29 June 2020

Myanmar Investments International Limited

Interim results to 31 March 2020

Myanmar Investments International Limited [AIM: MIL] ("MIL" or the "Company"), the AIM-quoted Myanmar focused investment company, today announces its unaudited interim financial results for the six months to 31 March 2020.

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 year end of 30 September the Company will issue 6-month interims for the period to 30 September 2019 and 6-month interims for the period to 31 March 2020. It will then issue a full audited set of financial statements for the 18-month period to 30 September 2020.

Overview

The Company's shareholders approved a change to the Company's investment objectives at the AGM held on 24 October 2019 and, as a result, the Directors have commenced the process of planning and implementing an orderly disposal of the investment portfolio with the intention of returning surplus cash to shareholders with a view towards an eventual winding down of the business.

As at 31 March 2020 the Company had invested in two businesses in Myanmar:

- an indirect shareholding of 4.1 per cent in AP Towers Holdings Pte. Limited ("AP Towers"), one of Myanmar's leading independent tower companies ("ITC"). This investment will most likely continue to be held until such time as our joint venture partner looks to create an exit opportunity. At this stage, no discussions are underway and there is no defined timeframe for such an exit.
- a 37.5 per cent shareholding in Myanmar Finance International Limited ("MFIL") a well-established microfinance company. 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.

In addition, the following investment was sold in the period ending 31 March 2020:

- a 48.8 per cent shareholding in Medicare International Health & Beauty ("Medicare") which is the first full-service chain of modern pharmacy, health, and beauty franchise stores in Myanmar. The Company sold this investment for US$1 million to its main joint venture partner in November 2019.

The Directors have determined that MIL's Net Asset Value ("NAV") as at 31 March 2020 was US$33.2 million, or US$0.87 per share.

The Company has continued to streamline its operations and as a result reduced its overheads. As part of the cost reduction process (mandated by the shareholders), the Company closed its office in Yangon and laid-off its local staff as of 31 March. Henceforth it will operate using consulting arrangements for personnel as required. In the period to 31 March 2020, the core cash-based overheads were US$817,000 including US$115,000 for one-off costs for the closing of the office in Yangon. Excluding these one-off costs, the core cash-based overheads were 5.2 per cent lower on a per share basis than for the same period last year with most of the reductions coming towards the end of that period. By September 2020, the monthly overheads will have reduced significantly more.

As at 31 March 2020, the Company had cash resources of US$2.8 million (2019: US$3.7 million).

AP Towers

Background
AP Towers is one of the largest ITC companies in Myanmar.

The Company swapped its interest in Apollo Towers for an interest in 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. Apollo Towers and Pan Asia Towers provide tower and power services to all of Myanmar's mobile network operators ("MNOs") being Telenor, Ooredoo, MPT and the more recently established, Viettel-led consortium, MyTel.

MIL initially invested in Apollo Towers in July 2015 when it led a consortium of investors that invested US$30 million for a 14.2 per cent shareholding in Apollo Towers. It co-invested alongside TPG Growth ("TPG"), part of one of the world's largest alternative asset managers with assets under management of US$104 billion.

MIL4 sits on the board of AP Towers and contributes to the strategy and growth of the company.

Update
- The Myanmar telecoms sector generally continues to grow. Myanmar's mobile penetration rate continues to grow with estimates currently as high as 107 per cent though this is based on SIM cards and not unique subscribers. Coupled with this is the prevalence of data enabled devices. Smartphones are estimated to account for approximately 80 per cent of the mobile phones in use in the country and data demand drives the need for connectivity. Connectivity requires an extensive network of telecom towers with reliable power. Myanmar currently has ~20,000 towers, of which ~11,000 are owned by ITCs, and is expected to reach ~22,000 towers within the next few years.
- Apollo Towers and Pan Asian Towers have both built strong reputations in the market for their valuable site locations, operational excellence and strong customer focus. AP Towers will look to leverage the best practices of both companies in providing a full suite of services that are commercially attractive to the customers of both businesses.
- However, although the broader Myanmar telecom market continues to grow, the Myanmar telecom tower sector, following a period of rapid growth, has continued to slow in the last 6 months. This follows the entry of Myanmar's fourth mobile operator, MyTel, into the market who have pursued a policy of undercutting their competitors. As a result, the other MNOs have taken a more cautious approach to extending their networks and at the same time are focussing more on cost management.
- As a result, whilst there has still been growth in the demand for both new towers and new tenancies the market has seen a reduction in the rate of growth whilst the other MNOs re-assess their strategies in light of this evolution.
- Contrary to other industries, the telecoms sector has not suffered greatly due to the outbreak of Covid-19.

- As at 31 March 2020 Apollo Towers and Pan Asia Towers together had an aggregated portfolio of 3,246 towers, 6,682 tenants representing a co-location ratio (“Lease-up-Rate” or “LUR”) of 2.06x. This compares to an LUR of 2.02x at 31 March 2019. Since then towers have increased by 1.9% in towers and tenancies by 4.0%. The majority of that growth took place in the first 6 months of the year, reflecting the slowdown in growth mentioned above.
- By adding additional tenants to existing towers, the yield on invested capital can significantly improve, making each additional tenant highly accretive in terms of EBITDA and eventually enterprise value. Market analysis for Myanmar points to an expected LUR of 2.2x or higher over the next few years.
- In our report as of 30 September 2019 we pointed out that if the accounts for Apollo Towers and Pan Asia Towers for the six months to 30 September 2019 were, on a pro-forma basis, to be aggregated and adjusted for non-recurring items, and then annualised to provide an indicative “run rate” they would have shown annualised revenues and EBITDA of US$123 million (including pass through power revenue) and US$72.9 million, respectively. This would have represented an increase of 4.0 per cent and 5.0 per cent, respectively over the six-month period. The adoption of IFRS 16 accounting increases this EBITDA to US$78.2 million.
- As of 31 March 2020, AP Towers shows for the twelve months to 31 March 2020, revenues, and (adjusted for non-recurring items and the change in accounting for IFRS 16) EBITDA of US$103.7 million (excluding pass through power revenue) and US$78.4 million, respectively. This represents an increase of 11.9 per cent and 3.4 per cent, respectively over the same period last year.
- Historically reported revenue has included 'pass through' revenue, which is the variable power costs such as diesel and electricity that is contractually recharged to customers at cost. This is a substantial figure that is subject to seasonal variations and other fluctuations. However, as the name 'pass through' suggests this revenue does not contribute meaningfully to profits. Assessing the business with this included in revenue can distort the underlying trend as regards revenue progression of tower leasing, which is responsible for profits. Accordingly, AP Towers is now reporting revenue to shareholders with pass through revenue excluded. Any net gain or loss on pass through, which tends to be small, is reflected in the disclosed profitability. On this basis the revenue to 31 March 2019 was US$92.7 million and in the year to 31 March 2020 this rose to US$103.7 million a growth of 11.9 per cent. Much of this growth was the full year effect of new tenancies and power contracts added in the previous financial year. Revenue for the six months to 31 March 2020 was US$52.8 million, growth of 3.7 per cent over the first half of the year indicating that growth has slowed during the year.
- Going forward, AP Towers will be looking to increase the number of tenancies either from new “Build to Suit” towers or from adding co-locations to its existing towers. Given its existing undrawn debt facilities, coupled with cash flows from operations, there will be available capital to build further towers over the next few years without the need to seek additional funding.
- AP Towers’ net debt was US$371.6 million as at the end of March.
- On 7th 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.

Valuation

As at 30 September 2019 the Directors had assessed that if the share exchange had been completed by 30 September 2019, the Company’s attributable shareholding in AP Towers would have been worth US$32 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 2019 the Directors have assessed the value of this investment to be US$25.7 million. The downward revision in valuation of US$6.3 million compared with the in principle valuation of the AP Towers investments done in 30 September 2019, is mainly attributable to a slightly lower actual EBITDA (adjusted for IFRS 16) of AP Towers than the EBITDA (adjusted for IFRS 16) as at 30 September 2019 (that was based on an indicative "run rate") and a decline of earnings multiples of the comparable companies that we follow. In addition, given the uncertainty due to the outbreak of COVID-19, the Company applied an additional discount factor on this multiple.

This value of AP Towers represents a profit of US$4.9 million over the cost of the investment and an IRR since the initial investment in July 2015 of 4.6 per cent.

Myanmar Finance International Limited ("MFIL")

Background

MFIL is one of the leading microfinance operators in Myanmar and provides small loans (MMK 315,000 or US$205) on average per borrower, but it can be as high as MMK 10 million or US$6,520 to small-scale business operators in rural and semi-urban areas in Yangon, Bago, Ayeyawady and Mon.

MFIL was established as a microfinance joint venture in August 2014 by MIL and Myanmar Finance Company Limited ("MFC"). In November 2015, the Norwegian Investment Fund for Developing Countries ("Norfund"), the Norwegian development finance institution, also became a shareholder such that the shareholdings today are MIL 37.5 per cent, MFC 37.5 per cent and Norfund 25 per cent, with a total paid up capital of over US$7 million. MIL's total investment cost to date is US$2.7 million.

MIL sits on the board of MFIL and works closely with the management and shareholders in strengthening and growing the business and assisting with securing debt finance.

Update

- MFIL is a well-established microfinance company that has a positive impact on the lives and economic well-being of its customers.
- Since inception MFIL has grown to 15 branches in Yangon, Bago, Ayeyawady and Mon. Half of MFIL's loan book is now in the SME segment.
- At the time of the last report MFIL had completed a restructuring of its operation and had started to expand its loan book. At 30 September 2019, its loan book was MMK21 billion (US$15 million) and this had increased to MMK27 billion (US$19 million) at the end of February 2020.
- Since mid-March 2020 when COVID-19 started MFIL has significantly reduced its new lending and is currently undertaking a review of its loan portfolio.
- MFIL remains a strong microfinance company with surplus cash on its balance sheet of over MMK7.4 billion (US$5 million), as at 31 March 2020.
- Over the last few weeks MFIL has successfully entered into an arrangement with lenders that have loans falling due within 2020 to extend repayment terms to 2021, this coupled with its reduction in lending and strong cash position has given MFIL a high level of liquidity.
- In the 6 months to 31 March MFIL made a loss of MMK449 million (US$0.3 million) as a result of its negative net interest margin caused by its high level of liquidity.
- The microfinance industry has been impacted by Covid-19 as grassroot level clients have been disproportionately affected by the lockdown. This will lead to an increase in non-performing loans.

- 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.
- 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. Depending on the speed of recovery from Covid-19 MFIL's book value at closing may have reduced.
- Subsequent to that announcement, the purchaser's AGM on 23rd 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 2 to 4 months.

Valuation
As at 30 September 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.

Using the same methodology as at 31 March 2020 the Directors have assessed the value of this investment to still be US$4.4 million.

This value of MFIL represents a profit of US$1.7 million over the cost of the investment. This equates to an IRR since the initial investment in September 2014 of 11.9 per cent.

Medicare International Health & Beauty ("Medicare")

Background
Medicare is the first full-service chain of modern pharmacy, health, and beauty franchise stores in Myanmar.

MIL established the business in 2017 together with Medicare Vietnam, Vietnam's leading pharmacy, health, beauty and personal care retail group and Randy Guttery, an industry veteran with significant experience leading Asian-based retail concepts. The business is now the largest such chain in the country and is reputed to be the largest employer of trained pharmacists in the country.

As at 30 September 2019 Medicare had 22 modern franchised stores on the streets and in the shopping centres of Yangon with a further one under construction. Medicare provides the growing customer base at its franchised stores with a very broad range (4,500 SKUs) of international quality products at affordable prices.

As at 30 September 2019, MIL had invested US$2,145,000 for a shareholding of 48.8 per cent.

Disposal
Given the Company's strategy of looking to realise its investments, coupled with Medicare's continued operating losses that need 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 30 September 2019 this investment had been valued by the Directors at US$1 million.

Financial Performance

Unaudited Financial Statements
The unaudited financial statements for the six months to 31 March 2020 are attached at the end of this announcement. They have been prepared in compliance with IFRS and have been reviewed by the Company's auditors, BDO LLP, in accordance with The International Standard on Review Engagements 2410.

Profit and Loss
For the six months to 31 March 2020, MIL's unaudited consolidated profit after tax was US$0.86 million, compared with a loss of US$1.05 million in the same period last year.

This is principally represented by:

- the overheads associated with running the Company's business (US$713,000);
- one-off costs for closing the office in Yangon (US$115,000);
- the Company's share of MFIL's losses (US$123,000);
- net profit on Medicare's disposal (US$186,000);
- transaction costs (US$30,000);
- the non-cash impact of the share-based payments arising from the Company's Employee Share Option Plan ("ESOP") (US$11,000); and
- the gain on re-evaluation of the investment in AP Towers (US$ 1,667,000).

Within this the cost of MIL's cash-based overheads (i.e. excluding one-off costs, the joint venture results, transaction costs, share based payments and re-evaluation gains) was US$702,000 compared to US$733,000 for the six months to 31 March 2019, a reduction of US$31,000 or 4.2 per cent. On a per share basis this has dropped from 1.94¢ to 1.84¢, a reduction of 5.2 per cent.

Net asset value
The Directors have determined that MIL's Net Asset Value ("NAV") as at 31 March 2020 was US$33.2 million, or US$0.87 per share. This is comprised of:

- the investment in AP Towers, the telecommunication tower business, of US$25.7 million, excluding the non-controlling interests, determined using a comparable EBITDA multiple methodology;
- the investment in MFIL, the microfinance business, of US$4.4 million, determined using a comparable price to book value methodology;
- cash and other net assets/liabilities of US$3.1 million.

In accordance with the Company's stated policy, the Company's investments have been determined by reference to the prevailing International Private Equity and Venture Capital Guidelines.

Summary of NAV

The NAV valuation of US$33.2 million is a net increase of US$806,000 (2.5 per cent) from US$32.3 million over the six-month period to 31 March 2020. This is mainly attributable to:

- the fact that the AP Towers investment, under the revised valuation is US$1,667,000 higher than the previously held Apollo Towers investment (as at 30 September 2019); and
- overheads and transaction costs of US$861,000.

In the attached financial statements, the NAV attributable to shareholders differs from the above stated value of US$33.2 million due to the following adjustments:

	US$ millions
NAV per the financial statements	31.3
MFIL [1]	1.9
NAV per the Directors' valuation	33.2

Note 1: In accordance with IFRS 11 Joint Arrangements, the investment in MFIL is accounted for as an investment in a joint venture 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.

Working Capital

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

Commenting on the Interim Results, Nick Paris, Managing Director of Myanmar Investments International Limited, said "Your Company continued to focus on implementing the change of investment objective that was approved at the AGM in October 2019. As a result, no new investments have been or will be made and steps are being actively taken to sell the existing investments when opportunities arise at acceptable prices. This process commenced with the sale of Medicare to our Joint Venture partner and continued with the agreement to sell MFIL. Our operating costs are kept under constant review to seek to minimise our cash burn to return 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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020

	Note	*Present Interims* 1 October 2019 to 31 March 2020 Unaudited US$	*Prior Interims* 1 October 2018 to 31 March 2019 Unaudited US$	*Prior Full Year* 1 April 2018 to 31 March 2019 Audited US$
Revenue		-	-	-
Other item of income				
Finance income	4	216	197	514
Gain on disposal of a joint venture	10	361,248	-	-
Fair value gain on investment at fair value through profit or loss	11	2,500,000	-	-
		2,861,464	197	514
Items of expense				
Employee benefits expense	5	(415,331)	(378,763)	(916,343)
Depreciation expense		(10,240)	(10,978)	(22,001)
Other operating expenses		(442,240)	(502,620)	(1,006,933)
Finance costs	6	(4,719)	(5,000)	(12,715)
Share of results of joint ventures, net of tax	10	(298,340)	(173,105)	(491,290)
Profit/(Loss) before income tax	7	1,690,594	(1,070,269)	(2,448,768)
Income tax (expense)/credit	8	(3,398)	440	(436)
Profit/(Loss) for the financial period/year		1,687,196	(1,069,829)	(2,449,204)
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Exchange gain/(loss) arising on translation of foreign operations	10	265,615	61,751	(263,584)
Other comprehensive income for the financial period/year, net of tax		265,615	61,751	(263,584)
Total comprehensive income for the financial period/year		1,952,811	(1,008,078)	(2,712,788)
Profit/(Loss) attributable to:				
Owners of the parent		857,670	(1,054,225)	(2,420,931)
Non-controlling interests		829,526	(15,604)	(28,273)
		1,687,196	(1,069,829)	(2,449,204)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020

	Note	*Present Interims*	*Prior Interims*	*Prior Full Year*
		1 October 2019 to 31 March 2020	**1 October 2018 to 31 March 2019**	**1 April 2018 to 31 March 2019**
		Unaudited	**Unaudited**	**Audited**
		US$	**US$**	**US$**
Total comprehensive income attributable to:				
Owners of the parent		1,123,285	(992,474)	(2,684,515)
Non-controlling interests		829,526	(15,604)	(28,273)
		1,952,811	(1,008,078)	(2,712,788)
Earnings/(Loss) per share (cents)				
- Basic and diluted	9	2.25	(2.79)	(6.42)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	*Present Interims* 31 March 2020 Unaudited US$	*Prior Full Year* 31 March 2019 Audited US$
ASSETS			
Non-current assets			
Investments in joint ventures	10	2,524,443	3,717,909
Equity instrument at fair value through profit or loss	11	38,500,000	36,000,000
Plant and equipment		-	38,103
Total non-current assets		41,024,443	39,756,012
Current assets			
Other receivables		527,210	178,775
Cash and cash equivalents		2,767,223	3,720,521
Total current assets		3,294,433	3,899,296
Total assets		44,318,876	43,655,308
EQUITY AND LIABILITIES			
Equity			
Share capital	13	40,569,059	40,569,059
Share option reserve	14	1,358,913	1,337,005
Accumulated losses		(10,414,924)	(10,039,640)
Foreign exchange reserve		(233,776)	(475,874)
Equity attributable to owners of the parent		31,279,272	31,390,550
Non-controlling interests		12,702,495	11,875,458
Total equity		43,981,767	43,266,008
LIABILITIES			
Current liabilities			
Other payables		319,435	372,410
Income tax payable		17,674	16,890
Total current liabilities		337,109	389,300
Total equity and liabilities		44,318,876	43,655,308

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020

Unaudited	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$
At 1 October 2019		40,569,059	1,347,959	(499,391)	(11,272,594)	30,145,033	11,872,969	42,018,002
Profit for the financial period		-	-	-	857,670	857,670	829,526	1,687,196
Other comprehensive income for the financial period								
Exchange gain arising on translation of foreign operations	10	-	-	265,615	-	265,615	-	265,615
Total other comprehensive income for the financial period		-	-	265,615	-	265,615	-	265,615
Total comprehensive income for the financial period		-	-	265,615	857,670	1,123,285	829,526	1,952,811
Contributions by and distributions to owners								
Share options expense	14	-	10,954	-	-	10,954	-	10,954
Total contributions by and distributions to owners		-	10,954	-	-	10,954	-	10,954
At 31 March 2020		40,569,059	1,358,913	(233,776)	(10,414,924)	31,279,272	12,702,495	43,981,767

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Audited	Note	Share capital US$	Share option reserve US$	Foreign exchange reserve US$	Fair value reserve US$	Accumulated losses US$	Equity attributable to owners of the parent US$	Non-controlling interests US$	Total US$
2019									
At 31 March 2018		40,161,942	1,220,549	(212,290)	3,069,652	(10,711,403)	33,528,450	11,903,731	45,432,181
Effect of adopting IFRS 9		-	-	-	(3,069,652)	3,069,652	-	-	-
At 1 April 2018		40,161,942	1,220,549	(212,290)	-	(7,641,751)	33,528,450	11,903,731	45,432,181
Loss for the financial year		-	-	-	-	(2,420,931)	(2,420,931)	(28,273)	(2,449,204)
Other comprehensive income for the financial year									
Exchange loss arising on translation of foreign operations	10	-	-	(263,584)	-	-	(263,584)	-	(263,584)
Total other comprehensive income for the financial year		-	-	(263,584)	-	-	(263,584)	-	(263,584)
Total comprehensive income for the financial year		-	-	(263,584)	-	(2,420,931)	(2,684,515)	(28,273)	(2,712,788)
Contributions by and distributions to owners									
Exercise of warrants	13	491,916	-	-	-	-	491,916	-	491,916
Share issue expenses	13	(84,799)	-	-	-	-	(84,799)	-	(84,799)
Share options expense	14	-	139,498	-	-	-	139,498	-	139,498
Cancellation of share options	14	-	(23,042)	-	-	23,042	-	-	-
Total contributions by and distributions to owners		407,117	116,456	-	-	23,042	546,615	-	546,615
At 31 March 2019		40,569,059	1,337,005	(475,874)	-	(10,039,640)	31,390,550	11,875,458	43,266,008

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020

	Note	*Present Interims*	*Prior Interims*	*Prior Full Year*
		1 October 2019 to 31 March 2020	**1 October 2018 to 31 March 2019**	**1 April 2018 to 31 March 2019**
		Unaudited	**Unaudited**	**Audited**
		US$	**US$**	**US$**
Operating activities				
Profit/(Loss) before income tax		1,690,594	(1,070,269)	(2,448,768)
Adjustments for:				
Interest income	4	(216)	(197)	(514)
Finance costs		4,719	5,000	12,715
Depreciation of plant and equipment		10,240	10,978	22,001
Share-based payment expense		10,954	43,720	139,498
Share of results of joint ventures, net of tax	10	298,340	173,105	491,290
Fair value gain on investment at fair value through profit or loss	11	(2,500,000)	-	-
Gain on disposal of joint venture	10	(361,248)	-	-
Plant and equipment written off		17,385	-	-
Operating cash flows before working capital changes		(829,232)	(837,663)	(1,783,778)
Changes in working capital:				
Other receivables		(276,481)	55,427	15,809
Other payables		114,745	163,975	(59,920)
Cash used in operations		(990,968)	(618,261)	(1,827,889)
Interest received		216	197	514
Finance costs paid		(4,719)	(5,000)	(12,715)
Income tax refunded		63	5,096	1,517
Net cash flows used in operating activities		(995,408)	(617,968)	(1,838,573)
Investing activities				
Proceeds from disposal of investments		1,000,000	-	-
Investment in joint ventures	10	-	-	(500,000)
Advances to joint ventures	10	-	(625,000)	(625,000)
Purchase of plant and equipment		-	(2,200)	(5,353)
Net cash flows from/(used in) investing activities		1,000,000	(627,200)	(1,130,353)
Financing activities				
Increase in short-term deposits pledged		(216)	(11,267)	(11,267)
Net proceeds from issuance of shares	13	-	311,586	407,117
Net cash flows (used in)/from financing activities		(216)	300,319	395,850

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2020

	Note	*Present Interims* 1 October 2019 to 31 March 2020 Unaudited US$	*Prior Interims* 1 October 2018 to 31 March 2019 Unaudited US$	*Prior Full Year* 1 April 2018 to 31 March 2019 Audited US$
Net change in cash and cash equivalents		4,376	(944,849)	(2,573,076)
Cash and cash equivalents at beginning of financial period/year		2,715,220	4,617,959	6,246,186
Cash and cash equivalents at end of financial period/year		2,719,596	3,673,110	3,673,110

Cash and cash equivalents comprise the following at the end of the financial period/year:

	Present Interims 31 March 2020 Unaudited US$	*Prior Full Year* 31 March 2019 Audited US$
Bank balances	2,767,223	3,720,521
Less: short-term deposits pledged	(47,627)	(47,411)
	2,719,596	3,673,110

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.

Details of the Company's investments in its joint ventures are disclosed in Note 10; its equity instrument at fair value through profit or loss is disclosed in Note 11 and the principal activities of the subsidiaries are disclosed in Note 12.

The consolidated financial information of the Company and its subsidiaries (the "Group") for the period from 1 October 2019 to 31 March 2020 were approved by the Board of Directors on 29 June 2020. This consolidated financial information is unaudited.

Whilst the financial information included in this announcement has been prepared in accordance with the International Financial Reporting Standards ("IFRS"), this announcement does not in itself contain sufficient information to comply with IFRS. The full audited financial statements of the Company for the year to 31 March 2019 can be found on the Company's website at www.myanmarinvestments.com.

1.1 Going concern

The Coronavirus (COVID-19) outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economic prospects.

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 investees it can be said 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 its shares in MFIL may have reduced. The purchaser's AGM on 23rd 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 the completion of the transaction is expected to take place within the next 2 to 4 months. Regarding the Group's other investment in AP Towers, it is to be noted that contrary to other industries, the telecoms sector has not suffered greatly due to the outbreak of COVID-19.

After due and careful enquiries, the Directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future. This expectation is based on a review of the Company'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.

1. **General corporate information** (Continued)

1.1 Going concern (Continued)

Accordingly, the Directors have adopted the going concern basis in preparing the consolidated financial information.

2. Summary of significant accounting policies

2.1 Basis of preparation of the financial information

The interim consolidated financial information have been prepared for the financial period from 1 October 2019 to 31 March 2020 in accordance with International Financial Reporting Standards ("IFRS") and is presented in United States Dollar ("US$").

The interim consolidated financial information does not include the full disclosures normally included in a complete set of financial statements and should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2019.

2.2 Summary of significant accounting policies

The interim consolidated financial information have been prepared on the historical basis except as disclosed in the accounting policies in the audited consolidated financial statements for the financial year ended 31 March 2019.

The accounting policies and methods of computation used in the interim financial information are consistent with those applied in the audited financial statements for the financial year ended 31 March 2019 and are set out in Note 3 to the audited financial statements for the financial year ended 31 March 2019. Due to the adoption of the new standards and interpretations effective 1 April 2019, the accounting policy for IFRS 16 *Leases* is disclosed below:

IFRS 16 *Leases*

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group adopted IFRS 16 using the modified retrospective method of adoption, with the date of initial application of 1 April 2019. The Group elected to use the transition practical expedient to not assess whether a contract is, or contains a lease at 1 April 2019. Instead, the Group applied the standard to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases) and lease contracts for which the underlying asset is of low value (low-value assets).

There is no material impact to the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows or the basic and diluted earnings per share on adoption of IFRS 16 by the Group.

3. Significant accounting judgements and estimates

The Company's significant accounting judgements and estimates used in the preparation of these financial information are available in the full audited financial statements for the year to 31 March 2019, a copy of which can be found on the Company's website at www.myanmarinvestments.com.

4. Finance income

	1 October 2019 to 31 March 2020	1 October 2018 to 31 March 2019	1 April 2018 to 31 March 2019
	Unaudited	Unaudited	Audited
	US$	US$	US$
Interest income	216	197	514

5. Employee benefits expense

	1 October 2019 to 31 March 2020	1 October 2018 to 31 March 2019	1 April 2018 to 31 March 2019
	Unaudited	Unaudited	Audited
	US$	US$	US$
Salaries, wages and other staff benefits	404,377	310,922	739,024
Bonuses	-	24,121	37,821
Share options expense	10,954	43,720	139,498
	415,331	378,763	916,343

The employee benefits expense includes the remuneration of Directors as disclosed in Note 15.

6. Finance costs

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

7. Profit/(Loss) before income tax

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

	1 October 2019 to 31 March 2020	1 October 2018 to 31 March 2019	1 April 2018 to 31 March 2019
	Unaudited	Unaudited	Audited
	US$	US$	US$
Auditor's remuneration	23,275	34,026	61,278
Consultants' fees	58,428	98,423	268,564
Short term lease expenses	44,487	-	-
Operating lease expenses	-	40,796	91,381
Professional fees	15,912	4,623	16,177
Travel and accommodation	32,538	21,106	59,769
Transaction costs	30,019	105,150	154,356

8. Income tax

	1 October 2019 to 31 March 2020	1 October 2018 to 31 March 2019	1 April 2018 to 31 March 2019
	Unaudited	Unaudited	Audited
	US$	US$	US$
Current income tax			
- current financial period/year	3,461	894	1,574
- overprovision in prior financial period/year	(63)	(1,334)	(1,138)
	3,398	(440)	436

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:

	1 October 2019 to 31 March 2020	1 October 2018 to 31 March 2019	1 April 2018 to 31 March 2019
	Unaudited	**Unaudited**	**Audited**
Profit/(Loss) for the financial period/year attributable to owners of the Company (US$)	857,670	(1,054,225)	(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	37,685,988
Earnings/(Loss) per share			
Basic and diluted (cents)	2.25	(2.79)	(6.42)

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 are anti-dilutive as the effect of the shares conversion would be to decrease the profit or loss per share.

10. Investments in joint ventures

	31 March 2020	31 March 2019
	Unaudited	**Audited**
	US$	**US$**
Investments in joint ventures		
Unquoted equity investments, at cost	2,670,000	4,190,000
Share of post-acquisition results of joint venture, net of tax	88,219	(621,217)
Share of post-acquisition foreign currency translation reserve	(233,776)	(475,874)
	2,524,443	3,092,909
Advances to joint ventures	-	625,000
	2,524,443	3,717,909
Movement during the period/year		
Balance at beginning of financial period/year	3,195,920	3,347,783
Investments during the financial period/year	-	500,000
Share of results of joint ventures, net of tax	(298,340)	(491,290)
Share of foreign currency translation reserve	265,615	(263,584)
Advances during the financial period/year	-	625,000
Disposal of joint venture during the financial period/year	(638,752)	-
Balance at end of financial period/year	2,524,443	3,717,909

10. Investments in joint ventures (Continued)

Medicare International Health and Beauty Pte. Ltd. and its subsidiary

On 28 November 2019, the Company has disposed its entire investment in Medicare for US$1,000,000 and recorded a gain on disposal of US$361,248.

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 Company 31 March 2020 %	31 March 2019 %
Medicare International Health and Beauty Pte. Ltd. (Singapore) ("Medicare")	Provider of beauty, health, and pharmaceutical products	-	48.6
Myanmar Finance International Limited[1] (Myanmar) ("MFIL")	Provider of microfinance loans	37.5	37.5

[1] Reviewed by JF Group Audit Firm, Yangon, Myanmar.

Summary

	1 October 2019 to 31 March 2020 Unaudited US$	1 October 2018 to 31 March 2019 Unaudited US$	1 April 2018 to 31 March 2019 Audited US$
Share of results of joint ventures, net of tax			
MFIL	(123,180)	26,284	111,764
Medicare	(175,160)	(199,389)	(603,054)
	(298,340)	(173,105)	(491,290)

The share of result for the financial period of Medicare was up until date of disposal on 28 November 2019.

11. Equity instrument at fair value through profit or loss

	31 March 2020 Unaudited US$	31 March 2019 Audited US$
Investment in AP Towers (2019: Apollo Towers), at fair value	38,500,000	36,000,000

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

Investment in AP Towers

The Group's investment in AP Towers Holdings Pte. Ltd ("AP Towers") (2019: Apollo Towers Holdings Limited ("Apollo Towers")), is made through the Group's 66.67 per cent subsidiary, MIL 4 Limited ("MIL 4").

Movement in the investment is as follows:

	31 March 2020 Unaudited US$	31 March 2019 Audited US$
Balance at beginning of financial period/year	36,000,000	-
Fair value gain during the financial period/year	2,500,000	-
Reclassification from available-for-sale financial asset	-	36,000,000
Balance at end of financial period/year	38,500,000	36,000,000

As at 31 March 2020, the equity instrument at fair value through profit or loss represents an effective 4.1% equity interest in the unquoted share capital of AP Towers.

The Company has designated its equity investment previously classified as available-for-sale financial assets in the financial year ended 31 March 2018 to be measured as fair value through profit or loss as at 1 April 2018. The Company intends to hold this investment for long-term appreciation in value.

As at 31 March 2020, the fair value attributed to the non-controlling interests in MIL 4 was US$12,833,333 (2019: US$12,000,000).

Management engaged their internal valuation specialists to perform a valuation on the investment. The valuation of the unquoted investment is categorised into 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:

Financial assets	Valuation technique used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Unquoted equity investments	Comparable Company Analysis	- Earnings Before Interest, Tax, Depreciation and Amortization ("EBITDA") of US$71.9million - Enterprise Value ("EV") per EBITDA multiple of 13.4x	Increase EBITDA and EV/EBITDA multiple will increase the fair value of the financial asset.

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

Investment in Apollo Towers (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	- Earnings Before Interest, Tax, Depreciation and Amortization ("EBITDA") of US$32.2million - Enterprise Value ("EV") per EBITDA multiple of 15.4x	Increase EBITDA and EV/EBITDA multiple will increase the fair value of the financial asset.

As announced on 23 January 2020, MIL 4 exchanged its investment in Apollo Towers Holdings Limited ("Apollo Towers") for shares in AP Tower Holdings Pte. Ltd. ("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 approximately 6.2 per cent in AP Towers, of which approximately 4.1 per cent indirectly held by MIL. The Share Swap effectively brings Apollo Towers and Pan Asia Towers under common ownership of AP Towers.

12. 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
			%	%
Myanmar Investments Limited	Singapore	Investment holding company	100	-
MIL Management Pte. Ltd.	Singapore	Provision of management services to the Group	100	-
MIL 4 Limited	British Virgin Islands	Investment holding company	66.67	33.33
Held by MIL Management Pte. Ltd.				
MIL Management Co., Ltd	Myanmar	Provision of management services to the Group	100	-

13. Share capital

	31 March 2020 Unaudited US$	31 March 2019 Audited US$
Issued and fully-paid share capital:		
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)
	40,569,059	40,569,059

	31 March 2020	
	Ordinary shares	Warrants
Equity Instruments in issue		
At the beginning and end of the financial period	38,097,037	14,128,387

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.

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

Warrants

As at 31 March 2020, there were 14,128,387 (31 March 2019: 14,128,387) Warrants in issue.

During the six month period ended 31 March 2020, no Warrants were exercised.

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

14. Share option reserve

Details of the Share Option Plan (the "Plan") are set out in the financial statements for the year to 31 March 2019, which can be found on the Company's website at www.myanmarinvestments.com.

During the six month period ended 31 March 2020, no further options were created, granted or forfeited.

As at 31 March 2020, 2,590,527 (31 March 2019: 2,590,527) share options had been granted under the Plan.

15. Significant related party disclosures

Compensation of key management personnel

The remuneration of Directors for the financial period from 1 October 2019 to 31 March 2020 was as follows:

	Directors' fees	Short term employee benefits[1]	Share option plan	Total
	US$	US$	US$	US$
<u>Financial period from 1 October 2019 to 31 March 2020</u>				
Executive directors				
Maung Aung Htun	-	98,003	2,558	100,561
Craig Robert Martin	-	1,667	601	2,268
Anthony Michael Dean	-	88,450	2,558	91,008
Nicholas John Paris	-	33,333	-	33,333
Non-executive directors				
Christopher William Knight	8,750	-	601	9,351
Henrik Onne Bodenstab	7,500	-	568	8,068
Nicholas John Paris	1,250	-	-	1,250
Rudolf Gildemeister	6,667	-	-	6,667
	24,167	221,453	6,886	252,506

[1] *The short term employee benefits also includes rental expenses paid for the Directors' accommodation.*

16. Dividends

The Directors of the Company did not recommend any dividend in respect of the financial period from 1 October 2019 to 31 March 2020 (1 October 2018 to 31 March 2019: Nil).

17. Financial risk management objectives and policies

The Company's financial risk management objectives and policies are set out in the audited financial statements for the year to 31 March 2019.