

## Myanmar Investments International Limited

### Audited financial results for the 18-month period to 30 September 2020

Myanmar Investments International Limited [AIM: MIL] (“MIL” or the “Company”), the Myanmar focused investment company, today announces its audited financial results for the 18-month period to 30 September 2020.

Copies of the Company’s annual report and accounts will be sent to shareholders and warrant holders shortly and will also be available to download from the Company’s website on [www.myanmarinvestments.com/financial-reports](http://www.myanmarinvestments.com/financial-reports).

#### Highlight

During the 18-month financial period our net asset value (“NAV”) has increased by 6.0 per cent and was US\$35.3 million as at 30 September 2020, equivalent to US\$ 0.93 per share.

#### Future Strategy

In late 2018, the Directors felt that the investment environment in Myanmar is unlikely to generate an appropriate risk adjusted return commensurate with an investment in a frontier economy. Accordingly, the Directors thought that it was appropriate to start planning for an orderly disposal of our three investments with a view to ultimately winding up the Company.

At last year’s AGM, held in Yangon on 24 October 2019, the shareholders approved a resolution to amend the Company’s Investment Policy such that the Board can:

- undertake an orderly disposal of its investments; and
- return surplus capital to shareholders.

Since then the Directors have taken the following action to implement this new strategy:

- We sold our investment in **Medicare International Health & Beauty (“Medicare”)** for US\$1 million to our main joint venture partner in November 2019. The transaction was completed in December 2019.
- We are in the advanced stages of selling our investment in **Myanmar Finance International Limited (“MFIL”)**.
- We have continued to streamline our operations and as a result reduced our overheads. As part of the cost reduction process, we closed our office in Yangon and removed staff costs from this operation as of 31 March 2020.

#### Business review

The Company had invested in three businesses:

##### AP Towers Holdings Pte. Ltd (“AP Towers”) / Apollo Towers

- The Company had invested US\$21 million in Apollo Towers.
- Under the share swap (which was completed in January 2020), the Company exchanged its indirect interest of 9.1 per cent of Apollo Towers for an indirect interest of 4.1 per cent of AP Towers.

- The share swap effectively brought Apollo Towers and Pan Asia Towers, another Myanmar independent tower company, under the common ownership of AP Towers.
- Future growth will be driven by an increase in the tower portfolio and also by an increase in tenancies as co-location rates rise.
- As at 30 September 2020, Apollo Towers and Pan Asia Towers together had an aggregated portfolio of 3,245 towers, 6,658 tenants and a co-location ratio (“Lease-up-Rate” or “LUR”) of 2.05x. This compares to an LUR of 2.04x at 30 September 2019 and 2.05x at 31 March 2020.
- As of 30 September 2020, AP Towers annualised adjusted “run rate” revenue and EBITDA has increased to US\$104.5 million and US\$83.4m, respectively. This represents an increase of 2.6 per cent and 6.6 per cent, respectively over the same period last year.
- AP Towers’ net debt was US\$429.3 million as at the end of September 2020, an increase of US\$ 57.7 million since 31 March 2020. The application of IFRS 16 caused an increase of net debt by US\$62.0 million. Excluding the effect of IFRS 16, net debt decreased by US\$ 4.3 million since 31 March 2020.
- On 7 April 2020 APTH refinanced approximately \$140m of mezzanine debt that had originally been raised by Apollo. That has resulted in a significant reduction in the cost of that borrowing that will benefit shareholders going forward.
- Contrary to other industries, the telecommunication sector has not suffered greatly due to the outbreak of Covid-19.

#### Myanmar Finance International Limited (“MFIL”)

- MIL has invested US\$2.7 million for a 37.5 per cent shareholding.
- It is one of Myanmar’s leading microfinance companies.
- Strong growth in its borrower base and loan book at 30 September 2020 at 48,000 and US\$17.5 million, representing compound annual growth rates (“CAGR”) of 42 per cent and 115 per cent respectively since investment.
- MFIL focuses on urban and semi-rural lending in Yangon, Bago, Ayewady and Mon State.
- The Company is in the process of selling this investment. On 1 April 2020, the Company announced that it has accepted an offer to sell its shareholding in MFIL subject to the purchaser’s AGM approving the purchase, lender’s consent, and Myanmar regulatory approval. Subsequent to that announcement, the purchaser’s AGM on 23 April 2020 has approved the transaction and the lenders have given their consent.

However, because of Covid-19 which, *inter alia*, has stopped all commercial air travel between Myanmar and Thailand, little progress has been made in obtaining regulatory approval. Assuming a level of normalcy returns over the next few months we expect completion to take place within the next 4 to 6 months.

However, there is no indicator of impairment on our investment in MFIL, because the minimum consideration for this transaction will be calculated based on a pre-agreed formula of 2 times the audited book value of MFIL at closing once conditions have been satisfied, according to the Binding Offer from the Purchaser.

- Subsequent to our year end in late October 2020 MFIL’s regulator, the Financial Regulatory Department (“FRD”), directed that all microfinance companies operating in Yangon, Bago and Rakhine suspend all client repayments for 2 months. To assist the industry all affected microfinance companies including MFIL were provided with interest free loans to cover the uncollected amounts. 92 percent of MFIL’s loan book is in Bago and Yangon.

#### Medicare

- MIL had invested US\$2.1 million for a 48.6 per cent shareholding.
- Greenfield joint venture in pharmaceutical, health and beauty franchise retailing.
- A joint venture with Medicare, Vietnam’s leading pharmacy, health and beauty retail group.
- Given the Company’s strategy of looking to realise its investments, coupled with Medicare’s continued operating losses that needed funding as well as the capex needed to get Medicare to

achieve critical mass, the Directors concluded that it was preferable to exit from this investment sooner rather than later.

- As a result, the Company agreed with the owners of Medicare Vietnam, its main joint venture partner, to sell this investment for US\$1 million in November 2019. This represented a loss of US\$1.1 million on the cost of the investment which largely reflects MIL's share of the operating losses to date. The Company had booked US\$1.5 million as its share of results of this joint venture (equity method). Therefore, the sales price of US\$1 million represents a gain on the disposal of this investment of US\$0.4 million.

### **Financial review**

During the past 18-month financial period our net asset value ("NAV") has increased by 6.0 per cent and was US\$35.3 million as at 30 September 2020. This was driven mainly by the increase in the assessed value of our investments in AP Towers (up US\$4.3 million to US\$28.3 million).

During the period we drastically reduced our operating "run-rate" costs from US\$1.3 million per annum to the equivalent of US\$0.7 million per annum by year-end.

Henrik Bodenstab, Chairman of MIL, "We have implemented the changes to our strategy as mandated by the shareholders last year. We have sold our investment in Medicare and we are in advanced stages to sell our investment in MFIL. In addition, our operating costs have been reduced significantly to maximise the return of surplus capital to our shareholders."

*The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.*

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**For more information about MIL, please visit [www.myanmarinvestments.com](http://www.myanmarinvestments.com)**

## **CHAIRMEN'S LETTER**

Dear fellow shareholder

### **MYANMAR: COVID-19 AND NOVEMBER ELECTIONS**

Myanmar experienced its first Covid-19 case in late March 2020 and by early April the country went into its first lockdown. When we published our interim results on 29 June 2020 there were 299 positive cases and 6 deaths. The situation remained under control and by mid-August the number of cases was only 374 with no increase in deaths. Whereas Thailand and Singapore had seen the number of cases increasing to over 3,500 and 55,000, respectively but starting to level off.

However, since then there has been a significant increase. As at 20 November, the number of positive cases is more than 77,750 with over 1,722 deaths. Yangon, accounts for three quarters of this increase.

A second, and more stringent lockdown, has been in effect since September. This has disrupted commerce and investments. International air travel, apart from relief flights, in and out of the country has been significantly reduced and border trade disrupted. This is likely to continue, at least, until the new year.

Against this backdrop, in September 2020, the Asian Development Bank has forecast that GDP growth in 2020 will reduce to 1.8 percent. This compares favourably to Thailand or Singapore which are forecast to shrink by 8.0 and 6.2 percent, respectively.

While the headline figure show a level of resilience, primarily due to Myanmar being an exporter of much needed commodities such as gas, rice, beans and pulses to neighbouring countries, it masks the reality on the ground that many small businesses especially in the hospitality and manufacturing sector have been severely affected with layoffs and closures. In turn significantly impacting consumer spending power.

However, the Directors do not see a significant impact on our two investments. Contrary to other industries, the telecommunication sector has not suffered greatly due to the outbreak of Covid-19. Regarding MFIL there is no indicator of impairment on our investment, because the minimum consideration for selling this investment will be calculated based on a pre-agreed formula of 2 times the audited book value of MFIL at closing once conditions have been satisfied, according to the Binding Offer from the Purchaser.

In the middle of the pandemic, on 8 November 2020, Myanmar held a general election. The mood was subdued with few rallies and limited canvassing because of the lockdown.

The house of Representatives has 440 members of which 110 (25%) is appointed by the military. Out of 330 contested constituencies Daw Aung San Suu Kyi's party, The National League for Democracy ("NLD") won 258 seats giving it an outright majority of 38. This is an increase over the party's 255 seats in the 2015 election. However, with its 25 percent, the military will continue to be able to veto changes that are not to its liking.

With the same popular mandate Daw Aung San Suu Kyi is unlikely to make significant changes to her policies.

A new government will be sworn in on 1 April 2021 and we wait to see the composition of the new cabinet. Will there be new faces in the line up? Will she be bolder? At 75 she is less likely to lead the

party into the 2025 general election and therefore will she begin to broaden the party's executive committee and bring in younger blood? Without her leadership will NLD hold together as one unified party? All these questions will dictate Myanmar's progress over the next five years.

## **BOARD CHANGES**

William Knight our former Chairman who had held this position since the Company's launch in 2013, retired on 18 August 2020 having reached the Company's compulsory retirement age.

The Board of Directors elected Henrik Bodenstab to become the new Chairman who has been an independent non-executive Director of the Company since 2016.

Also, our former Managing Director, Craig Martin stepped down as both Managing Director and a Director of the Company as of 31 October 2019 and Michael Dean, our former Finance Director, stepped down as both Finance Director and a Director of the Company as of 31 October 2019.

On behalf of the Board, we should like to thank William, Craig and Mike for their considerable contribution to the Company and its shareholders.

Nick Paris, formerly a non-independent non-executive Director, became Managing Director as of 1 November 2019 and Rudolf Gildemeister joined the Board of Directors as an independent non-executive Director as of 1 November 2019.

The Board of Directors would like to welcome Nick and Rudolf to their new roles.

## **REPORTING PERIOD**

As announced on 2 September 2019, to conform with the need to change the Company's year-end to bring it in line with the new Myanmar government mandated year end of 30 September the Company issued 6-month interim accounts for the period to 30 September 2019 (announced on 28 November 2019) and 6-month interim accounts for the period to 31 March 2020 (announced on 29 June 2020). Both sets of interim accounts were reviewed by BDO LLP, the Company's statutory auditors. Therefore, this report with a full audited set of financial statements comprises the 18-month period from 1 April 2019 (the last full audited set of financial statements) to 30 September 2020.

## **CHANGE IN STRATEGY**

At last year's Annual General Meeting ("**AGM**") shareholders approved a resolution to amend the investment objective and policies of the Company as follows:

"The Company will seek to realise the Company's investments in an orderly manner, such realisations to be effected at such times, on such terms and in such manner as the Directors (in their absolute discretion) may determine.

Following such realisations, the Company will make periodic returns of surplus capital to Shareholders on such terms and in such manner as the Directors (in their absolute discretion) may determine.

The Company shall not make any new investments in projects to which it is not already committed. However, this will not preclude the Directors (in their absolute discretion) from: (a) authorising the expenditure of such capital as is necessary to: (i) complete arrangements pertaining to the Company's existing investments; or (ii) carry out any activities that the Directors (in their absolute discretion) deem appropriate to ensure the sale ability of any existing investment; or (b) entering

into any contract or other arrangement with any third party to realise all or any part of the Company's existing investments.

Following the disposal of all of the Company's existing investments, the Directors intend to put a winding up proposal to the Shareholders."

Important steps have been made to implement this new strategy:

- We sold our investment in **Medicare International Health & Beauty ("Medicare")** for US\$1 million to our main joint venture partner in November 2019. The transaction was completed in December 2019. This represented a loss of US\$1.1 million on the cost of the investment which largely reflects our share of the operating losses from opening a chain of new stores in Myanmar.
- We are in the advanced stages of selling our investment in **Myanmar Finance International Limited ("MFIL")**. On 1 April 2020 we announced that we have accepted an offer to sell our shareholding in MFIL to a Thai based company subject to the purchaser's AGM approving the purchase, lender's consent, and Myanmar regulatory approval. The minimum consideration for this transaction will be calculated based on a pre-agreed formula of 2 times the audited book value of MFIL at closing once these conditions have been satisfied. Subsequent to that announcement, the purchaser's AGM on 23 April 2020 approved the transaction and the lenders to MFIL have given their consent. However, because of Covid-19 which, *inter alia*, has stopped all commercial air travel between Myanmar and Thailand, obtaining regulatory approval for the transaction has been delayed. We have agreed an extension to the transaction closing with the buyer and expect to complete the transaction within the next 4 to 6 months.
- We have continued to streamline our operations and as a result reduced our overheads with most of the reductions coming towards the end of this reporting period. As part of the cost reduction process, we closed our office in Yangon and laid-off our local staff as of 31 March 2020. The annualised core cash-based overheads for the 6-month period from 1 April 2020 to 30 September 2020 are 43 % lower than for the 12-month period from 1 April 2019 to 31 March 2020 and even 55 % lower than for the 12-month period from 1 April 2018 to 31 March 2019.

We are now holding around US\$2.4 million of cash and when the sale of MFIL completes we will seek to return surplus capital to our shareholders. We will also be able to streamline our operations further as by then we will only have one investment left. We will thereby continue to reduce our operating expenses.

Our investment in Apollo Towers was swapped for an interest in AP Towers Holdings Pte Ltd ("AP Towers") in January 2020. Under this share exchange, MIL's 66.6 per cent subsidiary, MIL 4 Limited ("MIL4"), exchanged its existing 13.7 per cent shareholding in Apollo Towers for a shareholding of 6.2 per cent in AP Towers, of which 4.1 per cent is attributable to MIL. The share exchange effectively brought Apollo Towers and Pan Asia Towers, another Myanmar ITC, under the common ownership of AP Towers which now manages one of the largest network of towers in Myanmar. This investment should not require additional funding. We also believe that in due course the resultant investment in AP Towers can be exited by way of a sale to a strategic investor or a listing on one of the region's stock exchanges.

## **CORPORATE GOVERNANCE**

The Company seeks to uphold the fundamental principles of good corporate governance and has adopted the Quoted Companies Alliance 2018 Corporate Governance Code. The Chairman's Statement on Corporate Governance provides greater detail on how the Board itself operates as well as the steps taken to ensure that its staff adhere to principles such as compliance with the UK anti-bribery legislation.

On behalf of the Board, we should like to take this opportunity to thank a number of our key stakeholders: our staff for their professionalism and commitment; our business partners for all of their advice and contributions; and our shareholders for their continued support.

**HENRIK BODENSTAB**

*Chairman*

27 November 2020

**AUNG HTUN**

*Deputy Chairman*

27 November 2020

## EXECUTIVE DIRECTOR'S REVIEW

### Business Review

During the past 18 months our net asset value (“NAV”) has increased by 6.0 per cent and was US\$35.3 million as at 30 September 2020. This change is mainly attributable to the increase in the assessed value of the Company’s investments in AP Towers (up US\$4.3 million to US\$28.3 million) which is offset by the loss on disposing of our investment in Medicare (US\$215,000) and the operating expenses for the reporting period (US\$2.1 million).

During the past 18 months we drastically reduced our operating “run rate” costs from US\$1.3 million per annum to the equivalent of US\$0.7 million per annum by the period-end.

Overall, our businesses have performed well despite disruption in Myanmar from the impact of the Covid-19 virus during 2020:

- AP Towers: the Company swapped its interest in Apollo Towers for an interest in AP Towers in January 2020. The share exchange effectively brought Apollo Towers and Pan Asia Towers, another ITC under the common ownership of AP Towers which now manages one of the largest network of towers in Myanmar; and
- MFIL: with additional equity investment and additional debt facilities in place the business has grown well in size, product mix and geographic reach. This growth has however been tempered by an increase in non-performing loans which, pre-Covid-19, had risen to around 1.9% due to borrower over-indebtedness and excessive competition. In April 2020, we announced the agreement by ourselves and our partners to sell 100% of this business to a Thai based company but the completion of this transaction has been delayed by the suspension of international flights to and from Myanmar which has prevented the completion of our application for regulatory approval. Covid-19 has led to two lockdowns but MFIL, having taken quick action, emerged at the end of September with PAR 30+ at 3.1 per cent. However, it is too early to forecast how the industry will emerge in January 2021 from the FRD’s collection suspension directive.

In all cases, Myanmar Investment’s team have worked closely with these businesses to provide strategic advice as well as hands-on local knowledge.

### Financial Review

#### NET ASSET VALUE

The Directors assess the Group’s NAV attributable to the shareholders of the Company as at 30 September 2020 to be US\$35.3 million, an increase of 6.0 per cent compared with the Group’s NAV as at 31 March 2019. This represents US\$0.93 per share, based on the number of shares in issue at the year-end. This change principally reflects the net changes in the Directors’ assessment of the values of the Company’s investments, described in more detail below, less the Group’s running costs for the year.

As at 30 September 2020 the Group’s NAV consisted of:

- an investment in AP Towers, the telecommunication tower business, of US\$28.3 million, excluding the non-controlling interests, determined using a comparable EBITDA multiple methodology;

- an investment in MFIL, the microfinance business, of US\$4.4 million, determined using a price to book value methodology; and
- cash and other net assets/liabilities of US\$2.6 million.

### **AP TOWERS / APOLLO TOWERS**

As at 31 March 2019 the Directors had assessed that if the share exchange had been completed by 31 March 2019, the Company's attributable shareholding in AP Towers, excluding the non-controlling interests attributable to the minority shareholders of MIL 4, would have been worth US\$30 million as at that date, using a comparable EBITDA multiple methodology.

The share exchange was completed in January 2020.

Using the same methodology as at 30 September 2020, the Directors have assessed the value of this investment to be US\$28.3 million. The downward revision in valuation of US\$1.7 million compared with the in-principle valuation of the AP Towers investments done in 31 March 2019, is mainly attributable to the increase in EBITDA over the period being offset by a decrease in the valuation multiple.

This value of AP Towers represents an unrealised gain of US\$7.5 million over the cost of the investment and an IRR since the initial investment in July 2015 of 6.2 per cent.

### **MFIL**

As at 31 March 2019 the Directors had assessed the value of the Group's investment in MFIL to be US\$4.4 million, using the price to book value methodology.

However, unlike in previous reports, given that we have received a firm offer for the company we have applied the offer's multiple but with a discount to reflect trading conditions for the valuation as at 30 September 2020.

Therefore, the Directors have assessed the value of this investment to still be US\$4.4 million as at 30 September 2020.

This value of MFIL represents an unrealised gain of US\$1.7 million over the cost of the investment. This equates to an IRR since the initial investment in September 2014 of 10.7 per cent.

### **MEDICARE**

Given the Company's strategy of looking to realise its investments, coupled with Medicare's continued operating losses that needed funding as well as the capex needed to get Medicare to achieve critical mass, the Directors concluded that it was preferable to exit from this investment sooner rather than later.

As a result, the Company agreed with the owners of Medicare Vietnam, its main joint venture partner, to sell this investment for US\$1 million in November 2019. This represented a loss of US\$1.1 million on the cost of the investment which largely reflects MIL's share of the operating losses to date. The Company had booked US\$1.5 million as its share of results of this joint venture (equity method). Therefore, the sales price of US\$1 million represents a gain on the disposal of this investment of US\$0.4 million.

As at 31 March 2019 this investment had been valued by the Directors at US\$1.2 million.

## SUMMARY OF NAV

In the attached audited financial statements, the NAV attributable to shareholders differs from the above stated value of US\$35.3 million due to the following adjustment:

	US\$ millions
NAV per the audited financial statements	33.4
MFIL (Note 1)	<u>1.9</u>
NAV per the Directors' valuation	<u><u>35.3</u></u>

*Note 1: In accordance with IFRS 11 Joint Arrangements, the investment in MFIL was accounted for as an investment in a joint venture (as the result of the ongoing transaction to sell the Group's 37.5% equity interest in MFIL, the entire carrying amount of the Group's investment in MFIL has been reclassified as non-current asset held for sale as at 30 September 2020) using the equity method. Whereas in accordance with the Group's Valuation Policy the Directors' valuation for MFIL is determined by reference to the International Private Equity and Venture Capital Guidelines.*

## FINANCIAL RESULTS

For the 18-month period to 30 September 2020 the Group's audited profit after tax was US\$1.6 million. Compared with the 12-month period to 31 March 2019 the Group's audited loss after tax was US\$2.4 million.

This is a significant improvement on last year's result. The profit per share is US cents 4.24 compared with a loss per share of US cents 6.42 for the 12-month period to 31 March 2019.

We have continued to streamline our operations and as a result reduced our overheads with most of the reductions coming towards the end of this reporting period. As part of the cost reduction process, we closed our office in Yangon and laid-off our local staff as of 31 March 2020. The annualised core cash-based overheads (including the costs of being a quoted company but excluding discretionary compensation, share option expenses and transaction costs) for the 6-month period from 1 April 2020 to 30 September 2020 (US\$0.7 million) are 43 % lower than for the 12-month period from 1 April 2019 to 31 March 2020 (US\$1.3 million) and even 55 % lower than for the 12-month period from 1 April 2018 to 31 March 2019 (US\$1.6 million).

Outside of our overheads the most significant items were:

- our share of Medicare's losses up to the date that we sold it which were US\$576,000 compared to last year's US\$603,000;
- our share of MFIL's losses which were US\$350,000 compared to last year's profits of US\$112,000;
- costs for sale of our investments and the legal fees for the share swap from Apollo Towers to AP Towers.

## CHANGE OF YEAR END

The Myanmar Government had announced that all Myanmar companies must change their financial year end to 30 September of each year, commencing in 2019. As such all of the Company's investee companies changed their year end and therefore the Company did the same.

Therefore, the Company issued interim accounts for the six months to 30 September 2019 (announced on 28 November 2019) and also for the six months to 31 March 2020 (announced on 29 June 2020). The two sets of interim accounts were reviewed by BDO LLP, the Company's statutory auditors.

As a consequence, this report with a full audited set of financial statements comprises the 18-month period from 1 April 2019 (the last full audited set of financial statements) to 30 September 2020.

**DIVIDENDS**

Based on the above the Directors do not recommend payment of a dividend at this time.

**WORKING CAPITAL**

Based as of the date of this report the Group has adequate financial resources to cover its working capital needs for the next 12 months.

**NICK PARIS**

*Managing Director*

27 November 2020

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020**

	Note	Financial period from 1 April 2019 to 30 September 2020 US\$	Financial year ended 31 March 2019 US\$
Revenue		-	-
<b>Other item of income</b>			
Finance income	4	491	514
Gain on disposal of a joint venture	10	361,248	-
Fair value gain on investment at fair value through profit or loss	11	6,500,000	-
<b>Items of expense</b>			
Employee benefits expense	5	(898,323)	(916,343)
Depreciation expense	12	(20,719)	(22,001)
Other operating expenses		(1,325,262)	(1,006,933)
Finance costs	6	(13,857)	(12,715)
Share of results of joint ventures, net of tax	10	(926,004)	(491,290)
<b>Profit/(Loss) before income tax</b>	7	<u>3,677,574</u>	<u>(2,448,768)</u>
Income tax expense	8	(1,306)	(436)
<b>Profit/(Loss) for the financial period/year</b>		<u>3,676,268</u>	<u>(2,449,204)</u>
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange gain/(loss) arising on translation of foreign operations	10	<u>399,314</u>	<u>(263,584)</u>
Other comprehensive income for the financial period/year, net of tax		<u>399,314</u>	<u>(263,584)</u>
<b>Total comprehensive income/(loss) for the financial period/year</b>		<u>4,075,582</u>	<u>(2,712,788)</u>
<b>Profit/(Loss) attributable to:</b>			
Owners of the parent		1,616,159	(2,420,931)
Non-controlling interests	13	<u>2,060,109</u>	<u>(28,273)</u>
		<u>3,676,268</u>	<u>(2,449,204)</u>
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the parent		2,015,473	(2,684,515)
Non-controlling interests	13	<u>2,060,109</u>	<u>(28,273)</u>
		<u>4,075,582</u>	<u>(2,712,788)</u>
<b>Earnings/(Loss) per share (cents)</b>			
- Basic and diluted	9	<u>4.24</u>	<u>(6.42)</u>

*The accompanying notes form an integral part of these financial statements.*

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020**

	Note	30 September 2020 US\$	31 March 2019 US\$
<b>ASSETS</b>			
Non-current assets			
Investments in joint ventures	10	-	3,717,909
Equity instrument at fair value through profit or loss	11	42,500,000	36,000,000
Plant and equipment	12	-	38,103
<b>Total non-current assets</b>		<u>42,500,000</u>	<u>39,756,012</u>
Current assets			
Other receivables	14	268,834	178,775
Cash and cash equivalents	15	2,364,166	3,720,521
Non-current asset classified as held for sale	16	2,552,467	-
<b>Total current assets</b>		<u>5,185,467</u>	<u>3,899,296</u>
<b>Total assets</b>		<u>47,685,467</u>	<u>43,655,308</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	40,569,059	40,569,059
Share option reserve	18	1,358,913	1,337,005
Accumulated losses		(8,423,481)	(10,039,640)
Foreign exchange reserve		(76,560)	(475,874)
<b>Equity attributable to owners of the parent</b>		<u>33,427,931</u>	<u>31,390,550</u>
Non-controlling interests	13	13,935,567	11,875,458
<b>Total equity</b>		<u>47,363,498</u>	<u>43,266,008</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	19	304,053	372,410
Income tax payable		17,916	16,890
<b>Total current liabilities</b>		<u>321,969</u>	<u>389,300</u>
<b>Total equity and liabilities</b>		<u>47,685,467</u>	<u>43,655,308</u>

*The accompanying notes form an integral part of these financial statements.*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020**

	Note	Share capital US\$	Share option reserve US\$	Foreign exchange reserve US\$	Accumulated losses US\$	Equity attributable to owners of the parent US\$	Non- controlling interests US\$	Total US\$
<b>2020</b>								
At 1 April 2019		40,569,059	1,337,005	(475,874)	(10,039,640)	31,390,550	11,875,458	43,266,008
Profit for the financial period		-	-	-	1,616,159	1,616,159	2,060,109	3,676,268
<b>Other comprehensive income for the financial period</b>								
Exchange loss arising on translation of foreign operations	10	-	-	399,314	-	399,314	-	399,314
<b>Total other comprehensive income for the financial period</b>		-	-	399,314	-	399,314	-	399,314
<b>Total comprehensive income for the financial period</b>		-	-	399,314	1,616,159	2,015,473	2,060,109	4,075,582
<b>Contributions by and distributions to owners</b>								
Share options expense	18	-	21,908	-	-	21,908	-	21,908
<b>Total contributions by and distributions to owners</b>		-	21,908	-	-	21,908	-	21,908
<b>At 30 September 2020</b>		<b>40,569,059</b>	<b>1,358,913</b>	<b>(76,560)</b>	<b>(8,423,481)</b>	<b>33,427,931</b>	<b>13,935,567</b>	<b>47,363,498</b>

*The accompanying notes form an integral part of these financial statements.*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020**

	Note	Share capital US\$	Share option reserve US\$	Foreign exchange reserve US\$	Accumulated losses US\$	Equity attributable to owners of the parent US\$	Non-controlling interests US\$	Total US\$
<b>2019</b>								
At 1 April 2018		40,161,942	1,220,549	(212,290)	(7,641,751)	33,528,450	11,903,731	45,432,181
<b>Loss for the financial year</b>		-	-	-	(2,420,931)	(2,420,931)	(28,273)	(2,449,204)
<b>Other comprehensive loss for the financial year</b>								
Exchange loss arising on translation of foreign operations	10	-	-	(263,584)	-	(263,584)	-	(263,584)
<b>Total other comprehensive loss for the financial year</b>		-	-	(263,584)	-	(263,584)	-	(263,584)
<b>Total comprehensive loss for the financial year</b>		-	-	(263,584)	(2,420,931)	(2,684,515)	(28,273)	(2,712,788)
<b>Contributions by and distributions to owners</b>								
Exercise of warrants	17	491,916	-	-	-	491,916	-	491,916
Share issue expenses	17	(84,799)	-	-	-	(84,799)	-	(84,799)
Share options expense	18	-	139,498	-	-	139,498	-	139,498
Cancellation of share options	18	-	(23,042)	-	23,042	-	-	-
<b>Total contributions by and distributions to owners</b>		407,117	116,456	-	23,042	546,615	-	546,615
<b>At 31 March 2019</b>		<b>40,569,059</b>	<b>1,337,005</b>	<b>(475,874)</b>	<b>(10,039,640)</b>	<b>31,390,550</b>	<b>11,875,458</b>	<b>43,266,008</b>

*The accompanying notes form an integral part of these financial statements.*

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020**

	Note	Financial period from 1 April 2019 to 30 September 2020 US\$	Financial year ended 31 March 2019 US\$
<b>Operating activities</b>			
Profit/(Loss) before income tax		3,677,574	(2,448,768)
Adjustments for:			
Interest income	4	(491)	(514)
Finance costs	6	13,857	12,715
Depreciation of plant and equipment	12	20,719	22,001
Gain on disposal of a joint venture	10	(361,248)	-
Fixed assets written off	7	17,384	-
Fair value gain on investment at fair value through profit or loss	11	(6,500,000)	-
Share options expense	18	21,908	139,498
Share of results of joint ventures, net of tax	10	926,004	491,290
Operating cash flows before working capital changes		(2,184,293)	(1,783,778)
Changes in working capital:			
Other receivables		(90,059)	15,809
Other payables		(68,357)	(59,920)
Cash used in operations		(2,342,709)	(1,827,889)
Interest received	4	491	514
Finance costs paid	6	(13,857)	(12,715)
Income tax (paid)/refund		(280)	1,517
Net cash flows used in operating activities		(2,356,355)	(1,838,573)
<b>Investing activities</b>			
Proceeds from disposal of investments	10	1,000,000	-
Investments in joint ventures	10	-	(500,000)
Advances to joint ventures	10	-	(625,000)
Purchase of plant and equipment	12	-	(5,353)
Net cash flows generated from/(used in) investing activities		1,000,000	(1,130,353)
<b>Financing activities</b>			
Increase in short-term deposits pledged		(216)	(11,267)
Net proceeds from issuance of shares	17	-	407,117
Net cash flows (used in)/generated from financing activities		(216)	395,850
<b>Net change in cash and cash equivalents</b>		(1,356,571)	(2,573,076)
Cash and cash equivalents at beginning of the period/year		3,673,110	6,246,186
Cash and cash equivalents at the end of financial period/year	15	2,316,539	3,673,110

*The accompanying notes form an integral part of these financial statements.*

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020**

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**1. General corporate information**

Myanmar Investments International Limited (“the Company”) is a limited liability company incorporated and domiciled in the British Virgin Islands (“BVI”). The Company’s registered office is at Jayla Place, Wickhams Cay I, Road Town, Tortola, British Virgin Islands.

The Company’s ordinary shares and warrants are traded on the AIM market of the London Stock Exchange under the ticker symbols MIL and MILW respectively.

The Company was established for the purpose of identifying and investing in, and disposing of, businesses operating in or with business exposure to Myanmar. The Company’s focus was to target businesses operating in sectors that the Directors believed had strong growth potential and thereby could be expected to provide attractive yields, capital gains or both. At the Annual General Meeting held on 24 October 2019, the Company’s shareholders approved a resolution to begin an orderly disposal of the Company’s investments and in due course look to return surplus capital to shareholders.

The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

The Group and the Company changed its reporting period end from 31 March to 30 September during the current financial period.

**1.1 Going concern**

After due and careful enquiries, the Directors have a reasonable expectation that the Group has adequate financial resources to continue in operational existence for the foreseeable future. This expectation is based on a review of the Group’s existing financial resources, its present and expected future commitments in terms of its overheads and running costs; and its commitments to its existing investments. Accordingly, the Directors have adopted the going concern basis in preparing the Group’s financial statements.

**2. Summary of significant accounting policies**

The Company’s significant accounting judgements and estimates used in the preparation of these financial statements are available in the full audited financial statements, a copy of which can be found on the Company’s website at [www.myanmarinvestments.com](http://www.myanmarinvestments.com).

### 3. Significant accounting judgements and estimates

The preparation of the Group'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 at the reporting date. 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.

#### 3.1 Critical judgements made in applying the entity's accounting policies

In the process of applying the Group's accounting policies, management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements.

#### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

##### (i) Fair value of unquoted equity instrument at fair value through profit or loss

The Group's equity instrument at fair value through profit or loss are measured at fair value for financial reporting purposes. The Board of Directors of the Company has set up an Investment Committee to determine the appropriate valuation techniques and inputs for fair value measurements being the EV/EBITDA multiple.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages internal qualified valuers to perform the valuation. The Investment Committee works closely with the qualified internal valuers to establish the appropriate valuation techniques and inputs to the model. The Investment Committee reports its findings to the Board of Directors of the Company on a periodic basis to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of the unquoted equity instrument at fair value through profit or loss are disclosed in Note 11 to the financial statements.

##### (ii) Impairment of investments in joint ventures

The Group follows the guidance of IAS 36 in determining whether investments in joint ventures are impaired. This determination requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the recoverable amounts of investments in joint ventures are less than their carrying amounts and the financial health of and near-term business outlook for investments in joint ventures, including factors such as industry and sector performance, changes in technology and operational and financing cash flows. The carrying amounts of investments in joint ventures before classification as non-current asset held for sale are disclosed in Note 10 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

3. Significant accounting judgements and estimates

3.2 Key sources of estimation uncertainty (Continued)

(iii) Employee share option plan

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including expected life of the share option, volatility and dividend yield and making assumptions about them. The carrying amount and assumptions and model for estimating fair value for share-based payment transactions are set out in Note 18 to the financial statements.

4. Finance income

	Financial period from 1 April 2019 to 30 September 2020 US\$	Financial year ended 31 March 2019 US\$
Interest income	491	514

5. Employee benefits expense

	Financial period from 1 April 2019 to 30 September 2020 US\$	Financial year ended 31 March 2019 US\$
Salaries, wages and other staff benefits	826,415	739,024
Bonuses	50,000	37,821
Share options expense (Note 18)	21,908	139,498
	<u>898,323</u>	<u>916,343</u>

The employee benefits expense includes the remuneration of Directors as disclosed in Note 20 to the financial statements.

6. Finance costs

Finance costs represent bank charges for the financial period/year.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

7. Profit/(Loss) before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the above includes the following charges:

	Financial period from 1 April 2019 to 30 September 2020 US\$	Financial year ended 31 March 2019 US\$
Auditor's remuneration	103,397	61,278
Consultants fees	218,999	268,564
Fixed assets written off	17,384	-
Operating lease expenses	-	91,381
Short term leases	84,206	-
Professional fees	599,324	287,288
Travel and accommodation	54,572	59,769

8. Income tax expense

	Financial period from 1 April 2019 to 30 September 2020 US\$	Financial year ended 31 March 2019 US\$
Current income tax		
- current financial period/year	3,703	1,574
- over-provision in prior financial year	(2,397)	(1,138)
	1,306	436

A reconciliation of income tax applicable to profit/(loss) before income tax at the statutory income tax rate of 25% (2019: 25%) in Myanmar is as follows:

	Financial period from 1 April 2019 to 30 September 2020 US\$	Financial year ended 31 March 2019 US\$
Profit/(Loss) before income tax	3,677,574	(2,448,768)
Share of results of joint venture, net of tax (Note 10)	926,004	491,290
	4,603,578	(1,957,478)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

8. Income tax expense (Continued)

	Financial period from 1 April 2019 to 30 September 2020	Financial year ended 31 March 2019
Income tax at the applicable tax rates	1,150,895	(489,370)
Effects of different income tax rates in other countries	(1,151,928)	489,905
Over-provision in prior financial year	(2,397)	(1,138)
Tax effects of expenses not deductible for tax purposes	5,741	1,039
Income tax exemption	(1,005)	-
Income tax for the financial period/year	<u>1,306</u>	<u>436</u>

A.

9. Earnings/(Loss) per share

Basic earnings or loss per share is calculated by dividing the profit or loss for the financial period/year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period/year.

The following reflects the profit or loss and share data used in the basic and diluted earnings or loss per share computation:

	Financial period from 1 April 2019 to 30 September 2020	Financial year ended 31 March 2019
Profit/(Loss) for the financial period/year attributable to owners of the Company (US\$)	1,616,159	(2,420,931)
Weighted average number of ordinary shares during the financial period/year applicable to basic profit or loss per share	38,097,037	37,685,988
<b><u>Earnings/(Loss) per share</u></b>		
Basic and diluted (cents)	<u>4.24</u>	<u>(6.42)</u>

Diluted earnings or loss per share is the same as the basic earnings or loss per share because the potential ordinary shares to be converted arising from share options and warrants are anti-dilutive.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

10. Investments in joint ventures

	30 September 2020 US\$	31 March 2019 US\$
<b>Investments in joint ventures</b>		
Unquoted equity investments, at cost	4,815,000	4,190,000
Share of post-acquisition results of joint venture, net of tax	(1,547,221)	(621,217)
Share of post-acquisition foreign currency translation reserve	(76,560)	(475,874)
	<u>3,191,219</u>	<u>3,092,909</u>
Disposal of joint venture during the financial period/year	(638,752)	-
Advances to joint ventures	-	625,000
Reclassified to non-current asset held-for-sale	(2,552,467)	-
	<u>-</u>	<u>3,717,909</u>
<b>Movement during the period/year</b>		
Balance at beginning of financial period/year	3,717,909	3,347,783
Investments during the financial period/year	-	500,000
Share of results of joint ventures, net of tax	(926,004)	(491,290)
Share of foreign currency translation reserve	399,314	(263,584)
Advances during the financial period/year	-	625,000
Disposal of joint venture during the financial period/year	(638,752)	-
Reclassified to non-current asset held-for-sale	(2,552,467)	-
Balance at end of financial period/year	<u>-</u>	<u>3,717,909</u>

*Medicare International Health and Beauty Pte. Ltd. and its subsidiary ("MIHB Group")*

On 28 November 2019, the Group disposed its entire investment in MIHB Group for US\$1,000,000. For the period from 1 April 2019 to 28 November 2019 (date of disposal), the Group recorded share of losses from its investment in MIHB Group amounting to US\$576,305. The carrying amount of the Group's investment in MIHB Group as at the date of disposal was US\$638,752. As a result, the Group recognised a gain on disposal of US\$361,248.

*Myanmar Finance International Ltd.*

In the previous financial year, MFIL issued 1,000,000 shares for a consideration of US\$1,000,000 for which the Group subscribed for 375,000 shares and MFIL capitalised the previous year's advance of US\$375,000.

MFIL is a well-established provider of microfinance loans to small-scale business operators in rural and urban areas of Yangon, Bago and Mon State.

MFIL is deemed to be a joint venture of the Group as the appointment of its directors and the allocation of voting rights for key business decisions require the unanimous approval of all its shareholders.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

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10. Investments in joint ventures (Continued)

The details of the joint ventures are as follows:

Name of joint ventures (Country of incorporation/ place of business)	Principal activities	Effective equity interest held by the Group	
		2020 %	2019 %
Medicare International Health and Beauty Pte. Ltd. (Singapore)	Provider of beauty, health, and pharmaceutical products	-	48.6
Myanmar Finance International Limited (Myanmar)	Provider of microfinance loans	-	37.5

On 26 February 2020, MIL together with each of the other shareholders of MFIL, have received a Binding Offer (“BO”) to sell the entire share capital of MFIL to Thitikorn Plc (“TK”) (the “Purchaser”), a consumer finance company incorporated in Thailand and listed on the Stock Exchange of Thailand.

The original BO was executed on 17 March 2020 with the intention of agreeing and executing the Sale and Purchase Agreement (“SPA”) within a month. However, due to the outbreak of Covid-19, the regulatory approval could not be obtained in time. Therefore, the BO has been extended for several times and the latest BO has been extended to 5 December 2020. Management expects it to further extend to early 2021.

In accordance with the BO, the minimum consideration for this transaction will be calculated based on a pre-agreed formula of 2 times the audited book value of MFIL at closing once conditions above have been satisfied.

As the result of the ongoing transaction above, the entire carrying amount of the Group’s investment in MFIL has been reclassified as non-current asset held for sale as at 30 September 2020 (Note 16).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

11. Equity instrument at fair value through profit or loss

	30 September 2020 US\$	31 March 2019 US\$
Investment in unquoted equity instrument, at fair value	42,500,000	36,000,000

The Group, through its 66.67% subsidiary, MIL 4 Limited (“MIL 4”) invested in a 6.2% equity interest in unquoted share capital of AP Towers Holdings Pte. Ltd. (“AP Towers”) (31 March 2019: 13.7% equity interest in Apollo Towers Holdings Limited (“Apollo Towers”)).

On 23 January 2020, MIL 4 exchanged its investment in Apollo Towers for shares in AP Towers which owns Pan Asia Majestic Eagle Limited (“Pan Asia Towers”), another Myanmar independent tower company. Under the share swap, MIL 4 has exchanged its existing 13.7 per cent shareholding in Apollo Towers for a shareholding of 6.2 per cent in AP Towers. The share swap effectively brings Apollo Towers and Pan Asia Towers under common ownership of AP Towers.

Movement in the investment in unquoted equity instrument is as follows:

	30 September 2020 US\$	31 March 2019 US\$
Balance at beginning of financial period/year	36,000,000	36,000,000
Fair value gain during the financial period/year	6,500,000	-
Balance at end of financial period/year	42,500,000	36,000,000

The Group intends to hold these investments for long-term appreciation in value as well as strategic investment purposes.

Management engaged their internal valuation specialists to perform a valuation on the investment. The valuation of the unquoted investment is categorised into Level 3 (2019: Level 3) of the fair value hierarchy. The information on the significant unobservable inputs and the inter-relationship between key unobservable inputs and fair value are as follows:

**30 September 2020**

Financial assets	Valuation technique used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Unquoted equity investments	Comparable company analysis	<ul style="list-style-type: none"> <li>- Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) of US\$83.4million</li> <li>- Enterprise Value (“EV”) per EBITDA multiple of 13.1x</li> </ul>	Increase EBITDA and EV/EBITDA multiple will increase the fair value of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

11. Equity instrument at fair value through profit or loss (Continued)

31 March 2019

Financial assets	Valuation technique used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Unquoted equity investments	Comparable company analysis	<ul style="list-style-type: none"> <li>- Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) of US\$32.2million</li> <li>- Enterprise Value (“EV”) per EBITDA multiple of 15.4x</li> </ul>	Increase EBITDA and EV/EBITDA multiple will increase the fair value of the financial asset.

12. Plant and equipment

	Computer equipment US\$	Office equipment US\$	Furniture and fittings US\$	Total US\$
<b>2020</b>				
<b>Cost</b>				
Balance at 1 April 2019	10,852	1,118	56,469	68,439
Written off	(10,852)	(1,118)	(56,469)	(68,439)
Balance at 30 September 2020	-	-	-	-
<b>Accumulated depreciation</b>				
Balance at 1 April 2019	6,865	1,118	22,353	30,336
Depreciation for the financial period	2,326	-	18,393	20,719
Written off	(9,191)	(1,118)	(40,746)	(51,055)
Balance at 30 September 2020	-	-	-	-
<b>Carrying amount</b>				
Balance at 30 September 2020	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

12. Plant and equipment (Continued)

	Computer equipment US\$	Office equipment US\$	Furniture and fittings US\$	Total US\$
<b>2019</b>				
<b>Cost</b>				
Balance at 1 April 2018	9,983	1,118	51,985	63,086
Additions	869	-	4,484	5,353
Balance at 31 March 2019	10,852	1,118	56,469	68,439
<b>Accumulated depreciation</b>				
Balance at 1 April 2018	3,472	796	4,067	8,335
Depreciation for the financial year	3,393	322	18,286	22,001
Balance at 31 March 2019	6,865	1,118	22,353	30,336
<b>Carrying amount</b>				
Balance at 31 March 2019	3,987	-	34,116	38,103

13. Investment in subsidiaries

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation/ principal place of business	Principal activities	Proportion of ownership interest held by the Group		Proportion of ownership interest held by non-control interests	
			2020	2019	2020	2019
			%	%	%	%
Myanmar Investments Limited <sup>(1)</sup>	Singapore	Investment holding company	100	100	-	-
MIL Management Pte. Ltd. <sup>(1)</sup>	Singapore	Provision of management services to the Group	100	100	-	-
MIL 4 Limited <sup>(1)</sup>	British Virgin Islands	Investment holding company	66.67	66.67	33.33	33.33
<b>Held by MIL Management Pte. Ltd.</b>						
MIL Management Co., Ltd <sup>(2)</sup>	Myanmar	Provision of management services to the Group	100	100	-	-

<sup>(1)</sup> Audited by BDO LLP, Singapore.

<sup>(2)</sup> In the process of striking off.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

13. Investment in subsidiaries (Continued)

Non-controlling interests

The summarised financial information before intra-group elimination of the subsidiary that has material non-controlling interests as at the end of each reporting period is as follows:

	MIL 4 Limited	
	30 September 2020	31 March 2019
	US\$	US\$
<b>Assets and liabilities</b>		
Non-current assets	42,500,000	36,000,000
Current assets	71,067	72,896
Current liabilities	(764,373)	(446,529)
Net assets	<u>41,806,694</u>	<u>35,626,367</u>
Accumulated non-controlling interests	<u>13,935,567</u>	<u>11,875,458</u>
Revenue	-	-
Other income	6,500,000	-
Administrative expenses	(319,673)	(84,822)
Profit/(Loss) and total comprehensive income/(loss) for the financial period/year	<u>6,180,327</u>	<u>(84,822)</u>
Profit/(Loss) and total comprehensive income/(loss) allocated to non-controlling interests	<u>2,060,109</u>	<u>(28,273)</u>
Operating cash flows before working capital changes	(319,673)	(84,822)
Working capital changes	<u>319,673</u>	<u>84,822</u>
Net cash used in operating activities	-	-
Net change in cash and cash equivalents	<u>-</u>	<u>-</u>

14. Other receivables

	30 September 2020	31 March 2019
	US\$	US\$
Other receivables	211,962	123,099
Deposits	9,061	23,310
Prepayments	47,811	32,366
	<u>268,834</u>	<u>178,775</u>

Other receivables are denominated in United States dollar.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

15. Cash and cash equivalents

	30 September 2020 US\$	31 March 2019 US\$
Cash and bank balances	2,316,539	3,673,110
Short-term deposit	47,627	47,411
	<u>2,364,166</u>	<u>3,720,521</u>

The short-term deposit bears interest at an average rate of between 0.95% to 1.40% (31 March 2019: 0.35% to 0.95%) per annum, has a tenure of approximately 12 months (31 March 2019: 12 months) and is pledged to bank to secure credit facilities.

Cash and cash equivalents are denominated in the following currencies:

	30 September 2020 US\$	31 March 2019 US\$
United States dollar	2,232,114	3,562,238
Singapore dollar	129,031	148,419
Myanmar kyat	3,021	9,864
	<u>2,364,166</u>	<u>3,720,521</u>

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the end of the financial period/year:

	30 September 2020 US\$	31 March 2019 US\$
Bank balances	2,364,166	3,720,521
Less: short-term deposits pledged	(47,627)	(47,411)
	<u>2,316,539</u>	<u>3,673,110</u>

16. Non-current asset classified as held for sale

As the result of the ongoing transaction to sell the Group's 37.5% equity interest in MFIL (Note 10), the entire carrying amount of the Group's investment in MFIL has been reclassified as non-current asset held for sale as at 30 September 2020.

Details of assets in non-current asset classified as held-for-sale are as follows:

	At 30 September 2020 US\$
Investment in joint venture - 37.5% equity interest in Myanmar Finance International Limited	<u>2,552,467</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

17. Share capital

	30 September 2020 US\$	31 March 2019 US\$
<b>Issued and fully-paid share capital:</b>		
Ordinary shares at the beginning of the financial period/ year	40,569,059	40,161,942
Exercise of warrants during the financial period/year	-	491,916
Share issuance expenses	-	(84,799)
	<u>40,569,059</u>	<u>40,569,059</u>

Equity Instruments in issue	2020		2019	
	Ordinary shares	Warrants	Ordinary shares	Warrants
At the beginning of the financial period/year	38,097,037	14,128,387	37,432,291	15,346,507
Exercise of warrants during the financial period/year	-	-	664,746	(1,218,120)
At the end of the financial period/year	<u>38,097,037</u>	<u>14,128,387</u>	<u>38,097,037</u>	<u>14,128,387</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share without restriction at meetings of the Company.

In the previous financial year, 202,905 and 377,486 warrants were exercised at a price of US\$0.75 and US\$0.90 respectively by the parties that held them for cash consideration of US\$152,179 and US\$339,737. In addition, 637,729 warrants were exercised on a cashless basis at a ratio of 7.56 warrants for an ordinary share resulting in a new issue of 84,356 ordinary shares.

All the shares have been admitted to trading on AIM under the ticker MIL.

The new ordinary shares issued in the previous financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

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17. Share capital (Continued)

**Warrants**

No new warrants were issued during the period.

On 16 September 2016, the Company allotted 811,368 warrants pursuant to the Fourth Subscription. The Company had agreed that for every four Ordinary Shares subscribed for by a subscriber they would receive one warrant at nil cost.

The warrants entitle the holder to subscribe for an Ordinary share at an exercise price of US\$0.75. The warrants may be exercised during each 15 Business Day period commencing on the first day of each Quarter during the Subscription Period (from 21 June 2015 to 21 June 2018).

On 22 May 2018, the Company amended the existing warrants to extend the exercise period for warrants that remained outstanding at 21 June 2018:

- a) the exercise period for the warrants was extended such that the warrants can be exercised until 31 December 2021, but at a higher exercise price of US\$0.90; and
- b) in the extended period, warrantholders will have the option to exercise their warrants on a cashless basis in certain circumstances.

All warrants have been admitted to trading on AIM under the ticker MILW.

18. Share option reserve

**Details of the Share Option Plan (the “Plan”)**

The Plan has not changed during the year nor have any further grants taken place. Full details can be found on the website at [www.myanmarinvestments.com](http://www.myanmarinvestments.com).

19. Other payables

	30 September 2020 US\$	31 March 2019 US\$
Accruals	113,294	287,262
Other payables	190,759	85,148
	<u>304,053</u>	<u>372,410</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

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**19. Other payables (Continued)**

Other payables are denominated in the following currencies:

	30 September 2020	31 March 2019
	US\$	US\$
Singapore dollar	58,793	47,474
United States dollar	224,553	289,963
British pound	3,119	34,973
Euro	11,199	-
Myanmar Kyat	6,389	-
	<u>304,053</u>	<u>372,410</u>

**20. Significant related party disclosures**

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. During the current financial period, in addition to the information disclosed elsewhere in these financial statements, there was no other significant transactions with related parties.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD FROM 1 APRIL 2019 TO 30 SEPTEMBER 2020

20. Significant related party disclosures (Continued)

Compensation of key management personnel

During the current financial period, no emoluments were paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

The remuneration of Directors for the financial period/year were as follows:

	Directors' fee US\$	Short term employee benefits US\$	Share option plan US\$	Total US\$
<b><u>Financial period from 1 April 2019 to 30 September 2020</u></b>				
<b>Executive directors</b>				
Maung Aung Htun	-	192,823	5,115	197,938
Anthony Michael Dean	-	267,209	5,115	272,324
Craig Robert Martin	-	26,333	1,201	27,534
Nicholas John Paris	10,000	73,333	-	83,333
<b>Non-executive directors</b>				
Christopher William Knight	24,789	-	1,201	25,990
Henrik Onne Bodenstab	22,793	-	1,136	23,929
Rudolf Gildemeister	13,167	-	-	13,167
	<u>70,749</u>	<u>559,698</u>	<u>13,768</u>	<u>644,215</u>
<b><u>Financial year ended 31 March 2019</u></b>				
<b>Executive directors</b>				
Maung Aung Htun	-	141,156	41,038	182,194
Anthony Michael Dean	-	284,008	38,984	322,992
Craig Robert Martin	7,500	58,250	8,629	74,379
<b>Non-executive directors</b>				
Christopher William Knight	24,375	-	8,629	33,004
Christopher David Appleton	12,333	-	5,752	18,085
Nicholas John Paris	2,500	-	-	2,500
Henrik Onne Bodenstab	20,000	-	3,736	23,736
	<u>66,708</u>	<u>483,414</u>	<u>106,768</u>	<u>656,890</u>

21. Dividends

The Directors of the Company do not recommend any dividend in respect of the financial period from 1 April 2019 to 30 September 2020 (31 March 2019: Nil).

**22. Financial risk management objectives and policies**

The Group's Financial risk management objectives and policies have not changed in the past financial reporting period and can be found on the website at [www.myanmarinvestments.com](http://www.myanmarinvestments.com).

**23. Impact of novel coronavirus ("Covid-19") on the Group's operations**

On 31 January 2020, the World Health Organisation ("WHO") announced that the novel coronavirus ("Covid-19") outbreak as a global health emergency.

The outbreak of Covid-19, coupled with the prolonged global trade tension, had led to the deterioration of the global economic conditions. The pandemic had already caused many industries to shut down and trade and travel worldwide were seriously disrupted.

Although the situation continues to evolve with significant level of uncertainty, the Group does not foresee a huge impact on its own operation.

Regarding its investment in MFIL, the Group is of the view that the microfinance industry has been impacted by Covid-19. Depending on the speed of recovery from Covid-19, MFIL's book value at closing of the on-going transaction to sell (Note 10) may decrease. Shareholders of the Purchaser's has approved the transaction during the annual general meeting held on 23 April 2020. However, because of the outbreak of Covid-19 which, inter alia, has stopped all commercial air travel between Myanmar and Thailand, little progress has been made in obtaining regulatory approval. Assuming a level of normalcy returns over the next few months, the completion of the transaction is expected to take place within the next 4 to 6 months. Nonetheless, the Group is of the view that there is no indicator of impairment on its investment in MFIL, because the minimum consideration for this transaction will be calculated based on a pre-agreed formula of 2 times the audited book value of MFIL at closing once conditions above have been satisfied, according to the Binding Offer from the Purchaser.

Regarding the Group's other investment in AP Towers, the Group is of the view that contrary to other industries, the telecommunication sector has not suffered greatly due to the outbreak of Covid-19.

**24. Authorisation of financial statements**

The financial statements of the Group for the financial period from 1 April 2019 to 30 September 2020 were approved by the Board of Directors on 27 November 2020.

## Notes to Editors

Myanmar Investments International Limited (AIM: MIL) was the first Myanmar-focused investment company to be admitted to trading on the AIM market of the London Stock Exchange. MIL was established in 2013 with the intention of building long-term shareholder value by proactively investing in a diversified portfolio of Myanmar businesses that will benefit from the country's reemergence and ongoing economic development. The Company is led by an experienced and entrepreneurial team who between them have considerable industrial, corporate and financial management experience. At the Annual General Meeting on 24 October 2019, the Company's shareholders approved a change in the investment policy of the Company to now seek to harvest the Company's investments over time.

MIL's largest investment to-date at a cost of US\$21 million is in AP Towers, one of Myanmar's largest telecommunications towers companies with approximately 3,245 towers. Apollo operates in the high growth telecommunications sector with a strong management that is growing the number of co-locations (i.e. multiple tenancies) on its portfolio of towers. The re-financing Towers which is now completed is expected to produce a more efficient and profitable combined investment with greater prospects for an eventual liquidity event for shareholders.

MIL's first investment in August 2014 was into Myanmar Finance International Limited ("MFIL") which today is one of the leading microfinance companies in Myanmar. Since MIL invested, MFIL's business has expanded rapidly. The business is profitable with a sustainable expansion plan for long-term growth. In November 2015, the Norwegian Government's Norwegian Investment Fund for Developing Countries ("Norfund"), the Norwegian development finance institution, also became a 25 per cent shareholder in MFIL. MIL is in the process of selling this investment. On 1 April 2020 MIL announced that it has accepted an offer to sell its shareholding in MFIL subject to the purchaser's AGM approving the purchase, lender's consent, and Myanmar regulatory approval. Subsequent to that announcement, the purchaser's AGM on 23<sup>rd</sup> April 2020 has approved the transaction and the lenders have given their consent. However, because of Covid-19 which, *inter alia*, has stopped all commercial air travel between Myanmar and Thailand, little progress has been made in obtaining regulatory approval. Assuming a level of normalcy returns over the next few months we expect completion to take place within the next 4 to 6 months.

On 28 November 2019, the Company announced that it had agreed to dispose of its entire shareholding in Medicare International Health & Beauty Pte. Ltd for US\$1 million and this transaction completed in December 2019.

Myanmar, a country of approximately 54 million people and roughly the size of France, has been isolated for much of the last 50 years. Strategically situated in one of the world's most economically dynamic regions amid the intersection of India, China and South East Asia it is a key component of China's 'One Belt One Road' strategy providing direct access to the Indian Ocean.

Whilst it was once one of the more prosperous countries in Southeast Asia with an abundance of natural resources (oil, natural gas, arable land, tourist attractions and a long coastline), it is now one of the least developed countries in the world. However, it has a number of competitive advantages: a population of 54 million people (it is the 26th most populous country in the world); a large workforce with a high literacy rate of 90 per cent; 68 per cent of the population is of working age (between 15 and 65); and 28 per cent of the population is under 24 which is expected to provide a strengthening consumer demand. According to the IMF, Myanmar's GDP growth rate is expected to be 6.8 per cent through to 2024.