

## MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (“MD&A”) is based on Amata Holding Public Company Limited (“Amata”) Consolidated Audited Financial Statements for the financial year ended 31<sup>st</sup> March 2025 (“FY2024-2025”) and should be read in conjunction with those financial statements and related notes thereto. All currency amounts in this MD&A are expressed in Myanmar Kyat unless otherwise specified.

### 1. Operating Results

The Group’s operating performance for the financial year ended 31<sup>st</sup> March 2025 and the financial year ended 31<sup>st</sup> March 2024 are shown below.

(Kyat’000)	01-Apr-24 to 31-Mar-25	01-Apr-23 to 31-Mar-24	% Change
<b>Operating Revenue</b>			
Room Sales	272,184	1,382,745	-80%
Passenger Income (Balloon)	-	421,621	-100%
Food and Beverage	138,155	671,637	-79%
Other operating	28,095	131,861	-79%
<b>Total</b>	<b>438,434</b>	<b>2,607,864</b>	<b>-83%</b>
<b>Cost of Sales</b>			
Room and Balloon	213,034	917,588	-77%
Food and Beverage	143,179	551,157	-74%
Other operating	12,664	22,243	-43%
<b>Total</b>	<b>368,877</b>	<b>1,490,988</b>	<b>-75%</b>
<b>Gross Profit</b>	<b>69,557</b>	<b>1,116,876</b>	<b>-94%</b>
<b>Other Income</b>	<b>1,601</b>	<b>7,399</b>	<b>-78%</b>
<b>Other Expense</b>	<b>(1,347,741)</b>	<b>(1,904,169)</b>	<b>-29%</b>
<b>Exchange Rate Adjustment</b>	<b>14,254</b>	<b>(53,739)</b>	<b>-127%</b>
<b>Impairment Loss</b>	<b>(1,338,923)</b>	<b>-</b>	<b>100%</b>
<b>EBITDA</b>	<b>(2,601,252)</b>	<b>(833,633)</b>	<b>212%</b>
<b>EBIT</b>	<b>(3,861,704)</b>	<b>(2,238,465)</b>	<b>73%</b>
Interest Expense	(2,955,995)	(2,908,115)	2%
<b>(Loss) / Profit before Tax</b>	<b>(6,817,699)</b>	<b>(5,146,580)</b>	<b>32%</b>
<b>Total Comprehensive Income</b>	<b>(6,805,810)</b>	<b>(5,125,934)</b>	<b>33%</b>

The Group's principal revenue comes from resort hotels and hot air balloon service businesses. Due to the impact of external pressures currently faced by the Group, the hot air balloon service business, a subsidiary of the Group, has not been able to operate at full capacity since 2019. Furthermore, in the current fiscal year, the hot air balloon service business was completely unable to operate due to external circumstances. Additionally, Amata Resort & Spa (Ngapali) also had to temporarily suspend its operations starting from May 2024. This has also impacted revenues from related businesses, such as food and beverage and other services, resulting in an 83% decrease in the company's total revenue for the current fiscal year.

As for the total cost of sales, there was a 75% decrease compared to the previous financial year. Although the company carefully managed other expenses such as operating expenses, administrative and general expenses, and sales and marketing expenses, there was still a total comprehensive loss of 6.8 billion Kyat in this reporting financial year.

### **Foreign Currency Exchange Gain/Loss**

In preparing the current financial statements, the Group translated all foreign currency-denominated receivables and payables into Myanmar Kyat using the exchange rates prescribed by the Central Bank of Myanmar. Although the same method was applied in the previous year, a realized exchange gain (Exchange Rate Differential – Realized) arose during the year due to the difference between the exchange rates applied in accounting and the actual rates at which the Group's foreign currency income was received.

(Kyat'000) Exchange Rate Differential	Financial year ended 31 March 2025	Financial year ended 31 March 2024	% Change
Ex rate differential - realized	(11,512)	36,480	-131.6%
Ex rate differential - unrealized	(2,742)	17,259	-115.9%
<b>Total</b>	<b>(14,254)</b>	<b>53,739</b>	<b>-126.5%</b>

## **2. Financial Condition**

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

### ***Non-Current Assets***

Our Group's non-current assets primarily consist of property, plant and equipment used in the hotel and hot air balloon service businesses. The 5.1% decrease in non-current assets this year was mainly due to the provisions for depreciation resulting from the situation in Ngapali, the sale and replacement of certain fixed

assets, and the depreciation and amortization of both tangible and intangible assets used in the hotel and hot air balloon service businesses.

(Kyat'000)	Financial year ended 31 March 2025	Financial year ended 31 March 2024	% Change
<b>Non-current Assets</b>	<b>46,735,273</b>	<b>49,231,216</b>	<b>-5.1%</b>

### *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 28.5% in current financial year ended 31<sup>st</sup> March 2025 compared to that of previous financial year. It was attributable to several factors: keeping less inventory, being able to collect account receivables on time, and the decrease in cash balance as operating expenses were incurred by the Company due to having decreased revenue from hotel business.

(Kyat'000)	Financial year ended 31 March 2025	Financial year ended 31 March 2024	% Change
<b>Current Assets</b>	<b>199,192</b>	<b>278,405</b>	<b>-28.5%</b>

### *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. Current liabilities were increased by 29.2% in the current financial year compared to that of previous financial year mainly due to an increase in amount due to related parties, 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 year ended 31 March 2025	Financial year ended 31 March 2024	% Change
<b>Current Liabilities</b>	<b>33,401,155</b>	<b>25,861,128</b>	<b>29.2%</b>

### *Non-Current Liabilities*

on-current liabilities comprise of long-term borrowings, other non-current liabilities and finance lease obligation. By comparing the current financial year with the previous financial year, there was a 28.8% 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 year ended 31 March 2025	Financial year ended 31 March 2024	% Change
<b>Non-current Liabilities</b>	<b>8,204,685</b>	<b>11,522,527</b>	<b>-28.8%</b>

### ***Total Equity***

The total equity consists of share capital, retained earnings and non-controlling interest (NCI). It was decreased by 56.1% in current financial year ended 31<sup>st</sup> March 2025 compared to that of previous financial year.

(Kyat'000)	Financial year ended 31 March 2025	Financial year ended 31 March 2024	% Change
<b>Total Equity</b>	<b>5,328,625</b>	<b>12,125,966</b>	<b>-56.1%</b>

### **Review and Business Outlook**

The financial year ended 31<sup>st</sup> March 2025 was an exceptionally challenging year for Amata Holding Public Company Limited (Amata Group), which operates in the hotel and tourism service industry, due to the prevailing circumstances. However, under the leadership of the Chairman and based on the prior experience of the management and operational teams, the Group was able to adapt effectively to the circumstances, maintain business continuity, and face the challenges successfully.

Over the past few years, due to climate changes, the outbreak of COVID-19 pandemic, and ongoing changes within Myanmar, the hot air balloon service business, a subsidiary of the Group, has not been able to operate at full capacity since 2019. Furthermore, the hot air balloon service business was completely unable to operate this year as well due to external circumstances. In addition, operations at Amata Resort & Spa (Ngapali) were temporarily suspended starting from May 2024. Given these circumstances, the Group has placed greater focus on maintaining its long-term business sustainability.

To prevent further financial deterioration, the Group made difficult decisions to temporarily suspend operations in certain underperforming areas and thoroughly reassessed its entire operational structure. The

Group primarily focused its efforts on maintaining key assets and preserving cash flow effectively in order to be well-prepared when the market recovers.

The Group is striving to resume hot air balloon operations in the Bagan region for the upcoming open season. Preparations and maintenance activities are also being carried out to ensure the business can resume operations promptly once external conditions stabilize and improve.

The company has put in place the strategies to ensure long-term sustainability of its business Group during these challenging times and to operate as efficiently as possible in alignment with ongoing changes. Last but not least, we will remain committed to continuing our efforts in the best interest of our shareholders' future benefits.

On Behalf of the Board of Directors,



U Win Aung

Chairman