

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 interim financial period ended 30th September 2022 and should be read in conjunction with those financial statements and related notes thereto. All currency amounts in the MD&A are expressed in Myanmar Kyats unless otherwise specified.

1. Operating Results

The Group’s operating performance for the interim financial period ended 30th September 2022 and the financial period ended 31st March 2022 are shown below.

(Kyat)	01-Apr-22 to 30-Sep-22	01-Oct-21 to 31-Mar-22	% Change
Operating Revenue			
Room Sales	803,656,064	1,187,137,161	-32%
Passenger Income (Balloon)	-	-	
Food and Beverage	338,426,975	468,160,369	-28%
Other operating	80,923,972	122,759,339	-34%
Total	1,223,007,011	1,778,056,869	-31%
Cost of Sales			
Room and Balloon	190,670,874	267,289,749	-29%
Food and Beverage	244,828,788	287,942,402	-15%
Other operating	11,736,051	13,216,961	-11%
Total	447,235,713	568,449,112	-21%
Gross Profit	775,771,298	1,209,607,757	-36%
Other Income	27,614,054	1,154,955	2291%
Other Expense	5,260,237,638	-1,224,403,075	-530%
EBITDA	(4,456,852,286)	2,435,165,787	-283%
EBIT	(5,389,184,279)	1,457,593,417	-470%
Interest Expense	874,903,039	1,009,219,558	-13%
(Loss) / Profit before Tax	(6,264,087,318)	448,373,859	-1497%
Total Comprehensive Income	(6,262,888,288)	649,500,164	-1064%

The Group’s principal revenue comes from resort hotels and hot air ballooning businesses. Comparing the interim financial period ended 30th September 2022 with the financial period ended 31st March 2022, the total operating revenue decreased by 31% since the current reporting period fell into the low season of our business.

Other income was increased due to the deposit received for some rooms becoming the actual income since those customers did not come and stay.

Although some of the other expenses such as sales and marketing, and administrative and general expenses were being controlled, there was total comprehensive loss of 6.3 billion Kyats rather than total comprehensive income during the Company's current financial period.

The reason for that was the decrease in operating revenue due to the low season period and the unrealized exchange loss of 4.48 billion Kyats incurred from the revaluation of the foreign currency loan in accordance with monthly foreign currency exchange rates.

Foreign Currency Exchange Gain/Loss

Since our Group operates mainly in the Hotel industry, the business almost always encounters the exchange rate risk in general. In order to reduce the potential losses from the instability of foreign currency exchange rate fluctuations, we have made the adjustments during this reporting period to set the room rates and payable in Myanmar Kyats. By comparing the interim financial period ended 30th September 2022 with the previous financial period, there was the foreign currency exchange loss. As per below table extracted from the financial statements of the current period, unrealized exchange loss of 4.48 billion Kyats consisted mainly of 4.32 billion Kyats from translation currency of the foreign currency loan.

(Kyat)	Financial Period ended 30 September 2022	Financial Period ended 31 March 2022
Ex rate differential - realized	1,769,500	(57,380,074)
Ex rate differential - unrealized	4,476,826,674	(1,878,988,994)
Total	4,478,596,174	(1,936,369,068)

2. Financial Condition

Non-Current Assets

The Group's non-current assets comprise of tangible, intangible and hot air ballooning services. A 1.58% decrease in non-current assets was primarily attributable to the depreciation and amortization of tangible and intangible assets used in hotels and hot air ballooning businesses.

(Kyat)	Financial Period ended 30 September 2022	Financial Period ended 31 March 2022	% Change
Non-current Assets	52,803,085,837	53,651,830,743	-1.58%

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 32.8% between the interim financial period ended 30th September 2022 and FY 2021-2022. The main reasons for that were maintain minimum stock level during low season period, having received the inventory or services for prepayments made during Covid period as a result of being able to resume the operations due to the recovery of tourism industry, and being able to collect account receivables.

(Kyat)	Financial Period ended 30 September 2022	Financial Period ended 31 March 2022	% Change
Current Assets	336,964,391	501,797,957	-32.8%

Current Liabilities

The Group's major current liabilities include current portion of long-term borrowings, accounts payable, accrued expenses, tax payable, provision and deposit, amount due to related parties, and other liabilities, which consist of commission and other miscellaneous. A 23% increase in current liabilities for current interim financial period as compared to FY 2021-2022 was mainly due to an increase in current portion of principal payment for the foreign currency loan, and an increase in current portion of principal payment and interest for such foreign currency loan due to the impact of foreign currency exchange rates.

(Kyat)	Financial Period ended 30 September 2022	Financial Period ended 31 March 2022	% Change
Current Liabilities	17,220,880,949	14,000,620,873	23.0%

Non-Current Liabilities

Non-Current Liabilities comprise of long-term borrowings, other non-current liabilities and finance lease obligation. There was a 6.61% increase in non-current liabilities for current interim financial period and it was primarily attributable to the revaluation due to the changes in foreign currency exchange rates.

(Kyat)	Financial Period ended 30 September 2022	Financial Period ended 31 March 2022	% Change
Non-current Liabilities	16,599,976,297	15,571,457,170	6.61%

Total Equity

The total equity consists of share capital, retained earnings and non-controlling interest (NCI). For current interim financial period ended 30th September 2022, the total equity decreased by 21.41% as compared to the previous financial period. The main reasons for that were the drop in operating revenue due to current financial period being the low season, and the loss incurred by revaluation due to the changes in foreign currency exchange rates.

(Kyat)	Financial Period ended 30 September 2022	Financial Period ended 31 March 2022	% Change
Total Equity	19,319,192,982	24,581,550,657	-21.41%

Review and Business Outlook

We were able to reopen our hotels in accordance with the Covid-19 prevention guidelines due to the decrease in the rate of spread locally from late September 2021, the vaccinations and the increased awareness on how to prevent the virus. In addition, we were able to resume our hot air ballooning services in Bagan region starting from November 17, 2022.

In each year, the revenue of hotel and tourism businesses tends to drop roughly during the low season period between May and September, and the high season period occurs from October to April. Although current interim financial period was the low season, we served our customers by operating some of the hotels. That covered some of the operating and maintenance costs, despite the low revenue due to being the low season.

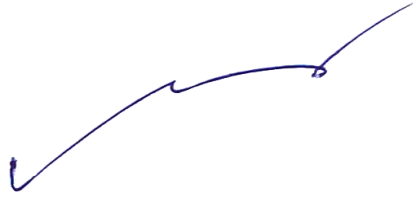
Our company is doing the best for the future prospects of our shareholders by not only making the preparations such as trying to get more revenue in the upcoming tourist season, operating sales promotion programs targeting at the domestic tourism in full swing due to the inbound tourism still being low, and setting the strategies to match the changing economic situation and market requirements, but also putting our efforts to make the necessary preparations for reducing the operating costs and other expenses.

The Group has foreign currency loan for debt financing to expand the hotel businesses. However, that is a long term loan and the Group has arranged to be able to revise the instalment loan repayment schedule in due course. Based on the business plans and growth of the business, the Group's management believes that the Group has the ability to repay its short and long term debts according to the fixed schedule.

In the coming days, unless unexpected situations occurred, the tourism industry could recover and the Group is aiming to open hotels, and providing hot air ballooning services not only in Bagan but also in other regions.

Lastly, we would like to assure our shareholders that we will continue our best efforts to increase revenues of the Group and achieve good prospects.

On Behalf of the Board of Directors,



U Win Aung

Chairman