR expenses	10,000	10,000
Cleaning and garbage expenses	350	2,168

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Miscellaneous	4,698	14,087
Others	1,859	306
	342,520	379,674
Total	441,516	507,766

28. Property Operating and Maintenance

Details are shown as below:

	01-Apr-24 to 30-Sep-24 MMK'000	01-Apr-23 to 30-Sep-23 MMK'000
<u>Payroll and related expenses</u>		
Salaries and wages	21,077	36,382
Employee benefits	4,225	5,248
	25,302	41,630
<u>Other expenses</u>		
Engineering supplies	625	1,760
Printing and stationery	50	13
Postage, telephone, e-mail	110	195
Transportation	4,417	5,379
Maintenance general	25,495	69,092
Painting and renovation	3,505	18,128
Land scarping	1,369	15,405
Swimming pool	4,720	7,245
Plumbing and heating	189	1,445
Sewage and rubbish removal	150	2,820
Service money	1,055	5,367
Miscellaneous	185	182
Others	1,002	3,175
	42,872	130,206
Total	68,174	171,836

29. Utility Cost

Details are shown as below:

	01-Apr-24 to 30-Sep-24 MMK'000	01-Apr-23 to 30-Sep-23 MMK'000
Water	2,131	4,373
Diesel, petrol	47,349	93,278
Electricity	21,049	55,834
Total	70,529	153,485

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30. Impairment Loss

Its subsidiary – United International Group Limited, the impairment loss of “Amata Resort and Spa – Ngapali” was caused by the residual effects of the Covid-19 pandemic and the recent changes in the Rakhine State.

Amata Resort and Spa – Ngapali, operated by United International Group Limited, conducted an unscheduled impairment test in September 2024, resulting in the recognition of in following impairments:

	MMK'000
Property, Plant and Equipment	1,318,301
Intangible Assets	1
Right-of-use Assets	20,621
	<u>1,338,923</u>

Since the fair value of non-current assets cannot be assessed due to current situation in Rakhine State, the recoverable value of cash generating unit ‘Amata Resort and Spa – Ngapali’ was determined by value in use measured by discounted estimated future net cash flows generated by that resort.

The following table sets out the key assumptions used by the management:

	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
Room occupancy rate	-	-	42%	42%	42%
Revenue growth rate (% annual growth rate)	-	-	-	8%	8%
Room price growth rate (% annual growth rate)	-	13%	13%	13%	13%
Estimated gross margin	-	-	81%	81%	81%
Administration and General expenses (MMK million)	130	147	221	254	293
Property operating and maintenance expenses (MMK million)	32	30	209	241	280
Sales and marketing expenses (MMK million)	23	26	37	42	48
Renovation costs to bring the CGU into a operating stage (MMK million)	-	141	-	-	-
Utility costs (MMK million)	0.45	0.51	263.85	321.95	392.85

Estimated general inflation rate	13%
Pre-tax discount rate	15%
Long term growth rate after FY 28-29	10%

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Management has determined the values assigned to each of the above key assumptions as follow:

Assumption	Approach used to determine values
Room occupancy rate	Based on past performance, a peak occupancy rates in last 3 financial year were more than 50%. Management estimated that “Amata Resort and Spa – Ngapali” will not reopen until FY 25-26 due to recent changes. Resuming operations, the resort anticipates a 42% occupancy rate based on management’s expectations on market development.
Sales volume growth rate	Average annual growth rate over the five-year forecast period; based on past performance and management’s expectations of market development.
Room price growth rate	The management anticipated a rise in room prices that would correspond with general inflation.
Estimated gross margin	Based on past performance and management’s expectations for the future.
Variable – operating costs	Variable operating costs of the CGU comprises variable administrative and general expenses, and variable sales and marketing costs, varies with sales volumes. Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructurings or cost-saving measures. The amounts disclosed above are the average operating costs for the five-year forecast period.
Fixed – operating costs	Fixed costs of the CGU, comprising administration and general expenses and sales and marketing cost, do not vary significantly with sales volumes. Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructurings or cost-saving measures. The amounts disclosed above are the average operating costs for the five-year forecast period.
Renovation costs to bring the CGU into an operating stage	Before the hotel reopens, the management anticipates extensive renovations in end of FY 25-26. This is based on the historical experience of management, and the planned refurbishment expenditure. No incremental revenue or cost savings are assumed in the value-in-use model as a result of this expenditure.
Maintenance cost (MMK million)	Expected cash costs in the CGUs. This is based on the historical experience of management, and the planned refurbishment expenditure. No incremental revenue or cost savings are assumed in the value-in-use model as a result of this expenditure.
General inflation rate	According to the Asia Development Bank (ADB), Myanmar’s inflation rate is projected to be 20.7% in 2024 and 15% in 2025. Based on these forecasts, management expects a 13% inflation rate for the five-year forecast period.
Pre-tax discount rate	Management sets the 15% Co's discount rate, which is the Central Bank of Myanmar's declared bank lending rate.
Long term growth rate	10% growth is anticipated by management to occur beyond the projected period.

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31. Exchange Rate Differential

Details are shown as below:

	01-Apr-24 to 30-Sep-24 MMK'000	01-Apr-23 to 30-Sep-23 MMK'000
Exchange rate differential –realized	10,706	30,821
Exchange rate differential – unrealized	113	(17,376)
Total	10,819	13,445

32. Interest Expenses

Details are shown as below:

	01-Apr-24 to 30-Sep-24 MMK'000	01-Apr-23 to 30-Sep-23 MMK'000
Short term loan interest	2,400	2,400
IFC loan interest	1,407,738	903,104
Finance lease Interest	74,199	74,213
Total	1,484,337	979,717

The interest expenses relating to finance lease obligation of Amata Resort and Spa (Andaman) hotel MMK 29,990 (in thousands) for this period was included in the finance lease interest.

33. 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.

At the reporting date, the Group reviewed all hotels for impairments, Amata Garden Resort-Bagan, My Bagan Residence by Amata, Amata Garden Resort-Inle and Amata Resort and Spa (Andaman) have not experienced any impairment.

34. 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 Company's 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;
- 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.

35. Authorisation of Interim Consolidated Financial Statements

The interim consolidated financial statements for the period from 01 April 2024 to 30 September 2024 were authorized by the Board of Directors for issue.