Directors' Report and Audited Financial Statements

Sathapana Limited

Reg No. 993 FC/2014-2015

(Incorporated in the Republic of the Union of Myanmar)

For the financial period
from 2 January 2015 (the date of incorporation)
to 31 March 2015

EY UTW (Myanmar) Ltd

SATHAPANA LIMITED
General Information

Directors

Ken Han

Chang-Woo Han

Yu Han

Mony Bun

Susumu Watahiki

Registered Office

No. 97/B, Kaba Aye Pagoda Road

Bahan Township

Yangon, Myanmar

Auditors

EY UTW (Myanmar) Ltd

Bankers

Co-operative Bank Ltd. (CB Bank)

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The directors are pleased to present their report to the members together with the financial statements of SATHAPANA LIMITED (the "Company") for the financial year ended 31 March 2015.

1. Directors

The directors of the Company in office at the date of this report are:

Ken Han
Chang-Woo Han
Yu Han
Mony Bun
Susumu Watahiki

2. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. Directors' interest in shares or debentures

No director who held office at the end of the financial year had any interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year, according to the return on allotment of directors' shareholdings (Form VI) required to be kept under Section 104 of the Myanmar Companies Act.

4. Directors' contractual benefits

Since at the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

5. Share Options

No options have been granted during the financial year to subscribe for unissued shares of the Company. No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company. There were no unissued shares of the Company under option as at end of the financial year.

6. Auditor

EY UTW (Myanmar) Limited has expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors,

Ken Han

Ken Han
Managing Director

27 October 2015
The Republic of the Union of Myanmar

We, Ken Han and Susumu Watahiki, being the appointed Managing Director and Director, respectively, of Sathapana Limited, do hereby state that, in the opinion of the Directors,

1) the accompanying statement of profit or loss, comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015 and the results of the business, changes in equity and cash flows of the Company for the financial year ended on that date; and

2) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors:

Ken Han

....

Ken Han
Managing Director

....

Susumu Watahiki
Director

27 October 2015

EY
Building a better working world

EY UTW (Myanmar) Limited
Room 10-A, Classic Strand Condo
No.693/701, Merchant Road,
Pabedan Township, Yangon

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Independent Auditors' Report for the financial year ended 31 March 2015

To the members of Sathapana Limited

We have audited the accompanying financial statements of the Company set out on pages 4 to 11, which comprise the statement of financial position as at 31 March 2015, statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of 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 the provisions of the Myanmar Companies Act (the "Act") and Myanmar Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair statement of profit or loss, statement of comprehensive income and statement of financial position and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditors' 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 auditors' judgement, 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.

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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,

(a) the financial statements are properly drawn up in accordance with the provisions of the Act and Myanmar Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2015 and the results and cash flows of the Company for the year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Daw Moe Moe Aye
(CPA No. 186)
EY UTW (Myanmar) Limited

27 October 2015
The Republic of the Union of Myanmar

Sathapana Limited
Statement of financial position
As at 31 March 2015

	Notes	2015 MMK
ASSETS		
Current assets		
Cash and cash equivalents	5	123,352,725
Prepaid expenses	6	31,449,000
Other receivables	7	750,000
Total current assets		155,551,725
Non-current assets		
Property, plant and equipment, net	8	8,796,393
Total non-current assets		8,796,393
TOTAL ASSETS		**164,348,118**
LIABILITIES AND EQUITY		
LIABILITIES		
Current liabilities		
Other payables	9	169,871,973
Accrued expenses		2,356,557
Total current liabilties		172,228,530
TOTAL LIABILITIES		**172,228,530**
EQUITY		
Issued capital	10	25,625,000
Advance capital, pending allotment		77,025,000
Accumulated Losses		(110,530,412)
Total equity		**(7,880,412)**
Total equity and liabilities		**164,348,118**

Sathapana Limited
Statement of profit or loss
For the period from 2 January 2015 (Date of Corporation) to 31 March 2015

	Note	2 January 2015 to 31 March 2015 MMK
Continuing Operations		
Revenue		-
Cost of sales		-
Gross profit		-
General and administrative expenses	11	(110,495,021)
Operating Loss		**(110,495,021)**
Other expenses		(35,391)
(Loss) before tax from continuing operations		(110,530,412)
Income tax expenses		-
(Loss) for the period from continuing operations		**(110,530,412)**

Sathapana Limited
Statement of comprehensive income
For the period from 2 January 2015 (Date of Corporation) to 31 March 2015

	2015
	MMK
Loss for the period	(110,530,412)
Other comprehensive income	-
Other comprehensive income for the period, net of tax	-
Total Comprehensive loss for the period	(110,530,412)

Sathapana Limited
Statement of changes in equity
For the period from 2 January 2015 (Date of Corporation) to 31 March 2015

	Issued capital (Note 10)	Advance capital, pending allotment	Accumulated losses	Total equity
	MMK	MMK	MMK	MMK
As at 2 January 2015	-	-	-	-
Loss for the period	-	-	(110,530,412)	(110,530,412)
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	(110,530,412)	(110,530,412)
Issuance of share on 6 January 2015	25,625,000		-	25,625,000
Receipt of shareholder's advance on 3 March 2015		77,025,000		77,025,000
At March 31, 2015	**25,625,000**	**77,025,000**	**(110,530,412)**	**(7,880,412)**

Sathapana Limited
Statement of cash flows
For the period from 2 January 2015 (Date of Corporation) to 31 March 2015

	Notes	2 January 2015 to 31 March 2015 MMK
Operating activities		
Loss before tax		(110,530,412)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment		239,722
Foregin exchange losses		35,391
Working capital adjustments:		
Increase in other receivables		(750,000)
Increase in prepaid expenses		(31,449,000)
Increase in other payables		164,521,303
Increase in accrued expenses		2,356,557
Net cash flows from operating activities		**24,423,561**
Investing activities		
Purchase of property, plant and equipment		(3,685,445)
Net cash flows used in investing activities		**(3,685,445)**
Financing activities		
Proceeds from issuance of shares		25,625,000
Proceeds from shareholder's advance		77,025,000
Net Cash Flows from financing activities		**102,650,000**
Net increase in cash and cash equivalents		123,388,116
Effect of exchange rate changes on cash and cash equavlients		(35,391)
Cash and cash equivalents at 2 January 2015		-
Cash and cash equivalents at 31 March 2015		**123,352,725**

1. General

SATHAPANA LIMITED (the "Company") is established in the Republic of the Union of Myanmar and obtained certificate of registration No. 993 FC of 2014 - 2015 on 2 January 2015 in pursuance of the Myanmar Companies Act by the Ministry of National Planning and Economic Development. The Company is a subsidiary of Maruhan Investment Asia Pte. Ltd. The absolute parent is Maruhan Corporation whose shares are publicly traded in Japan.

As stated in its amended permit to trade No. 993 FC/2014-2015 dated 28 April 2015, the scope of activities of the Company is to conduct microfinance business. During the year, the Company is still on progress in obtaining its microfinance license with the Microfinance Industry Supervisory Committee.

The registered office of the Company is located at No. 97/B, Kaba Aye Pagoda Road, Bahan Township, Yangon, Republic of the Union of Myanmar.

2. Significant accounting policies

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with the Myanmar Financial Reporting Standard ("MFRS").

The financial statements have been prepared on a historical cost basis.

The functional and presentation currency used in the financial statement is the Myanmar Kyat (MMK).

As the Company was established on 2 January 2015, the financial statements cover the period from 2 January 2015 to 31 March 2015 and therefore, not entirely comparable to financial statements covering a full-year.

(b) Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle and;
- liability for at least twelve months after the reporting period

All other assets are classified as non-current.

2. Significant accounting policies (continued)

(b) Current versus non-current classification

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

(c) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and cash in bank with CB Bank.

(d) Foreign currency transactions and balances

The presentation and functional currency of the Company is Myanmar Kyat. Transactions in foreign currencies are measured in the functional currencies of the Company and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(e) Property, plant and equipment

All property, plant and equipment are initially recognized at cost, which comprises its purchase price and any costs directly attributable in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent to initial recognition, property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Such cost includes the cost of replacing part of fixed assets when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of fixed assets as a replacement if the recognition criteria are satisfied. All repairs and maintenance costs that do not meet the recognition criteria are recognized in profit and loss as incurred.

2. Significant accounting policies (continued)

(e) Property, plant and equipment

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Equipment	5 years
Computer equipment	5 years

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(f) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company as a lessee

The Company does not have finance leases as of 31 March 2015.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(g) Taxation

Income tax expense represents the sum of the corporate income tax currently payable and any penalty in the statement of profit and loss.

Corporate income tax are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates enacted or substantially enacted as at the reporting date.

2. Significant accounting policies (continued)

(g) Taxation

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

2. Significant accounting policies (continued)

(g) Taxation

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(h) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in four categories:
- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- Available-for-sale financial investments

2. Significant accounting policies (continued)

(h) Financial instruments - initial recognition and subsequent measurement

i) Financial assets

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by MAS 39. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss. The Company has not designated any financial assets at fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Company has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the EIR, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss as finance costs. The Company did not have any held-to-maturity investments during the period from 2 January 2014 (date of incorporation) to 31 March 2015.

2. Significant accounting policies (continued)

(h) Financial instruments - initial recognition and subsequent measurement

i) Financial assets

Available-for-sale (AFS) financial investments

AFS financial investments include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial investments are subsequently measured at fair value with unrealized gains or losses recognised in OCI and credited in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss in finance costs. Interest earned whilst holding AFS financial investments is reported as interest income using the EIR method.

The Company evaluates whether the ability and intention to sell its AFS financial assets in the near term is still appropriate. When, in rare circumstances, the Company is unable to trade these financial assets due to inactive markets, the Company may elect to reclassify these financial assets if the management has the ability and intention to hold the assets for foreseeable future or until maturity. The Company did not have any AFS investments during the period from 2 January 2015 (date of incorporation) to 31 March 2015.

For a financial asset reclassified from the AFS category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

2. Significant accounting policies (continued)

(h) Financial instruments - initial recognition and subsequent measurement

i) Financial assets

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets)is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, defaultor delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cashflows, such as changes in arrears or economic conditions that correlate with defaults.

2. Significant accounting policies (continued)

(h) Financial instruments - initial recognition and subsequent measurement

i) Financial assets

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognized in statement of profit or loss. Interest income (recorded as finance income in the statement of profit or loss) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the statement of profit or loss.

2. Significant accounting policies (continued)

(h) Financial instruments - initial recognition and subsequent measurement

i) Financial assets

Available-for-sale (AFS) financial investments

For AFS financial investments, the Company assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss - is removed from OCI and recognised in the statement of profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

In the case of debt instruments classified as AFS, the impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss, the impairment loss is reversed through the statement of profit or loss.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include other payables.

2. Significant accounting policies (continued)

(h) Financial instruments - initial recognition and subsequent measurement

ii) Financial liabilities

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MAS 39 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, loans and borrowings, including install payment obligation for the purchase of license, is subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

As the Company has not commenced its commercial operation, the Company did not have issues which require significant accounting judgment and estimates for the preparation of the financial statements for the financial period ended 31 March 2015.

4. Capital management

For the purpose of the Company's capital management, capital includes issued capital, all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maintain a sufficient liquidity in order to support its business and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. All capital requirements of the Company are internally generated and not financed by any third party debts as of 31 March 2015. No dividend was paid or declared during the period ended 31 March 2015.

The Company monitors capital during the review of financial information monthly. In addition, management reviews the amount of expected payment in the board meeting

	2015
	MMK
Current assets	155,551,725
Current liabilities	172,228,530
Current ratio	90%

5. Cash and cash equivalents

This account consists of:

	2015
	MMK
Cash on hand	20,540,000
Cash in bank:	
CB Bank	
United States Dollar	102,802,700
Myanmar Kyat	10,025
Total	123,352,725

6. Prepaid expenses

This account represents prepayments for the rentals of office and apartments for the Company. As of 31 March 2015 the total prepaid expenses amounted to MMK 31,449,000.

	2015
	MMK
Prepaid rent - office	26,107,500
Prepaid rent - apartment	3,750,000
Prepaid - others	1,591,500
Total	31,449,000

7. Other receivables

This account consists of:

	2015
	MMK
Refundable deposits	750,000
Total	750,000

8. Property, plant and equipment

	Equipment	Computer Equipment	Total
	MMK	MMK	MMK
Cost			
Beginning balances	-	-	-
Additions	620,000	8,416,115	9,036,115
Disposals	-	-	-
31 March 2015	620,000	8,416,115	9,036,115
Accumulated depreciation			
Beginning balances	-	-	-
Depreciation	10,300	229,422	239,722
31 March 2015	10,300	229,422	239,722
Carrying amount			
31 March 2015	609,700	8,186,693	8,796,393

9. Other payables

This account consists of:

	2015
	MMK
Payable to Maruhan Myanmar Company Ltd.	161,097,285
Payable to Sathapana Ltd. (Cambodia)	8,774,688
Total	169,871,973

10. Issued capital

Authorised shares as at 31 March 2015

	Shares
Ordinary shares of USD 1 per share	15,000,000

Ordinary shares issued and fully paid

	Shares	MMK
Beginning balances	-	-
Issuance of share 6 January 2015	25,000	25,625,000
At 31 March 2015	25,000	25,625,000

11. General and administrative expenses

This account consists of:

	2015
	MMK
Salaries and wages	64,428,552
Professional fees	17,048,325
Travel and communication expenses	13,864,387
Rental lease payments	13,120,000
Transportation	734,010
Office supplies	720,650
Marketing and advertising	307,500
Depreciation	239,722
Others	31,875
Total	110,495,021

12. Commitments under operating leases

The Company has outstanding commitments under non-cancellable operating leases for office and vehicle rental that falls due as follows:

	2015
	MMK
Within one year	21,993,000
More than one year but within five year	43,830,000
Total	65,823,000

13. Financial risk management objectives and policies

The Company's principal financial liabilities comprise other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks.

The management reviews each of these risks, which are summarized below.

13. Financial risk management objectives and policies (continued)

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks generally comprise three types of risk: interest rate risk, currency risk.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company's exposure to exchange rate fluctuations is minimal.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Management believes that such risk is minimal as it is still on the start-up phase of the project.

Liquidity risk
The Company monitors its risk to a shortage of funds by reviewing the cash payment plan in the monthly board meetings. The Company's objective is to maintain a balance between continuity of funding and flexibility through working capital management. The Company is planning the issuance of shares and additional loans to cover its cash needs for the operation and investment for future expansion.

14. Related party transactions

Note 1 above provides the information about the Company's structure including the details of the parents. The following table provides the total amount of transactions that have been entered into with related parties for the period except for the equity contribution (Note 10).

Entity with significant influence over the Company:	Amounts owed to related parties*
Maruhan Myanmar Co., Ltd.	161,097,285
Sathapana Ltd. (Cambodia)	8,774,688

*The amounts are classified as other payables, see Note 9, which represents payments for expenses and purchase of fixed assets advance by such related party on behalf of the Company.

14. Related party transactions (continued)

Terms and conditions of transactions with related parties

Maruhan Myanmar Co., Ltd. and Sathapana Ltd. (Cambodia) paid expenses on behalf of the Company during the Company set up process. Also, the Company acquired fixed assets through these related parties. Considerations for those transactions are not secured and to be settled in cash.

Compensation of key management personnel of the Company

	2015
	MMK
Short-term employee benefits	69,313,930
Total	69,313,930

15. Events after the reporting period

On 18 and 30 September 2015, the Company received a third capital injection amounting to USD 2.5 million each, respectively, from Maruhan Investment Asia Pte. Ltd. that is equivalent to 5 million shares. This additional capital will be used to finance mostly of their lending operations in Myanmar.

On 18 June 2015, the Company obtained the temporary Microfinance license No. 0236/2015 for one year from the Microfinance Industry Supervisory Committee with the option of renewal to permanent license.

16. Approval of financial statements

These financial statements were approved by the board of directors and authorised for issue on 27 October 2015.