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 31st March 2024 ("FY2023-2024") 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 Kyats unless otherwise specified.

1. Operating Results

The Group's operating performance for the financial year ended 31st March 2024 and the financial year ended 31st March 2023 are shown below.

(Kyat)	01-Apr-23 to 31-Mar-24	01-Apr-22 to 31-Mar-23	% Change
Operating Revenue			
Room Sales	1,382,744,617	2,118,084,841	**-35%**
Passenger Income (Balloon)	421,620,910	323,406,935	**30%**
Food and Beverage	671,637,490	864,299,281	**-22%**
Other operating	131,861,274	206,515,900	**-36%**
Total	**2,607,864,291**	**3,512,306,957**	**-26%**
Cost of Sales			
Room and Balloon	917,587,795	728,482,474	**26%**
Food and Beverage	551,156,665	645,407,681	**-15%**
Other operating	22,243,496	25,242,709	**-12%**
Total	**1,490,987,956**	**1,399,132,864**	**7%**
Gross Profit	**1,116,876,335**	**2,113,174,093**	**-47%**
Other Income	**7,399,143**	**39,374,677**	**-81%**
Other Expense	**(1,904,169,892)**	**(1,916,112,113)**	**-1%**
Exchange Rate Adjustment	**(53,738,708)**	**(4,528,151,932)**	**-99%**
EBITDA	**(833,633,122)**	**(4,291,647,112)**	**-81%**
EBIT	**(2,238,464,718)**	**(6,083,659,184)**	**-63%**
Interest Expense	(2,908,115,481)	(1,863,266,240)	**56%**
(Loss) / Profit before Tax	**(5,146,580,199)**	**(7,946,925,424)**	**-35%**
Total Comprehensive Income	**(5,125,933,803)**	**(7,932,734,557)**	**-35%**

The Group's principal revenue comes from resort hotels and hot air balloon service businesses. To analyse our revenue, hot air balloon service business has been able to increase its flights compared to the previous year and its revenue has also improved in this reporting financial year. However, the Company's total operating revenue was decreased by 26% in current financial year since the rate of domestic and international tourist arrivals and accommodation has decreased compared to the previous financial year and affected the income of its related businesses such as food and beverages and other operating businesses.

As for the total cost of sales, there was 7% increase compared to the previous financial year. It was mainly due to the 26% increase in cost of sales of hot air balloon service business. Although other expenses such as operating expenses, administrative and general expenses, and sales and marketing expenses were being controlled, there was a total comprehensive loss of 5.1 billion Kyats in this reporting financial year.

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. However, Exchange Rate Differential – Realized loss was higher than that of previous year due to the fluctuations in foreign currency exchange rate.

(Kyat) **Exchange Rate Differential**	**Financial year ended 31 March 2024**	**Financial year ended 31 March 2023**	**% Change**
Ex rate differential - realized	**36,479,755**	**21,154,905**	**72.4%**
Ex rate differential - unrealized	**17,258,953**	**4,506,997,027**	**-99.6%**
Total	**53,738,708**	**4,528,151,932**	**-98.8%**

2. Financial Condition

The management's review on the summary of Group's financial position as compared to the previous financial year ended 31st March 2023 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. To break down the decrease of 5.3% in non-current assets, it was attributable to the rate of decrease due to the sale of one of our Group's owned hotels, "My Hpa-An Residence by Amata", which resulted about 3% decrease of total non-current assets. It was also caused by selling and repurchasing of some other non-current assets, and the depreciation and amortization of tangible and intangible assets used in hotels and hot air balloon service businesses.

(Kyat)	**Financial year ended 31 March 2024**	**Financial year ended 31 March 2023**	**% Change**
Non-current Assets	**49,231,215,886**	**51,970,291,625**	**-5.3%**

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 40.8% in current financial year ended 31st March 2024 compared to that of previous financial year. It was attributable to 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)	**Financial year ended 31 March 2024**	**Financial year ended 31 March 2023**	**% Change**
Current Assets	**278,405,054**	**470,624,135**	**-40.8%**

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 30% in the current financial year compared to that of previous financial year 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)	**Financial year ended 31 March 2024**	**Financial year ended 31 March 2023**	**% Change**
Current Liabilities	**25,861,127,970**	**19,886,770,571**	**30.0%**

Non-Current Liabilities

Non-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 23.1% 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, and the decrease in finance lease obligation due to the sale of one of our Group's owned hotels, "My Hpa-An Residence by Amata".

(Kyat)	**Financial year ended 31 March 2024**	**Financial year ended 31 March 2023**	**% Change**
Non-current Liabilities	**11,522,526,945**	**14,984,753,113**	**-23.1%**

Total Equity

The total equity consists of share capital, retained earnings and non-controlling interest (NCI). It was decreased by 31.0% in current financial year ended 31st March 2024 compared to that of previous financial year.

(Kyat)	**Financial year ended 31 March 2024**	**Financial year ended 31 March 2023**	**% Change**
Total Equity	**12,125,966,025**	**17,569,392,076**	**-31.0%**

Review and Business Outlook

The financial year ended 31st March 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 the fifth consecutive year.

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.

In order to achieve business sustainability in Myanmar's tourism industry which is currently facing many challenges, Board of Directors has assessed and decided that it is in the best interest of the Company to sell out "My Hpa-An Residence by Amata". The proceeds were used to make alternative investment in future business opportunities, pay off the payables of amount due to related parties, renovate and expand the necessary areas of hotels in Ngapali and Inle regions, and buy new generators to supply the required electricity.

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 to the best of our abilities for the prospects of our shareholders.

On Behalf of the Board of Directors,

U Win Aung (Chairman)