

MANAGEMENT DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") discusses the financial condition and result for the six months ended 30 September 2024 in comparison with those for the six months ended 30 September 2023, for the Amata Holding Public Company Limited ("the Company" or "Group").

This discussion should be read in conjunction with the audited consolidated financial statements and accompanying notes contained therein for the period ended 30 September 2024 and 2023. Additional information relating to the Company, including the audited reviews and Interim consolidated financial statements Form for the periods ended 30 September 2024, and 30 September 2023, is available on <https://www.amataholding.com/>.

All financial information presented in this MD&A, including tabular amount, is in Myanmar Kyats unless otherwise specified.

Overview

The principal activities of the Company are Hospitality, Restaurants and Ballooning Services. The Company operates 5 Amata brand hotels and resorts across Myanmar and the business of operating hot air balloons under the Oriental Ballooning Service. 6 months period from 1 April 2024 to 30 September 2024 is the period which also falls into the low season for our business. Group revenues are lower in the low season from May to September than in the peak season from October to April. The company, thus, temporarily closed some hotel operations and ballooning service to take action to reduce the whole company's expenses.

1. Operating Results

The Group's operating performance for the interim financial period ended 30th September 2024 and the interim financial period ended 30th September 2023 are shown below.

(Kyat'000)	01-Apr-24 to 30-Sep-24 (6 months)	01-Apr-23 to 30-Sep-23 (6 months)	% Change
Operating Revenue			
Room Sales	133,667	744,101	-82%
Passenger Income (Balloon)	-	-	
Food and Beverage	74,523	328,315	-77%
Other operating	13,113	64,253	-80%
Total	221,303	1,136,669	-81%
Cost of Sales			

Room and Balloon	105,419	225,890	-53%
Food and Beverage	76,393	262,115	-71%
Other operating	5,631	7,955	-29%
Total	187,443	495,960	-62%
Gross Profit	33,860	640,709	-95%
Other Income	729	2,534	-71%
Other Expense	(619,844)	(904,612)	-31%
Impairment Loss	(1,338,923)	-	-
EBITDA	(1,924,178)	(261,369)	636%
EBIT	(2,591,048)	(987,254)	162%
Interest Expense	(1,484,337)	(979,717)	52%
(Loss) / Profit before Tax	(4,075,385)	(1,966,971)	107%
Total Comprehensive Income	(4,063,496)	(1,948,330)	109%

Operating Revenue

The Group's principal revenue comes from hotel and ballooning operations and revenue from food and beverage and others. The travelling and business activities are normally slowed during the 6 months low season period from 1 April 2024 to 30 September 2024 and, hot air balloon service business is not provided during the low season. The Group's total revenue in the current 6-month interim financial period was 81% less than that of the previous year's interim financial period.

Cost of Sales

The Group's cost of sales 187,442 (Kyat '000) in 1 April to 30 September 2024 decreased by 62% from the previous year same period. This reflects the Group controlled operating cost of crucial businesses which are kept at minimum.

Other Expense

Other expenses include Administrative and General Expenses, Selling expenses, Property operating and maintenance expenses, Utility costs and Exchange rate differential etc. The Group's other expenses (619,844) (Kyat '000) in 1 April to 30 September 2024 decreased by 31% from the same period last year. This decrease is primarily due to cost savings plans in which utilities costs and operations costs and expenses are kept at a minimum for optimum operational efficiency.

Foreign Currency Exchange Gain/Loss

As the Group's calculated foreign exchange rate to convert the receivables and payables expressed in foreign currency into Myanmar Kyats in preparing the current financial statements is based on the CBM reference rate which is the same as last year's calculated rate, the Group was able to greatly reduce the impact of exchange rate differential – unrealized which could result in the presentation of such currency conversion, and exchange rate differential – realized loss incurred by certain expenses paid in foreign currency was lower than that of previous year.

(Kyat'000) Exchange Rate Differential	Financial period ended 30 Sep 2024	Financial period ended 30 Sep 2023	% Change
Ex rate differential - realized	10,706	30,821	-65.3%
Ex rate differential - unrealized	113	(17,376)	100.7%
Total	10,819	13,445	-19.5%

Impairment Loss

Amata Resort and Spa – Ngapali, operated by the Group's subsidiary – United International Group Limited, conducted an unscheduled impairment test in September 2024, resulting in the recognition of 1,338,923 (Kyat '000) for impairment loss.

Interest Expense

The Group's interest expenses for 1 April to 30 September 2024 reached 1,484,337 (Kyat '000), marking a 52% increase compared with the same period last year. This increase is due to the increase of borrowing interest rate of loan.

Profit (loss) for the period

During the 1 April to 30 September 2024 period, the Group had a net loss of (4,063,496) (Kyat '000) compared to (1,948,330) (Kyat'000) at the same period last year. This was mainly due to a significant drop in hotel operating revenue and temporary closure of some hotels which still have some type of fixed costs and Amata Resort and Spa – Ngapali, operated by United International Group Limited, conducted an unscheduled impairment test in September 2024.

2. Financial Condition

The management's review on the summary of Group's financial position as compared to the financial year ended 31st March 2024 is presented below.

Non-Current Assets

The Group's non-current assets mainly consist of property, plant and equipment for hotels and hot air balloon service businesses. A 4.2% decrease in non-current assets was attributable to the decrease in some of the non-current assets due to the impairment loss of "Amata Resort & Spa –Ngapali" which was caused by the residual effects of the Covid -19 pandemic and the recent changes in Rakhine State, and the depreciation and amortization of tangible and intangible assets used in hotels and hot air balloon service businesses.

(Kyat'000)	Financial period ended 30 Sep 2024	Financial year ended 31 March 2024	% Change
Non-current Assets	47,180,907	49,231,216	-4.2%

Current Assets

The Group's current assets comprise of inventory, account receivables, prepayment and advance, amount due from related parties, and cash and cash equivalents. Current assets were decreased by 31.4% between the interim financial period ended 30th September 2024 and previous financial year. It was attributable to keeping less inventory, being able to collect account receivables on time, and the decrease in cash balance due to significant drop in hotel operating revenue.

(Kyat'000)	Financial period ended 30 Sep 2024	Financial year ended 31 March 2024	% Change
Current Assets	191,050	278,405	-31.4%

Current Liabilities

The Group's major current liabilities include accounts payable for current portion of long-term borrowings, accrued expenses, tax payable, provision and deposit, amount due to related parties, and other liabilities, which consist of commission and other miscellaneous. Despite accounts payable were partially reduced by paying off some of the amount due to related parties, current liabilities were increased by 14% in the current interim financial period as compared to FY 2023-2024 mainly due to an increase in current portion of principal payment for the foreign currency loan, and an increase in some of the accounts payable resulting from the increased operating expenses.

(Kyat'000)	Financial period ended 30 Sep 2024	Financial year ended 31 March 2024	% Change
Current Liabilities	29,472,251	25,861,128	14.0%

Non-Current Liabilities

Non-current liabilities comprise of long-term borrowings, other non-current liabilities and finance lease obligation. By comparing the current interim financial period with the previous financial year, there was a 14.6% decrease in non-current liabilities and it was attributable to the reporting of long-term borrowing which will be due next year to current liabilities in accordance with the accounting standards.

(Kyat'000)	Financial period ended 30 Sep 2024	Financial year ended 31 March 2024	% Change
Non-current Liabilities	9,837,168	11,522,527	-14.6%

Total Equity

The total equity consists of share capital, retained earnings and non-controlling interest (NCI). For the current interim financial period ended 30th September 2024, the total equity was decreased by 33.5% as compared to the previous financial year. This decrease was mainly due to the loss for the period during 01 April 2024 to 30 September 2024 and Amata Resort and Spa – Ngapali, operated by United International Group Limited, conducted an unscheduled impairment test and the recognition of impairment loss in September 2024.

(Kyat'000)	Financial period ended 30 Sep 2024	Financial year ended 31 March 2024	% Change
Total Equity	8,062,538	12,125,966	-33.5%

Review and Business Outlook

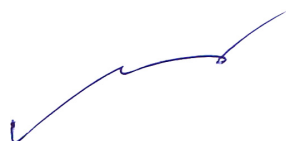
The interim financial period ended 30th September 2024 has marked that Amata Group has been able to adapt to the situations based on the leadership of our Chairman and past experience of the group management and operation teams, and has successfully overcome the challenges and continue the business for over five consecutive years.

Over the past years, events beyond our control such as climate changes, the residual effects of the COVID-19 pandemic, and recent changes in Myanmar were hampering the economic growth of travel, tourism and hospitality sector and the Group's future plans, businesses, results of operations, liquidity and financial

position were also adversely affected. We are striving to achieve business sustainability in Myanmar's tourism industry which is currently facing many challenges.

Although some of the hotels have to be closed in current situation due to unforeseen circumstances, there has not been a significant impact upon the Group due to being the rainy season in which tourist arrival rate is low. However, unexpected situations may still occur in the upcoming tourist season and the Company has put measures in place to ensure that the Group can be sustainable amidst these difficulties and to operate the businesses optimally in accordance with the changes. Last but not least, we will continue to do our best for the prospects of our shareholders.

On Behalf of the Board of Directors,



U Win Aung

Chairman