



Myanmar Technologies and Investment Corporation Public Co., Ltd.

A graphic for the financial statement cover. It features a dark blue background with a white arrow pointing to the right. The text 'Financial Statement' is written in a large, white, serif font. Below it, the years '2018-2019' are written in a white, sans-serif font on a dark blue rectangular background. The background of the graphic is a light blue grid pattern.

***Financial
Statement***

2018-2019

Myanmar Technologies and Investment Corporation Limited

**Financial Statements
31 March 2019**

Currency – Myanmar Kyat

Myanmar Technologies and Investment Corporation Limited
Financial Statements
As at and for the year ended 31 March 2019

Contents	Page
Statement of management's responsibility	1
Independent auditor's report	2 -3
Statement of financial position	4
Statement of comprehensive income	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8-18



Statement of Management's Responsibility For Myanmar Technologies and Investment Corporation Limited

It is the responsibility of the management to prepare the financial statements which give a true and fair view of the financial position of Myanmar Technologies and Investment Corporation Limited (the Company) as of 31 March 2019, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. In preparing these financial statements, the management is required to:

- Select suitable accounting policies and then apply them consistently; and
- Make judgments and estimates that are reasonable and prudent.

The management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. We have general responsibility for taking such steps as are reasonably open to us to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of Management

U Htin Aung Khine
Chairman
Myanmar Technologies & Investment
Corporation Limited

U Min Oo
Board of Director
Myanmar Technologies & Investment
Corporation Limited

20 June 2019



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WIN THIN & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

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Ref: 304/M - 236/March 2019

INDEPENDENT AUDITOR'S REPORT

To the members of Myanmar Technologies and Investment Corporation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Myanmar Technologies and Investment Corporation Limited** which comprise the statement of financial position as at 31 March 2019, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Myanmar Financial Reporting Standard (MFRS) and the provisions of the Myanmar Companies Law. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Myanmar Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of **Myanmar Technologies and Investment Corporation Limited** as of 31 March 2019 and of its financial performance and its cash flows for the year then ended in accordance with MFRS and the provisions of the Myanmar Companies Law.

Report on Other Legal and Regulatory Requirements

In accordance with the provisions of the Myanmar Companies Law, we also report that:

- (i) we have obtained all the information and explanations we have required; and
- (ii) books of account have been maintained by the Company as required by Section 258 of the Law.



Daw Nu War (PA - 599)
Engagement Partner
WIN THIN & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

20 June 2019

Myanmar Technologies and Investment Corporation Limited

Statement of Financial Position

As at 31 March 2019

Currency – Myanmar Kyat

	Note	2019	2018
Assets			
Non-current assets			
Property and equipment	6	16,559,183.94	17,931,131.96
Intangible assets	7	36,529,437.35	39,932,267.39
Available-for-sale financial assets	8	10,710,850,000.00	9,567,850,000.00
Investment	9	158,462,540.21	117,793,057.60
		10,922,401,161.50	9,743,506,456.95
Current assets			
Advances and prepayment	10	415,169,061.15	1,287,402,490.28
Cash and bank deposits	11	67,183,063.20	665,692,671.05
		482,352,124.35	1,953,095,161.33
		11,404,753,285.85	11,696,601,618.28
Equity and liabilities			
Equity			
Share capital	12	5,038,862,000.00	4,685,322,000.00
Fair value reserve		3,346,650,000.00	3,383,650,000.00
Retained earnings		621,386,777.95	603,062,663.28
		9,006,898,777.95	8,672,034,663.28
Non-Current liabilities			
Convertible loan	13	200,000,000.00	200,000,000.00
		200,000,000.00	200,000,000.00
Current liabilities			
Short term loan	14	2,088,812,861.90	2,800,000,000.00
Other payables	15	109,041,646.00	24,566,955.00
		2,197,854,507.90	2,824,566,955.00
		11,404,753,285.85	11,696,601,618.28

The notes on pages 8 to 18 are an integral part of the Financial Statements.

Authenticated by Directors:


 (1)
 Chairman
 MTI Corporation




 (2)
 Board of Director
 MTI Corporation

Myanmar Technologies and Investment Corporation Limited

Statement of Comprehensive Income

For the year ended 31 March 2019

Currency – Myanmar Kyat

	Note	2019	2018
Revenue		-	-
Cost of revenue		-	-
Gross profit		-	-
Add: Other operating income	16	29,473,163.73	22,485,328.40
Less: Expenses			
Marketing and development expenses	17	(3,209,925.00)	(1,129,490.00)
Administrative expenses	18	(150,653,729.06)	(123,269,726.20)
Finance costs	19	(353,156,977.61)	(352,302,320.26)
Profit/(loss) before tax		(477,547,467.94)	(454,216,208.06)
Share of profit/(loss) result on associate	9	40,669,482.61	(14,023,911.08)
Dividend received from Myanmar Thilawa SEZ Holdings Public Limited		420,670,000.00	475,540,000.00
Gain/(loss) on investments	20	34,834,500.00	80,352,000.00
		18,626,514.67	87,651,880.86
Income tax expense		(302,400.00)	-
Profit/(loss) after tax		18,324,114.67	87,651,880.86
Other Comprehensive Income (Unrealized Item)			
Profit/(loss) for the year		18,324,114.67	87,651,880.86
Fair value reserve	8	3,346,650,000.00	3,383,650,000.00
Total comprehensive income for the year		3,364,974,114.67	3,471,301,880.86

The notes on pages 8 to 18 are an integral part of the Financial Statements.

Authenticated by Directors:


(1)
Chairman
MTI Corporation




(2)
Board of Director
MTI Corporation

Myanmar Technologies and Investment Corporation Limited
Statement of Changes in Equity for the year ended 31 March 2019
 Currency – Myanmar Kyat

	Issued and paid-up capital	Share premium	Fair value reserve	Retained earnings	Total
Balance at 31 March 2018	3,822,760,000.00	862,562,000.00	3,383,650,000.00	603,062,663.28	8,672,034,663.28
Issue of share capital	160,700,000.00	192,840,000.00	-	-	353,540,000.00
Other comprehensive income for the year	-	-	(37,000,000.00)	-	(37,000,000.00)
Share of income/(loss) in Associates	-	-	-	40,669,482.61	40,669,482.61
Retained earning for the year	-	-	-	(22,345,367.94)	(22,345,367.94)
Balance at 31 March 2019	3,983,460,000.00	1,055,402,000.00	3,346,650,000.00	621,386,777.95	9,006,898,777.95


 Chairman
 MTI Corporation




 Board of Director
 MTI Corporation

Myanmar Technologies and Investment Corporation Limited

Statement of Cash flows

For the year ended 31 March 2019

Currency – Myanmar Kyat

	2019	2018
Cash flows from operating activities		
Profit before tax	18,626,514.67	87,651,880.86
<i>Adjustments for:</i>		
Depreciation and amortization	6,243,583.06	6,237,713.20
Share of (profit)/loss on associates	(40,669,482.61)	14,023,911.08
Operating profit before working capital changes	(15,799,384.88)	107,913,505.14
(Increase)/Decrease in trade and other receivables	872,233,429.13	(1,211,934,490.28)
Increase/(Decrease) in trade and other payables	84,474,691.00	(1,302,518.00)
Sale of share with nominal value	20,000,000.00	180,000,000.00
	960,908,735.25	(925,323,503.14)
Tax paid	(302,400.00)	–
Net cash provided by operating activities	960,606,335.25	(925,323,503.14)
Cash flows from investing activities		
Purchase of property and equipment	(1,621,380.00)	(519,000.00)
Disposal proceeds of property and equipment	152,575.00	–
Addition of investment	(1,200,000,000.00)	–
Net cash used in investing activities	(1,201,468,805.00)	(519,000.00)
Cash flows from financing activities		
Issue of share capital	353,540,000.00	1,580,322,000.00
Dividend paid	–	(155,250,000.00)
Repayment of loan	(711,187,138.10)	–
Net cash used in financing activities	(357,647,138.10)	1,425,072,000.00
Net increase/ (decrease) in cash and cash equivalents	(598,509,607.85)	499,229,496.86
Cash and cash equivalents at beginning of year	665,692,671.05	166,463,174.19
Cash and cash equivalents at end of year	67,183,063.20	665,692,671.05


Chairman
MTI Corporation




Board of Director
MTI Corporation

Myanmar Technologies And Investment Corporation Limited

Note to the Financial Statements

Currency – Myanmar Kyat

1. General information

Myanmar Technologies and Investment Corporation Limited was incorporated as a Public Company Limited by Shares in the Union of Myanmar under The Myanmar Companies Act on November 26, 2012. The company has been re-registered according to new Myanmar Companies Law as per registered No.117380068.

The Company has subscribed proportions of 45% equivalent to Kyat 450,000,000 in Myanmar Payment Solution Services Company Limited (MPSS). As per the Board of Directors' meeting resolution dated on 25 April 2017, the investment made in MPSS has been reduced from 45% to 20%.

The registered office of the Company is Room No.602, Building (16), MICT Park, Hlaing Township, Yangon Region.

2. Summary of significant accounting policies

The principal accounting policies which have all been applied consistently throughout the financial year are summarized below:

2.1 Basis of preparation

The accompanying financial statements have been prepared in accordance with Myanmar Financial Reporting Standards (MFRS) and are based on historical cost convention.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost. The statement of cash flows is prepared using the indirect method. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous periods.

2.3 Foreign currency translation

2.3.1 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Myanmar Kyats, which is the presentation currency of the Company.

2.3.2 Transactions and balances

Foreign currency transactions are translated into the functional currency at the exchange rate prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

2.4 Property and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the differences between net proceeds from disposal and the carrying amount of the property, plant and equipment) is recognised in profit or loss.

Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives.

The estimated useful lives of property, plant and equipment are as follows:

Furniture and fittings	10%
Office equipment	10%
Intangible assets- MYOB Software	10%
Intangible assets- License fee for Network	14 ears
Services and Network Facilities Services	

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2.5 Intangible assets

Intangible assets are carried at cost less accumulated amortization and allowance for impairment loss (if any), Intangible assets with finite lives are amortized on a systemic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortization and the amortization method of such intangible assets are reviewed at least at each financial year-end. The amortization expense is recognized in the income statement.

Intangible assets with finite useful lives include MYOB software which have an estimated useful life of 10 years, and Network licenses which would be amortized based on period of contractual rights.

2.6 Available-for-sale financial assets

Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognised in other comprehensive income and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

2.7 Investment in associate

Investment in associate is initially recognized at the transaction price (including transaction cost) under the method of accounting and is subsequently adjusted to reflect the investor's share of the profit or loss.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits with various local banks.

2.9 Dividends

Dividends are recognized when they become legally payable.

2.10 Income tax

Income tax expense comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

2.11 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

2.12. Related party

A party is related to an entity if:

- (a) directly, or indirectly through one or more intermediaries, the party:
 - (i) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
 - (ii) has an interest in the entity that gives it significant influence over the entity; or
 - (iii) has joint control over the entity;
- (b) the party is an associate of the entity;
- (c) the party is a joint venture in which the entity is a venture;
 - (a) the party is a member of key management personnel of the entity or its parents;
 - (b) the party is a close member of the family of any individual referred to in (a) or (d);
- (d) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides, directly or indirectly, with any individual referred to in (d) or (e); or
- (e) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

3. Significant accounting judgments and estimates

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

4. Financial risk management

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business whilst managing its risks. The main areas of financial risks faced by the Company and the policy in respect of these risks are set out as follows:

Foreign exchange risk

The Company has no significant exposure to foreign exchange risk as financial assets and financial liabilities are mainly denominated in Myanmar Kyats. The Company does not hedge its exposures to foreign exchange risk as the risk is not expected to be significant.

Interest rate risk

The Company has no significant exposure to interest rate risk through the impact of rate changes on loan receivables which affect the interest income. The Company does not have a plan to hedge the interest rate risk.

Credit risk

The Company is exposed to credit risk arises from the failure of counter party to settle its financial and contractual obligations to the Company, as and when they fall due.

The maximum credit risk associated with recognized financial assets is the carrying amount shown in the balance sheet. However, policies had been established by the Company to minimize such risks.

Liquidity and cash flow risks

The Company 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.

5. Fund management

The Company's objectives, when managing its funds, are to safeguard and maintain adequate working capital to continue as a going concern.

6. Property and equipment

Details of property and equipment are as follows:

	Furniture and fittings	Office equipment	Total
<u>For Financial Year (2018-2019)</u>			
<u>Cost</u>			
At 31 March 2018	10,377,292.00	18,014,790.00	28,392,082.00
Additions	179,500.00	1,441,880.00	1,621,380.00
Disposal	(359,000.00)	–	(359,000.00)
At 31 March 2019	10,197,792.00	19,456,670.00	29,654,462.00
<u>Accumulated depreciation</u>			
At 31 March 2018	(3,417,699.82)	(7,043,250.22)	(10,460,950.04)
Depreciation charge-Addition	(1,027,258.35)	(1,813,494.67)	(2,840,753.02)
-Disposal	206,425.00	–	206,425.00
At 31 March 2019	(4,238,533.17)	(8,856,744.89)	(13,095,278.06)
Net book value	5,959,258.83	10,599,925.11	16,559,183.94
<u>For Financial Year (2017-2018)</u>			
<u>Cost</u>			
At 31 March 2017	9,858,292.00	18,014,790.00	27,873,082.00
Additions	519,000.00	–	519,000.00
At 31 March 2018	10,377,292.00	18,014,790.00	28,392,082.00
<u>Accumulated depreciation</u>			
At 31 March 2017	(2,384,295.66)	(5,241,771.22)	(7,626,066.88)
Depreciation charge	(1,033,404.16)	(1,801,479.00)	(2,834,883.16)
At 31 March 2018	(3,417,699.82)	(7,043,250.22)	(10,460,950.04)
Net book value	6,959,592.18	10,971,539.78	17,931,131.96

7. Intangible assets

Details of intangible assets are as follows:

	MYOB software	Licence fee	Total
For the Financial Year April 2018 to March 2019			
<u>Cost</u>			
At 1 April 2018	1,898,300.00	45,000,000.00	46,898,300.00
Addition	–	–	–
At 31 March 2019	1,898,300.00	45,000,000.00	46,898,300.00
<u>Accumulated depreciation</u>			
At 1 April 2018	522,032.61	6,444,000.00	6,966,032.61
Depreciation charge	189,830.04	3,213,000.00	3,402,830.04
At 31 March 2019	711,862.65	9,657,000.00	10,368,862.65
Net book value	1,186,437.35	35,343,000.00	36,529,437.35
For the Financial Year April 2017 to March 2018			
<u>Cost</u>			
At 1 April 2017	1,898,300.00	45,000,000.00	46,898,300.00
Addition	–	–	–
At 31 March 2018	1,898,300.00	45,000,000.00	46,898,300.00
<u>Accumulated depreciation</u>			
At 1 April 2017	332,202.57	3,231,000.00	3,563,202.57
Depreciation charge	189,830.04	3,213,000.00	3,402,830.04
At 31 March 2018	522,032.61	6,444,000.00	6,966,032.61
Net book value	1,376,267.39	38,556,000.00	39,932,267.39

The above license fees were paid to Republic of the Union of Myanmar (Post and Telecommunications Department) for Network Services and Network Facilities services (Class). The validity of the licenses issued to the Company is fifteen years expiring on January 24, 2031 which would be amortized based on period of contractual right.

8. Available-for-sale financial assets (Kyat 10,710,850,000)

The details are as follows;

	2019	2018
Myanmar Thilawa SEZ Holding Public Limited (MTSH)		
Opening (1,829,000 shares @ Kyat 2,850 each)	5,212,650,000.00	7,621,900,000.00
Addition	–	–
Disposal (20,000 shares)	(59,000,000.00)	(120,000,000.00)
Fair value adjustment	2,000,000.00	(3,000,000.00)
	5,155,650,000.00	7,498,900,000.00
Impairment loss	–	(2,286,250,000.00)
End of financial year (1,809,000 shares @ Kyat 2,850 each)	5,155,650,000.00	5,212,650,000.00
Myanmar National Telecom Holdings Public Limited (MNTH)		
Opening (435,520 shares @ Kyat 10,000 each)	4,355,200,000.00	4,355,200,000.00
Addition (120,000 shares @ Kyat 10,000 each)	1,200,000,000.00	–
End of financial year (555,520 shares @ Kyat 10,000 each)	5,555,200,000.00	4,355,200,000.00
	10,710,850,000.00	9,567,850,000.00

Myanmar Thilawa SEZ Holding Public Limited (MTSH) classified as available-for-sale are carried at fair value, less impairment because the fair value can be reliably estimated using valuation techniques supported by observable market data determined.

Myanmar National Telecom Holdings Public Limited (MNTH), unquoted equity investments classified as available-for-sale are carried at cost, less impairment because the fair value cannot be reliably estimated using valuation techniques supported by observable market data determined.

9. Investment

Investment represents investment made in Myanmar Payment Solution Services Company Limited (MPSS) which the entity shall subscribe 20 % of the initial subscribed capital. Accordingly, the Company had subscribed 200,000 shares equivalent to Kyat 200,000,000. At the reporting date, subsequent adjustment was made based on MPSS's proportionate share of loss for the accumulated loss amounting to Kyat 15,391,527.83. The carrying value of the investment was Kyat 158,462,540.21. The detail is as follows;

	2019	2018
Acquisition of investment (shares 300,000)	117,793,057.60	281,816,968.68
Proportionate net loss for the year (30 % of K 51,305,092.76)	(15,391,527.83)	(14,023,911.08)
Share refund from MPSS adjustment	56,061,010.44	(150,000,000.00)
Carrying value as at 31 March 2019	158,462,540.21	117,793,057.60

10. Advances and prepayment

Advances and prepayment consist of:

	2019	2018
Advances		
Rental fees	22,307,000.00	22,307,000.00
Deposits	2,360,000.00	2,360,000.00
Office expenses	500,000.00	500,000.00
Tax	-	300,000.00
Prepayment		
Myanmar National Telecom Holdings Public Limited	330,000,000.00	1,200,000,000.00
Myanmar Communication Infrastructure Development Limited	50,000,000.00	50,000,000.00
Myanmar Kyauk Phyu Special Economic Zone Holding Consortium	10,000,000.00	10,000,000.00
Other receivable - CB securities	1,000.00	1,000.00
- Amara securities	1,061.15	1,000.00
Accrued income-Bank interest	-	1,933,490.28
	415,169,061.15	1,287,402,490.28

The above represent prepayment by the Company for investment in Myanmar National Telecom Holdings Public Limited, Myanmar Communication Infrastructure Development Limited and Myanmar Kyauk Phyu Special Economic Zone Holding Consortium.

11. Cash and bank deposits

Cash and bank deposits consist of:

	2019	2018
Cash	758,200.00	1,605,870.00
Bank deposits		
Kanbawza bank	153,297.19	51,766,947.36
Myanmar Citizens bank	174,078.27	161,334.75
Yoma bank	607,019.28	213,839.71
Ayeyarwady bank	64,588,609.22	348,759,140.79
MMA super agent and agent e money account	732,330.00	283,714.50
Co-Operative bank	72,107.81	70,036.19
Innwa bank	8,990.03	8,940.64
United Amara bank	88,431.40	262,822,847.11
	67,183,063.20	665,692,671.05

12. Share Capital

Details are as follows:

	2019	2018
Opening (shares 382,276)	3,822,760,000.00	3,105,000,000.00
For the year (shares 16,070 @ K 10,000 each)	160,700,000.00	717,760,000.00
End of year(shares 398,346 shares @ K10,000 each)	3,983,460,000.00	3,822,760,000.00
Share premium	1,055,402,000.00	862,562,000.00
	5,038,862,000.00	4,685,322,000.00

13. Convertible loan (Kyat 200,000,000)

The above convertible interest free loan represent loan taken by the Company from U Zaw Min Oo to purchase shares owned by Myanmar National Telecom Holdings Public Limited (MNTH) on January 12, 2017. The Company will transfer to U Zaw Min Oo the share equivalent to the amount of loan taken, when the transfer of shares is allowed by MNTH. Any dividend received from MNTH will be entitled by the Company before the date of share transfer.

14. Short term loan (Kyat 2,088,812,861.90)

The Company made credit facility agreement with United Amara Bank Limited on 11 April 2018 and acquired a mortgage loan bearing the interest rate of 13% per annum.

15. Other payables

Other payables consist of:

	2019	2018
SSB and personnel income tax	284,146.00	571,955.00
Payable to shareholders	6,500,000.00	22,000,000.00
Advance received from MPSS for share refund	100,000,000.00	–
Professional fees	2,257,500.00	1,995,000.00
	109,041,646.00	24,566,955.00

16. Other operating income

Other operating incomes consist of:

	2019	2018
Bank interest	27,534,852.20	15,425,825.30
Income from 663 super-agent	7,895.50	21,945.00
Income from 663 agent	1,200.00	3,000.00
Unrealized exchange gain/(loss)	17,936.03	(2,691.90)
Commission fees income	1,881,280.00	1,835,000.00
Other incomes	30,000.00	5,202,250.00
	29,473,163.73	22,485,328.40

17. Marketing and development expenses

Marketing and development expenses consist of:

	2019	2018
Marketing expenses		
Advertising	132,300.00	854,450.00
Sponsor fees	2,500,000.00	-
Project expenses		
Network Services License	397,625.00	275,040.00
Agent Training expenses		
Printing and copy expenses	180,000.00	-
	3,209,925.00	1,129,490.00

18. Administrative expenses

Administrative expenses consist of:

	2019	2018
Employment expenses	86,502,421.00	56,605,035.00
Office rental	40,332,000.00	40,332,000.00
Electricity charges	2,064,630.00	1,845,068.00
Meeting expenses	3,750,900.00	7,718,403.00
Repair and maintenance	1,011,500.00	288,550.00
Printing and stationary	665,250.00	185,550.00
Office general expenses	1,698,645.00	2,374,825.00
Communication charges	2,069,400.00	2,863,595.00
Transportation	754,900.00	659,987.00
Audit fee	4,515,000.00	3,990,000.00
Professional fee	787,500.00	-
Out of pocket to auditor & consultant firm	50,000.00	-
Secretarial fees	40,000.00	169,000.00
Subscription fees	168,000.00	-
Depreciation	2,840,753.02	2,834,883.16
Amortization	3,402,830.04	3,402,830.04
	150,653,729.06	123,269,726.20

19. Finance costs

	2019	2018
Interest expenses		
Myanmar ComBiz Group Company Limited	–	8,219,178.00
Innwa Bank Limited	–	9,361,681.97
UAB Bank Limited	320,868,097.27	329,196,034.11
Myanmar National Telecom Holdings Public Limited	25,000,000.00	–
Bank loan service fees	7,000,000.00	5,525,426.18
Commit fees	288,880.34	–
	353,156,977.61	352,302,320.26

20. Gain/ (loss) on investments

	2019	2018
Gain on disposal of MTSH shares	39,000,000.00	90,000,000.00
Commission and trade fees	(295,000.00)	(720,000.00)
Capital gain tax	(3,870,500.00)	(8,928,000.00)
	34,834,500.00	80,352,000.00

21. Related party transactions

Significant related party transactions during the year were as follows:

The Company has made investment in Myanmar Payment Solution Services Company Limited (MPSS), equal to 20% of the initial subscribed capital and at the date of reporting, the carrying value of the investment was Kyat 158,487,900.97.

The Company has taken convertible interest free loan amounting Kyat 200,000,000 from U Zaw Min Oo, one of the directors of the Company.

22. Authorization of financial statements

The financial statements of the Company for the year ended 31 March 2019 were authorized for issue on 20 June 2019.