

## Myanmar Investments International Limited

### Audited financial results for the year to 30 September 2021

Myanmar Investments International Limited [AIM: MIL] (“MIL” or the “Company”), the Myanmar focused investment company, today announces its audited financial results for the year to 30 September 2021.

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 financial year our net asset value (“NAV”) has decreased by 27.5 per cent and was US\$25.6 million as at 30 September 2021, equivalent to US\$ 0.67 per share.

#### Myanmar: Covid-19 and Political Turmoil

Please find a detailed report about the situation in Myanmar in the “Chairmen’s Letter”.

#### 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 the Company’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 process 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 the operation as of 31 March 2020.

## Business review

The Company has invested in two businesses:

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

- The Company had invested US\$21 million in Apollo Towers.
- The share exchange with AP Towers was completed in January 2020. Under the share exchange, the Company swapped 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 exchange effectively brought Apollo Towers and Pan Asia Towers, another Myanmar independent tower company, under the common ownership of AP Towers.
- As at 30 September 2021, Apollo Towers and Pan Asia Towers together had an aggregated portfolio of 3,254 towers, 6,669 tenants and a co-location ratio (“Lease-up-Rate” or “LUR”) of 2.05x which is unchanged since 30 September 2020.
- Based on AP Towers actual results for the 6 months ended 30 September 2021, AP Towers annualised adjusted “run rate” revenue has decreased to US\$102.5 million. This represents a decline of 1.9 per cent over the same period last year. The annualised adjusted “run rate” EBITDA has increased to US\$85.9 million. This represents an increase of 3.0 per cent over the same period last year.
- Going forward, AP Towers will, when market conditions allow, be looking to increase the number of tenancies either from new “Build to Suit” towers or from adding co-locations to its existing towers.
- AP Towers’ net debt was US\$396.2 million as at the end of September 2021, a decrease of US\$ 20.6 million since 31 March 2021 and a decrease of US\$33.1 million since 30 September 2020.
- Contrary to other industries, the telecoms 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.
- Covid and the political turmoil has severely impacted the Myanmar economy and has affected borrowers. The Portfolio at Risk over 30 days (“PAR 30+”) has risen to 14.2 percent.
- MFIL has been restructuring its balance sheet with agreements reached with all lenders to extend their loan maturities by 12 months and formal documentation are currently being signed.
- MFIL has cash of MMK 8 billion and has reduced its loan book to MMK 16.5 billion
- MFIL focuses on urban and semi-rural lending in Yangon, Bago, Ayeyarwady and Mon State.
- The Company is in the process of selling this investment. On 1 April 2020, the Company announced that it had accepted an offer to sell its shareholding in MFIL and on 23 April 2020 the purchaser’s AGM approved the purchase subject to completion of certain conditions precedent including a closing audit, lender’s consents, and Myanmar regulatory approval. Subsequent to that announcement, and because of logistical problems in completing the conditions precedent, the purchaser’s AGM on 26 April 2021 approved a one-year extension of their agreement to purchase MFIL.

## Financial review

During the past year our net asset value (“NAV”) has decreased by 27.5 per cent and was US\$25.6 million as at 30 September 2021. This was driven mainly by the decrease in the assessed value of our investments in AP Towers (down US\$6.1 million to US\$22.3 million) and in MFIL (down US\$2.9 million to US\$1.5 million).

During the period we achieved our in 2020 projected operating “run-rate” costs of US\$0.7 million per annum.

Henrik Bodenstab, Chairman of MIL, “It has been a challenging year. Myanmar was hit hard by Covid-19 and on top came the political crisis when the military took over the government on 1 February 2021. We intend to complete the sale of MFIL as soon as it is practical which will include finalising the closing audit and obtaining regulatory approval. We have reduced our operating costs significantly. In order to maximise the return of surplus capital to our shareholders, we are considering the option of cancelling the admission to trading of the ordinary shares of Myanmar Investments International Limited from the AIM market of the London Stock Exchange which would save a substantial amount of money.”

*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 POLITICAL TURMOIL**

Myanmar is a resource rich and strategically located country with substantial economic potential but one that has consistently proven to be difficult to invest in.

In 2020 Myanmar was affected by the global Covid-19 pandemic which, although the number of cases were minimal, led to two lockdowns and border restrictions. During this period there was also an election that returned Daw Aung San Suu Kyi's party, the National League for Democracy ("NLD"), to power with an increased majority. However, on 1 February 2021 before the new government could be sworn in, the military took over and promised a new election within 2 years. Since then, there has been continuous resistance across the country. The new military installed government, the Special Administrative Council ("SAC"), has not been recognized by most countries but neither has the National Unity Government ("NUG") established by a group of former members of parliament been accredited, although some countries such as South Korea have allowed NUG to open an Information Office.

In the early days public dissatisfaction was shown through demonstrations across the country. These were often met with force by the army, known as the Tatmadaw. Large demonstrations morphed into a Civil Disobedience Movement campaign ("CDM") that included strikes by bank staff, civil servants and teachers that paralyzed the country. Eight months later flash mobs still take place and, at different levels, CDM is still on-going.

The political conflict has also turned violent with frequent clashes between the Tatmadaw, and many of the Ethnic Armed Organizations ("EAOs"). Numerous locally formed People's Defence Forces ("PDF"), akin to militia groups, have also sprung up to resist the SAC or to protect their community. In cities such as Yangon or Mandalay PDFs tend to use assassinations and bombings. While in the rural areas there has been an upsurge in armed conflicts with the EAOs particularly in the northwest (Chin State, Sagaing and Magway regions) and southeast (Kayah State).

To date neither ASEAN nor the international community have been able to broker a resolution to this situation.

In June 2021, compounding the political crisis, there was a surge in Covid-19 cases which overwhelmed a fragile medical infrastructure that was understaffed from CDM.

Inevitably, the ongoing political crisis and a third wave of Covid-19 materially impacted an economy that had already been weakened by the pandemic in 2020. According to the World Bank Myanmar's economy is expected to have contracted by around 18 per cent in fiscal year 2021 (Myanmar's fiscal year is to 30 September). An 18 per cent contraction, coming on top of weak growth in fiscal year 2020, would mean that the country's economy is around 30 per cent smaller than it would have been in the absence of Covid-19 and the military takeover of February 2021.

Despite interventions from the central bank, liquidity in the financial system has dried up and commercial banks are restricting transfers and withdrawals. By September 2021 the Myanmar Kyat had nearly halved against the US Dollar although it has partially recovered in recent weeks. The weaker currency is feeding through to higher import prices. In August 2021 the World Food Programme reported a 68 per cent increase in the price of fuel, 40 per cent for cooking oil and 16 per cent for rice.

United Nations Development Programme (“UNDP”) has forecast that almost half of the population, in the worst-case scenario, risks falling into poverty by 2022 doubling the pre Covid-19 level and reversing all economic gains made since 2005.

All sectors have been affected. Construction activities have slowed or stopped, farm input costs have risen sharply while importers do not have access to US dollars and are now unable to open letters of credit at foreign banks. Foreign companies have either adopted a wait-and-see approach while reducing expatriate staff or have announced that they are withdrawing. Notable exits include Telenor, British American Tobacco, Amata and Adani Ports.

Economic contraction and a weaker Kyat are fuelling inflation, unemployment and the poverty rate. Covid precaution has closed the borders with Thailand and China. In the past there were as many as 4 million migrant Myanmar workers in Thailand that would send money home but in 2020 an estimated 30 per cent temporarily went home to avoid infection and are now unable to return to work.

It is unclear how the political situation will play out. The SAC appears to be digging in for the long term and continues to prosecute senior NLD leaders and protesters while ignoring ASEAN and international appeals. However, it does not appear able to fully control the country and continues to suffer from widespread attacks by EAOs and PDFs that are being formed across the country.

On the other hand, the opposition National Unity Government continues to organize international opposition to the coup while trying to influence local administration and soldiers to defect. However, it has a limited budget and does not have a permanent infrastructure that can govern.

Therefore, neither side appears able to deliver a knockout blow and a stalemate has developed.

The last twelve months have been difficult with violence, poverty level, inflation and unemployment rising but, at least in the cities, there are tentative signs that the economy is beginning to stabilize at a much lower level of economic activity. Anecdotally traffic jams are back despite of higher fuel prices and smart restaurants are busy again. Myanmar people are resilient and resourceful having endured multiple periods of harsh military rule over the last 50 years. Businesses are adapting and reverting to the old cash economy ways of doing business. People still need to eat, to try to build their business, to borrow and make phone calls. A “new normal” way of life is settling in.

Against this background MIL will continue to actively manage its investments while seeking an orderly exit from them as soon as the opportunity to do so arises. In the meantime, the MIL Directors are considering a range of cost cutting measures to conserve the Company’s cash balances including the possibility of cancelling the admission of trading of MIL’s ordinary shares from the AIM market of the London Stock Exchange. They intend to consult with MIL Shareholders on these measures and on an appropriate method by which to return surplus capital to Shareholders.

## **REPORTING PERIOD**

The State Administration Council (SAC) announced in August 2021 that Myanmar's fiscal year will be re-changed from 1 April to 31 March starting from the 2022 – 2023 financial year. Our investee companies (MFIL and AP Towers) have decided to change their fiscal years accordingly and the Board has decided to follow this decision. Therefore, we will issue interim accounts for the periods from 1 October 2021 to 31 March 2022 and from 1 April 2022 to 30 September 2022 which will both be published within 3 months of the period end. Our next full audited set of financial statements will therefore be on 31 March 2023 which will comprise the 18-month period from 1 October 2021 to 31 March 2023 which will be published within 3 months of the period end.

As a result of this change, we need to alter the Articles of Association of the Company (the "Articles") to delete the maximum time period of 15 months between AGMs. We do urge all Shareholders to approve this resolution which will help us to produce the next financial statements without breaching the terms of our Articles.

## **CHANGE IN STRATEGY AND POSSIBLE DELISTING FROM LONDON STOCK EXCHANGE ("LSE")**

At the Annual General Meeting ("AGM") in 2019 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 reflected our share of the operating losses from opening a chain of new stores in Myanmar.

- We are in the process 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, due to the outbreak of COVID-19 and the change of government on 1 February 2021 the transaction has not been closed yet. On 26 April 2021, the purchaser’s shareholders approved a one-year extension for closing the transaction.
- 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 the operation as of 31 March 2020. The core cash-based overheads for the 12-month period from 1 October 2020 to 30 September 2021 are 38.7 per cent lower than for the 12-month period from 1 October 2019 to 30 September 2020 (excluding one-off expenses for closing the office in Yangon).

We are now holding around US\$1.8 million of cash and when the sale of MFIL completes we will seek to return surplus capital to our shareholders. We also intend to streamline our operations further as by then we will only have one investment left. Due to the political situation, it is unclear how fast our investments can be monetized. Therefore, the Directors are considering the option of cancelling the admission to trading of the ordinary shares of Myanmar Investments International Limited from the AIM market of the London Stock Exchange which would save a substantial amount of money. Any cancellation would require shareholder consent of 75% of those voting at a general meeting.

We will keep our shareholders informed about the outcome of the analysis.

## **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 remaining 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*

29 November 2021

**AUNG HTUN**

*Deputy Chairman*

29 November 2021

## EXECUTIVE DIRECTOR'S REVIEW

### Business Review

During the past 12 months our net asset value (“NAV”) has decreased by 27.5 per cent and was US\$25.6 million as at 30 September 2021. This change is mainly attributable to the decrease in the assessed value of the Company’s investments in AP Towers (down US\$ 6.1 million to US\$22.3 million) and MFIL (down US\$2.9 million to US\$1.5 million) and the operating expenses for the reporting period (US\$ 0.7 million).

During the past 12 months our operating expenses were significantly reduced to US\$0.7 million compared with US\$1.1 million (excluding one off expenses for the closing of the office in Yangon) for the same period in the previous year.

Overall, AP Towers performed well but MFIL was disrupted in Myanmar from the impact of Covid-19 and the takeover of the military on 1 February 2021:

- 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: the company has actively been reducing its loan book and where necessary helping clients to restructure their loans while increasing its holding of safe and liquid assets. It has also agreed a one-year standstill with all of its lenders. Documentation is now being signed.
- As at year end Portfolio at Risk over 30 days (“PAR 30+”) was 14.2 percent.
- As soon as logistically practical further discussions with the purchaser will be necessary to establish a timeline to closing the sale of MFIL. It has been 20 months since the transaction was negotiated and much has changed in the country. It may be necessary to amend the transaction terms.

In all cases, Myanmar Investments’ 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 2021 to be US\$25.6 million, a decrease of 27.5 per cent compared with the Group’s NAV as at 30 September 2020. This represents US\$0.67 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 2021 the Group's NAV consisted of:

- an investment in AP Towers, the telecommunication tower business, of US\$22.3 million, excluding the non-controlling interests, determined using a comparable EBITDA multiple methodology;
- an investment in MFIL, the microfinance business, of US\$1.5 million, determined using a price to book value methodology; and
- cash and other net assets of US\$1.8 million.

### **AP TOWERS**

As at 30 September 2020 the Directors had assessed that the Company's attributable shareholding in AP Towers, excluding the non-controlling interests attributable to the minority shareholders of MIL 4, was worth US\$28.3 million as at that date, using a comparable EBITDA multiple methodology.

Applying the same methodology that we used as at 30 September 2020 with updated trading and comparable data, the value of this investment would be US\$29.7 million, an increase of US\$1.4 million compared with the valuation as at 30 September 2020.

This value of AP Towers represents an unrealised gain of US\$8.9 million over the cost of the investment and an IRR since the initial investment in July 2015 of 5.9 per cent.

### **MFIL**

As at 30 September 2020 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.

Applying the same methodology that we used as at 30 September 2020 the Directors have assessed the value of this investment to be US\$2.0 million which is US\$2.4 million lower compared with 30 September 2020.

This value of MFIL represents a loss of US\$0.7 million over the cost of the investment.

### **Valuation discount**

The change of government has increased the uncertainties and risks of investing in Myanmar which is compounded by the current paucity of information. These risks could include, but are not limited to:

- reduced investor interest in a trade sale of assets or in an IPO;
- increased domestic regulatory uncertainties;
- a material and sustained decline in economic activity impacting investment and consumer demand;
- severe reduction in liquidity in the financial system;
- a volatile foreign exchange rate;
- prolonged political crisis paralyzing the country's administrative capacity;
- increases in the number of demonstrations, strikes and violence;
- enhanced COVID-19 risks;
- potential broader international sanctions.

Given the uncertainties and risks in Myanmar the Directors have decided to apply a valuation discount of 25% on the company's entire portfolio as at 30 September 2021 which compares to the

30% discount that they applied as at 31 March 2021. This change reflects signs of stabilization in the country and its economy and will be reviewed regularly.

The impact on MIL's carrying value of the investments after applying the discount are:

**AP Towers:**

This discount reduces the value of this investment to US\$22.3 million, which is US\$6.07 million lower than at September 2020.

This valuation of AP Towers represents a profit of US\$1.5 million over the cost of the investment and an IRR since the initial investment in July 2015 of 1.1%.

**MFIL:**

This discount reduces the value of this investment to US\$1.5 million, which is US\$2.9 million lower than at September 2020.

This valuation of MFIL represents a loss of US\$1.2 million over the cost of the investment.

**SUMMARY OF NAV**

Contrary to the past, the NAV attributable to the shareholders of the Company in the attached audited financial statements does not differ from the NAV determined by the Directors as the investment in MFIL has been classified as a "non-current asset classified as held for sale" which requires the valuation of MFIL at "fair value" and not at "at equity". 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 year to 30 September 2021 the Group's audited loss after tax attributable to the shareholders of the Company was US\$7.8 million. The Group's audited profit after tax attributable to the shareholders of the Company for the 18-month financial period to 30 September 2020 was US\$1.6 million.

This is a significant deterioration on the last period result. The loss per share is US cents 20.49 compared with a profit per share of US cents 4.24 for the 18-month period to 30 September 2020 and primarily relates to adjusting the valuation of the investments down.

But we are on track with the reduction of our overheads. As part of the cost reduction process, we had closed our office in Yangon and removed staff costs from the operation 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 were US\$0.7 million and this is what we have achieved during this year.

Outside of our overheads the most significant items were:

- Our share of the 'fair value loss on investment at fair value through profit or loss' for the investment in AP Towers of US\$6.07 million;
- 'Fair value loss on investment at fair value through profit or loss' for the investment in MFIL of US\$1.05 million.

**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*

29 November 2021

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

	Note	Financial ended 30 September 2021 US\$	Financial period from 1 April 2019 to 30 September 2020 US\$
Revenue		-	-
<b>Other item of income</b>			
Finance income	4	476	491
Gain on disposal of a joint venture	10	-	361,248
Fair value (loss)/gain on investment at fair value through profit or loss	11	(9,100,000)	6,500,000
<b>Items of expense</b>			
Employee benefits expense	5	(198,500)	(898,323)
Depreciation expense	12	-	(20,719)
Other operating expenses		(495,663)	(1,325,262)
Finance costs	6	(6,827)	(13,857)
Share of results of joint ventures, net of tax	10	-	(926,004)
Write down to fair value less cost to sell on non-current asset held for sale	16	(1,052,467)	-
<b>(Loss)/profit before income tax</b>	7	(10,852,981)	3,677,574
Income tax expense	8	(120)	(1,306)
<b>(Loss)/profit for the financial year/period</b>		(10,853,101)	3,676,268
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange gain arising on translation of foreign operations	10	-	399,314
Other comprehensive income for the financial year/period, net of tax		-	399,314
Total comprehensive (loss)/income for the financial year/period		(10,853,101)	4,075,582
<b>(Loss)/Profit attributable to:</b>			
Owners of the parent		(7,806,703)	1,616,159
Non-controlling interests	13	(3,046,398)	2,060,109
		(10,853,101)	3,676,268
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the parent		(7,806,703)	2,015,473
Non-controlling interests	13	(3,046,398)	2,060,109
		(10,853,101)	4,075,582
<b>(Loss)/Earnings per share (cents)</b>			
- Basic and diluted	9	(20.49)	4.24

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2021**

	Note	30 September 2021 US\$	30 September 2020 US\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in joint ventures	10	-	-
Equity instrument at fair value through profit or loss	11	33,400,000	42,500,000
Plant and equipment	12	-	-
<b>Total non-current assets</b>		<u>33,400,000</u>	<u>42,500,000</u>
<b>Current assets</b>			
Other receivables	14	117,989	268,834
Cash and bank balances	15	1,807,634	2,364,166
		<u>1,925,623</u>	<u>2,633,000</u>
Non-current asset classified as held for sale	16	1,500,000	2,552,467
<b>Total current assets</b>		<u>3,425,623</u>	<u>5,185,467</u>
<b>Total assets</b>		<u>36,825,623</u>	<u>47,685,467</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	1,358,913
Accumulated losses		(16,230,184)	(8,423,481)
Foreign exchange reserve		(76,560)	(76,560)
<b>Equity attributable to owners of the parent</b>		<u>25,621,228</u>	<u>33,427,931</u>
Non-controlling interests	13	10,889,169	13,935,567
<b>Total equity</b>		<u>36,510,397</u>	<u>47,363,498</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	19	297,512	304,053
Income tax payable		17,714	17,916
<b>Total current liabilities</b>		<u>315,226</u>	<u>321,969</u>
<b>Total equity and liabilities</b>		<u>36,825,623</u>	<u>47,685,467</u>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

	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>2021</b>								
At 1 October 2020		40,569,059	1,358,913	(76,560)	(8,423,481)	33,427,931	13,935,567	47,363,498
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(7,806,703)	(7,806,703)	(3,046,398)	(10,853,101)
<b>At 30 September 2021</b>		<b>40,569,059</b>	<b>1,358,913</b>	<b>(76,560)</b>	<b>(16,230,184)</b>	<b>25,621,228</b>	<b>10,889,169</b>	<b>36,510,397</b>
<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
Exchange gain arising on translation of foreign operations	10	-	-	399,314	-	399,314	-	399,314
<b>Total comprehensive income for the financial period</b>		<b>-</b>	<b>-</b>	<b>399,314</b>	<b>1,616,159</b>	<b>2,015,473</b>	<b>2,060,109</b>	<b>4,075,582</b>
Share options expense	18	-	21,908	-	-	21,908	-	21,908
<b>Total transactions with owners in their capacity as owners</b>		<b>-</b>	<b>21,908</b>	<b>-</b>	<b>-</b>	<b>21,908</b>	<b>-</b>	<b>21,908</b>
<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 CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

	Note	Financial ended 30 September 2021 US\$	Financial period from 1 April 2019 to 30 September 2020 US\$
<b>Operating activities</b>			
(Loss)/profit before income tax		(10,852,981)	3,677,574
Adjustments for:			
Interest income	4	(476)	(491)
Finance costs	6	6,827	13,857
Depreciation of plant and equipment	12	-	20,719
Gain on disposal of a joint venture	10	-	(361,248)
Fixed assets written off	7	-	17,384
Fair value loss/(gain) on investment at fair value through profit or loss	11	9,100,000	(6,500,000)
Write down to fair value less cost to sell on non-current asset held for sale	16	1,052,467	-
Share options expense	18	-	21,908
Share of results of joint ventures, net of tax	10	-	926,004
Operating cash flows before working capital changes		(694,163)	(2,184,293)
Changes in working capital:			
Other receivables		150,845	(90,059)
Other payables		(6,541)	(68,357)
Cash used in operations		(549,859)	(2,342,709)
Interest received	4	476	491
Finance costs paid	6	(6,827)	(13,857)
Income tax paid		(321)	(280)
Net cash flows used in operating activities		(556,531)	(2,356,355)
<b>Investing activities</b>			
Proceeds from disposal of investments	10	-	1,000,000
Net cash flows generated from investing activities		-	1,000,000
<b>Financing activities</b>			
Decrease/(increase) in short-term deposits pledged		35,943	(216)
Net cash flows generated from/(used in) financing activities		35,943	(216)
<b>Net change in cash and cash equivalents</b>		(520,588)	(1,356,571)
Cash and cash equivalents at beginning of the financial year/period		2,316,539	3,673,110
Cash and cash equivalents at the end of financial year/period	15	1,795,951	2,316,539

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

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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.

In the previous financial year, the Group and the Company changed its reporting period end from 31 March to 30 September such that the previous reporting period covered a period of 18 months, and therefore the financial statements are not comparable.

**1.1 Going concern**

The Group incurred loss after tax of US\$10,853,101 during the current financial year. The Directors have a reasonable expectation that the Group has adequate financial resources to continue in operational existence for the foreseeable future as the Group’s current assets exceeded its current liabilities by US\$3,110,397. 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**

The following is the critical judgement that management has made in the process of applying the Group's accounting policies and which have a significant effect on the amounts recognised in the consolidated financial statements:

- (i) Extension of period required to complete a sale of the non-current asset held for sale  
As the result of the ongoing transaction to sell the Group's 37.5% equity interest in Myanmar Finance International Ltd. ("MFIL") (Note 10), the entire carrying amount of the Group's investment in MFIL has been reclassified as non-current asset held for sale since the prior financial period. However, due to certain events and circumstances beyond the Group's control in Myanmar as disclosed in Note 23 to the financial statements, the sale could not be completed within one year. The Group remains committed to its plan to sell its investment in MFIL. As such, management is of the view that the continuous classification of its investment in MFIL as non-current asset held for sale is appropriate as at 30 September 2021.

#### **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 valuation of the unquoted investment is categorised into Level 3 (2020: Level 3) of the fair value hierarchy. 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

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**3. Significant accounting judgements and estimates (Continued)**

**3.2 Key sources of estimation uncertainty (Continued)**

- (ii) **Measurement of non-current asset held for sale**  
The Group follows the accounting policies set out in Note 2.9 and measures the non-current asset held for sale at lower of the carrying amount and fair value less cost to sell. In determining the fair value less cost to sell, the Company considers the terms and conditions of the Binding Offer as disclosed in Note 10 to the financial statements. The details of non-current asset held for sale are disclosed in Note 16 to the financial statements.

**4. Finance income**

	Financial year ended 30 September 2021 US\$	Financial period from 1 April 2019 to 30 September 2020 US\$
Interest income	476	491

**5. Employee benefits expense**

	Financial year ended 30 September 2021 US\$	Financial period from 1 April 2019 to 30 September 2020 US\$
Salaries, wages and other staff benefits	198,500	826,415
Bonuses	-	50,000
Share options expense (Note 18)	-	21,908
	<u>198,500</u>	<u>898,323</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 year/period.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

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**7. (Loss)/profit 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 year ended 30 September 2021 US\$	Financial period from 1 April 2019 to 30 September 2020 US\$
Auditor's remuneration	51,607	103,397
Consultants' fees	191,472	218,999
Fixed assets written off	-	17,384
Short term leases	2,730	84,206
Professional fees	147,428	599,324
Travel and accommodation	-	54,572

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

**8. Income tax expense**

	Financial year ended 30 September 2021 US\$	Financial period from 1 April 2019 to 30 September 2020 US\$
Current income tax		
- current financial year/period	120	3,703
- over-provision in prior financial year/period	-	(2,397)
	<u>120</u>	<u>1,306</u>

A reconciliation of income tax applicable to (loss)/profit before income tax at the statutory income tax rate of 25% (2020: 25%) in Myanmar is as follows:

	Financial year ended 30 September 2021 US\$	Financial period from 1 April 2019 to 30 September 2020 US\$
(Loss)/profit before income tax	(10,852,981)	3,677,574
Share of results of joint venture, net of tax (Note 10)	-	926,004
	<u>(10,852,981)</u>	<u>4,603,578</u>
Income tax at the applicable tax rates	(2,713,245)	1,150,895
Effects of different income tax rates in other countries	(95)	(587)
Over-provision in prior financial year	-	(2,397)
Income not subject to tax	-	(1,545,082)
Expenses not deductible for tax	2,713,539	399,482
Income tax exemption	(81)	(1,005)
Income tax for the financial year/period	<u>120</u>	<u>1,306</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

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**9. (Loss)/earnings per share**

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

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

	Financial year ended 30 September 2021 US\$	Financial period from 1 April 2019 to 30 September 2020 US\$
(Loss)/profit for the financial year/period attributable to owners of the Company (US\$)	(7,806,703)	1,616,159
Weighted average number of ordinary shares during the financial year/period applicable to basic profit or loss per share	38,108,451	38,097,037
<b><u>(Loss)/earnings per share</u></b>		
Basic and diluted (cents)	<u>(20.49)</u>	<u>4.24</u>

Diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share for financial year ended 30 September 2021 and financial period ended 30 September 2020 because the potential ordinary shares to be converted arising from share options and warrants are anti-dilutive.

**10. Investments in joint ventures**

	30 September 2020 US\$
<b>Investments in joint ventures</b>	
Unquoted equity investments, at cost	4,815,000
Share of post-acquisition results of joint venture, net of tax	(1,547,221)
Share of post-acquisition foreign currency translation reserve	<u>(76,560)</u>
	3,191,219
Disposal of joint venture during the financial period	(638,752)
Reclassified to non-current asset held-for-sale	<u>(2,552,467)</u>
	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

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**10. Investments in joint ventures (Continued)**

	<b>30 September 2020 US\$</b>
<b>Movement during the period</b>	
Balance at beginning of financial period	3,717,909
Share of results of joint ventures, net of tax	(926,004)
Share of foreign currency translation reserve	399,314
Disposal of joint venture during the financial period	(638,752)
Reclassified to non-current asset held-for-sale	<u>(2,552,467)</u>
Balance at end of financial period	<u><u>-</u></u>

*Myanmar Finance International Ltd.*

The Group, through its wholly-owned subsidiary Myanmar Investment Limited (“MIL”), holds 37.5% equity interest in a joint venture Myanmar Finance International Ltd (“MFIL”), a company incorporated in Myanmar, within principal activity of provision of microfinance loans.

On 26 February 2020, MIL together with each of the other shareholders of MFIL, 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 extension was signed on 22 November 2021 which extended the expiry of BO to 28 February 2022.

In accordance with the BO, the minimum consideration for this transaction will be calculated based on a pre-agreed formula of 2 times the 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 in prior year and continued being classified as non-current held for sale in current year (Note 16).

*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 during the previous financial period.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

**11. Equity instrument at fair value through profit or loss**

	30 September 2021 US\$	30 September 2020 US\$
Investment in unquoted equity instrument, at fair value	33,400,000	42,500,000

The Group, through its 66.67% subsidiary, MIL 4 Limited (“MIL 4”) invested in a 6.2% (2020:6.2%) equity interest in unquoted share capital of AP Towers Holdings Pte. Ltd. (“AP Towers”).

On 23 January 2020, MIL 4 exchanged its then existing investment in Apollo Towers holdings Limited (“Apollo Tower”) 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 2021 US\$	30 September 2020 US\$
Balance at beginning of financial year/period	42,500,000	36,000,000
Fair value (loss)/gain during the financial year/period	(9,100,000)	6,500,000
Balance at end of financial year/period	33,400,000	42,500,000

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 (2020: 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 2021**

Financial asset	Valuation technique used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Unquoted equity investment - AP Towers	Comparable Company Analysis	<ul style="list-style-type: none"> <li>- Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) of US\$85.9million</li> <li>- Enterprise Value (“EV”) per EBITDA multiple of 12.7x</li> <li>- Valuation discount of 25%*</li> </ul>	<p>Increase EBITDA and EV/EBITDA multiple will increase the fair value of the financial asset.</p> <p>Increase in valuation discount will decrease the fair value of the financial asset</p>

\* Due to uncertain political environment and ongoing COVID-19 pandemic in Myanmar during current financial year, management is of the view that an additional 25% discount should be applied to the Group’s investments in Myanmar.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021

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

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.

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 and 30 September 2021	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

**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	
			2021	2020	2021	2020
			%	%	%	%
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.

**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 2021	30 September 2020
	US\$	US\$
<b>Assets and liabilities</b>		
Non-current assets	33,400,000	42,500,000
Current assets	923	71,067
Current liabilities	(733,422)	(764,373)
Net assets	<u>32,667,501</u>	<u>41,806,694</u>
Accumulated non-controlling interests	<u>10,889,169</u>	<u>13,935,567</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

**13. Investment in subsidiaries (Continued)**

	<b>MIL 4 Limited</b>	
	<b>30 September 2021</b>	<b>30 September 2020</b>
	<b>US\$</b>	<b>US\$</b>
Revenue	-	-
Other (loss)/income	(9,100,000)	6,500,000
Administrative expenses	(39,193)	(319,673)
(Loss)/profit and total comprehensive (loss)/income for the financial year/period	(9,139,193)	6,180,327
 (Loss)/profit and total comprehensive (loss)/income allocated to non-controlling interests	 (3,046,398)	 2,060,109
 Operating cash flows before working capital changes	 (39,193)	 (319,673)
Working capital changes	39,193	319,673
Net cash used in operating activities	-	-
Net change in cash and cash equivalents	-	-

**14. Other receivables**

	<b>30 September 2021</b>	<b>30 September 2020</b>
	<b>US\$</b>	<b>US\$</b>
Other receivables	60,103	211,962
Deposits	-	9,061
Prepayments	57,887	47,811
	<u>117,990</u>	<u>268,834</u>

**15. Cash and bank balances**

	<b>30 September 2021</b>	<b>30 September 2020</b>
	<b>US\$</b>	<b>US\$</b>
Cash and bank balances	1,795,951	2,316,539
Short-term deposit	11,683	47,627
	<u>1,807,634</u>	<u>2,364,166</u>

The short-term deposit bears interest rate of ranging from 0% to 1.4% (2020: 0.95% to 1.40%) per annum, has a tenure of approximately 12 months (2020: 12 months) and is pledged to bank to secure credit facilities.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

**15. Cash and bank balances (Continued)**

Cash and bank balances and short-term deposits are denominated in the following currencies:

	30 September 2021	30 September 2020
	US\$	US\$
United States dollar	1,676,445	2,232,114
Singapore dollar	128,168	129,031
Myanmar kyat	3,021	3,021
	<u>1,807,634</u>	<u>2,364,166</u>

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

	30 September 2021	30 September 2020
	US\$	US\$
Cash and bank balances	1,807,634	2,364,166
Less: short-term deposits pledged	<u>(11,683)</u>	<u>(47,627)</u>
	<u>1,795,951</u>	<u>2,316,539</u>

**16. Non-current asset classified as held for sale**

As the result of the ongoing transaction to sell the Group's 37.5% (2020:37.5%) 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. However, due to certain events and circumstances beyond the Group's control in Myanmar, the sale could not be completed within one year. The Group remains committed to its plan to sell its investment in MFIL. As such, the Group continued classifying its investment in MFIL as non-current asset held for sale is appropriate as at 30 September 2021.

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

	30 September 2021	30 September 2020
	US\$	US\$
Investment in joint venture - 37.5% equity interest in Myanmar Finance International Limited	2,552,467	2,552,467
Less: Write down to fair value less cost to sell	<u>(1,052,467)</u>	<u>-</u>
	<u>1,500,000</u>	<u>2,552,467</u>

Non-current assets classified as held for sale are measured at the lower of the asset's previous carrying amount and fair value less costs to sell. Management estimates the fair value less cost to sell at US\$1,500,000 based on 2 times the audited book value of MFIL at 30 September 2021, adjusted for a valuation discount of 25% due to uncertain political environment and ongoing COVID-19 pandemic in Myanmar during current financial year. The valuation of the non-current asset held for sale is categorised into Level 3 of the fair value hierarchy. Therefore, the carrying amount of the non-current asset held for sale was written down to its fair value less cost to sell. Accordingly, write down of US\$1,052,467 was recognised in profit or loss for the current financial year.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

**17. Share capital**

	30 September 2021 US\$	30 September 2020 US\$
<b>Issued and fully-paid share capital:</b>		
Ordinary shares at the beginning of the financial year/period	40,569,059	40,569,059

Equity Instruments in issue	2021		2020	
	Ordinary shares	Warrants	Ordinary shares	Warrants
At the beginning of the financial year/period	38,097,037	14,128,387	38,097,037	14,128,387
Exercise during the year	-	(554,486)	-	-
Issuance during the financial year	11,414	-	-	-
At the end of the financial year/period	<u>38,108,451</u>	<u>13,573,901</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.

During the financial year, 554,486 warrants were exercised via a cashless conversion and resulting in issuance of 11,414 new ordinary shares. The new ordinary shares ranked pari passu in all respects with the existing ordinary shares of the Company and listed in the London Stock Exchange.

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

**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, warrant holders 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 allows for the total number of shares issuable under share options to constitute a maximum of one tenth of the number of the total number of ordinary shares in issue (excluding shares held by the Company as treasury shares and shares issued to the Founders prior to Admission).

Any future issuance of shares will give rise to the ability of the Remuneration Committee to award additional share options. Such share options will be granted with an exercise price set at a 10 percent premium to the subscription price paid by shareholders on the relevant issue of shares that gave rise to the availability of each tranche of share options.

Share options can be exercised any time after the first anniversary and before the tenth anniversary of the grant (as may be determined by the Remuneration Committee in its absolute discretion) of the respective share options.

Share options are not admitted to trading on AIM but application will be made for shares that are issued upon the exercise of the share options to be admitted to trading on AIM.

As at 30 September 2021, there were 3,622,740 (2020: 3,622,740) share options available for issue under the Plan of which 2,590,527 (2020: 2,590,527) had been granted. These granted share options have a weighted average exercise price of US\$1.214 (2020: US\$1.214) per share and a weighted average contractual life of 5 years (2020: 5 years).

The 3,622,740 share options available were created under the following series:

Series/Date	Occasion	Number	Exercise price (USD)
Series 1/ June 2013	Admission Placing and Subscription	584,261	1.100
Series 2/ December 2014	Second Subscription	361,700	1.155
Series 3/ July 2015	Third Subscription	1,734,121	1.265
Series 4/ September 2016	Fourth Subscription	324,546	1.430
Series 5/ June 2017	Fifth Subscription	618,112	1.298
		<u>3,622,740</u>	

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

**18. Share option reserve (Continued)**

The following share-based payment arrangements were in existence during the current financial year/period:

Option series	Number of share options	Grant date	Expiry date	Exercise price (USD)	Fair value at grant date
Series 1	410,000	27 June 2013	26 June 2023	1.100	153,487
Series 1	25,000	9 December 2013	8 December 2023	1.100	19,015
Series 1	132,261	25 September 2014	24 September 2024	1.100	62,937
Series 2	23,500	2 June 2015	1 June 2025	1.155	14,365
Series 1	10,200	15 January 2016	14 January 2026	1.100	6,235
Series 2	331,700	15 January 2016	14 January 2026	1.155	193,562
Series 3	921,600	15 January 2016	14 January 2026	1.265	490,120
Series 3	180,000	28 June 2016	27 June 2026	1.265	125,863
Series 1	2,267	19 October 2016	18 October 2026	1.100	1,363
Series 2	2,000	19 October 2016	18 October 2026	1.155	1,149
Series 3	551,999	19 October 2016	18 October 2026	1.265	289,752
	<u>2,590,527</u>				<u>1,357,848</u>

Share options that are allocated to a Participant are subject to a three-year vesting period during which the rights to the share options will be transferred to the Participant in three equal annual instalments provided, save in certain circumstances, that they are still in employment with or engaged by the Company.

**Fair value of share options granted in the financial year**

No share options were granted during the financial year.

Share options were priced using Black-Scholes option pricing model. Where relevant, the expected life used in the model was adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility was based on historical share price volatility from the date of grant of the share options.

The Black-Scholes option pricing model uses the following assumptions:

	Grant date			
	28 June 2016	19 October 2016	19 October 2016	19 October 2016
Grant date share price (US\$)	1.628	1.388	1.388	1.388
Exercise price (US\$)	1.265	1.100	1.155	1.265
Expected volatility	22.47%	22.25%	22.25%	22.25%
Option life	10 years	10 years	10 years	10 years
Risk-free annual interest rates	1.46%	1.76%	1.76%	1.76%

The Group recognised a net expense of Nil (2020: US\$21,908) related to equity-settled share-based payment transactions during the financial year/period.

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**18. Share option reserve (Continued)**

**Movement in share option during the financial year/period**

The following reconciles the share options outstanding at the start of the year/period and at the end of the year/period.

	2021	Weighted average exercise price US\$	2020	Weighted average exercise price US\$
	Number		Number	
Balance at beginning and end of financial year/period	<u>2,590,527</u>	1.213	<u>2,590,527</u>	1.213

No share options were exercised during the financial year/period.

**Movement in share option reserve during the financial year/period**

	30 September 2021 US\$	30 September 2020 US\$
Balance at start of the financial year/period	1,358,913	1,337,005
Share options expense	-	21,908
Balance at end of financial year/period	<u>1,358,913</u>	<u>1,358,913</u>

**19. Other payables**

	30 September 2021 US\$	30 September 2020 US\$
Accruals	106,961	113,294
Other payables	190,551	190,759
	<u>297,512</u>	<u>304,053</u>

Other payables are denominated in the following currencies:

	30 September 2021 US\$	30 September 2020 US\$
Singapore dollar	52,018	58,793
United States dollar	243,524	224,553
British pound	1,970	3,119
Euro	-	11,199
Myanmar Kyat	-	6,389
	<u>297,512</u>	<u>304,053</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2021**

**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.

**Compensation of key management personnel**

During the current financial year, 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 year/period were as follows:

	Directors' fee US\$	Short term employee benefits US\$	Share option plan US\$	Total US\$
<b><u>Financial year ended 30 September 2021</u></b>				
<b>Executive directors</b>				
Maung Aung Htun	-	86,000	-	86,000
Nicholas John Paris	-	80,000	-	80,000
<b>Non-executive directors</b>				
Henrik Onne Bodenstab	17,500	-	-	17,500
Rudolf Gildemeister	15,000	-	-	15,000
	<u>32,500</u>	<u>166,000</u>	<u>-</u>	<u>198,500</u>
<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>

**21. Dividends**

The Directors of the Company do not recommend any dividend in respect of the financial year ended 30 September 2021 (2020: Nil).

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

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

**23. Impact of COVID-19 and political crisis in Myanmar**

The Coronavirus (COVID-19) outbreak and the political crisis after the change of government on 1 February 2021 have created a high level of uncertainty to economic prospects.

The situation continues to evolve with significant level of uncertainty and the Group has seen an impact on its own operation.

Regarding its investees it can be said that the last 9 months have been difficult for the microfinance industry. A surge in COVID cases in June 2021 led to shortages of medical supplies and the country going into a hard lockdown. The "stay at home" directive severely reduced economic activity and mobility. The political crisis since 1 February 2021 has further impacted business sentiment and activity. Bank transfers and withdrawals have been restricted and USD has been hard to source. The impact of the lockdown and civil disobedience movement has made it complicated to complete the formality of the sale of Myanmar Finance International Ltd ("MFIL"). The purchaser has therefore agreed to extend the offer to early 2022 (Note 10). The Group intends to complete the sale as soon as it is practical.

Regarding the Group's other investment in AP Towers Holdings Pte. Ltd. ("AP Towers"), it is to be noted that contrary to other industries, the telecommunication sector has not suffered greatly due to the outbreak of COVID-19. But the Myanmar telecommunication tower sector, following a period of rapid growth, has continued to slow in the last 18 months in terms of both new towers and new co-locations. Mobile network services in Myanmar have been significantly disrupted since February 2021, primarily as a result of the suspension and restriction of data services imposed by the regulator. Whilst the operating environment has been very challenging, AP Towers has been able to continue to provide a reliable service with high up times, thereby contributing the continued availability of mobile phone services to the population of Myanmar.

**24. Authorisation of financial statements**

The financial statements of the Group for the financial year ended 30 September 2021 were approved by the Board of Directors on

## **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 re-emergence 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.