This announcement contains inside information **29 June 2022**

Myanmar Investments International Limited

Interim results to 31 March 2022

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 2022.

As announced on 9 February 2022, to conform with the need to change the Company's year-end to bring it in line with the new Myanmar year end of 31 March the Company will issue 6-month interims for the period to 31 March 2022 and 6-month interims for the period to 30 September 2022. It will then issue a full audited set of financial statements for the 18-month period to 31 March 2023.

Myanmar

After over a year of military rule, Myanmar remains in a deep crisis.

Politically, the military formed State Administrative Council continues to prosecute Aung San Suu Kyi and her party with the court handing down multiple jail sentences on her, former MPs and ministers. Opposition to military rule continues unabated with violent clashes and assassinations being carried out by both the People Defense Forces, a collection of independent and loosely coordinated militia groups, and the more organized Ethnic Armed Organizations daily across the country especially in the northern parts.

After a year of sanctions on key individuals and institutions and limited diplomatic progress, internationally Myanmar is increasingly being isolated with ASEAN now refusing to invite Senior General Min Aung Hlaing to its meetings and many Western countries downgrading diplomatic representation in the country.

Covid lockdown had badly affected businesses and travel but recently the quarantine requirement has been removed. Similar to other ASEAN countries, Covid infection rates have declined, and borders are beginning to reopen. This could lead to an increase in Asian trade, business travel and maybe some tourism.

The Ukraine conflict has, however, increased Myanmar's energy import costs which has been difficult for the government particularly when it has to be paid for in scarce US$. According to a World Food Programme report, by the end of March 2022 fuel prices had increased by 133 per cent. since February 2021. The increase in fuel prices, and the impact of a depreciating currency more broadly, has caused a significant rise in food prices and poverty. Increases in gas import costs, coupled with the poor state of Myanmar's electricity generating infrastructure, has led to frequent electricity power cuts in recent months.

In February 2022, Fitch Solutions forecast that, in addition to the estimated 20 per cent contraction in Myanmar's GDP in 2020/21 (fiscal year is October to September) the real GDP in 2021/22 will further contract by 4.4 per cent. Private consumption will decline because of depleted savings, lack of employment and surging inflation. The United Nation Development Programme predicts that more than half of the population could fall below the poverty line this year.

The shortage of US$ has led the government to fix the exchange rate at 1,850 MMK/US$ although in the black market the rate is round 2,060 MMK/US$. Recent Central Bank announcements continue to restrict the use of foreign currencies including requiring companies to convert holdings into MMK and restricting imports. These restrictions, together with rising inflation, political instability and the poor medium term economic outlook will deter long term foreign investments in the country.

The dire forecast contrasts with the superficial appearance of stability seen in Yangon where traffic jams have returned, and residents have adjusted to life under military rule and a reduction in the ease of withdrawing cash from their bank accounts. It must be remembered that ATM machines only became available in 2013 and only a decade ago when Myanmar suffered from regular electricity brownouts and transactions were primarily in cash. People have simply gone back to the old ways.

There is a possibility that Myanmar has fallen to its lowest point. The Asian Development Bank has forecast a potential per capita GDP growth of 1.9 per cent in 2023. Whilst putting Myanmar at the bottom of ASEAN growth, it is nonetheless a sign that the worst may be over. An election promised for mid-2023, even though unlikely to return the country to normal democracy, could be a turning point.

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 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 Company.

As at 31 March 2022 the Company had two investments in Myanmar:

- an indirect shareholding of 4.1 per cent in AP Towers Holdings Pte. Ltd. ("AP Towers"), one of Myanmar's leading independent telecom 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 had accepted an offer to sell its shareholding in MFIL. Due to the outbreak of COVID-19 and the change of government on 1 February 2021, the transaction has not been closed yet. On 15 March 2022, the parties signed an agreement to extend the time period for completion of the binding offer to 31 August 2022.

The Directors have determined that MIL's Net Asset Value ("NAV") as at 31 March 2022 was US$13.2 million, or US$0.35 per share.

The valuation of the two investments has been consistent with the methodology of previous years. However, given the uncertainty regarding the political and economic development in Myanmar, the Directors have applied a portfolio discount of 30 per cent to reflect this uncertainty (30 September 2021 – 25 per cent).

The Company has continued to streamline its operations and as a result reduced its overheads. In the period to 31 March 2022, the core cash-based overheads were US$329,000 which is 2.9 per cent lower than for the same period last year. The Directors intend to reduce costs further as key parts of the Company are shut down or sold to conserve the remaining cash for as long as possible.

The Directors had been considering the option of cancelling the admission of the ordinary shares from the AIM market of the London Stock Exchange in order to seek to reduce operating costs but there was insufficient support for this from shareholders. However, as the current economic and political crisis is now directly affecting the financial performance of our businesses and it looks like Myanmar could remain unattractive to western investors for longer than initially expected, the Directors are going to re-engage with shareholders. The aim is to explore further changes (including reconsidering the de-listing proposal) which would reduce operating costs and cash outflows as much as possible and therefore lengthen the time before the current cash balance is substantially depleted. The alternative to making changes now would be to undertake a modest equity share issue priced at a significant discount to NAV once the Company's cash balance falls to a level that is close to 12 months of forecast cash outflows.

As at 31 March 2022, the Company had cash resources of US$1.4 million (31 March 2021: US$2.1 million).

AP Towers ("APT")

Background
AP Towers is one of the largest Independent Telecom Towers Companies ("ITC") 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 major mobile network operators ("MNOs").

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.

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

Update

- The Myanmar telecoms sector has grown rapidly since 2015. Myanmar's mobile penetration rate is estimated to be 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.

- 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 leverages the best practices of both companies in providing a full suite of services that are commercially attractive to the customers of both businesses.

- The Myanmar telecom tower sector, following a period of rapid growth, has continued to slow in the last 24 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. AP Towers and other tower and power providers have faced increasing challenges in maintaining the up time of the power services as movement of key suppliers and personnel has been restricted. AP Towers has maintained the safety and security of its staff, whilst continuing to deliver high quality services to all of its customers. 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 to the continued availability of mobile phone services to the population of Myanmar.

- As at 31 March 2022, AP Towers had an aggregated portfolio of 3,257 towers, 6,689 tenants and a co-location ratio ("Lease-up-Rate" or "LUR") of 2.05x which is unchanged since 30 September 2021.

- Based on AP Towers actual results for the 6 months ended 31 March 2022, AP Towers annualised adjusted "run rate" revenue has decreased to US$95.4 million. This represents a decline of 7.0 per cent over the same figure as at 30 September 2021. The annualised adjusted "run rate" EBITDA has decreased to US$75.7 million. This represents a decrease of 11.8 per cent over the same figure as at 30 September 2021.

- 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$404.0 million as at the end of March 2022, an increase of US$ 7.8 million since 30 September 2021 and a decrease of US$ 12.8 million since 31 March 2021.

Valuation
As at 30 September 2021 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$29.7 million as at that date, using a comparable EBITDA multiple methodology and before applying the portfolio discount.

Applying the same methodology that we used as at 30 September 2021 with updated trading and comparable data, the value of this investment is US$15.5 million, a decrease of US$14.2 million compared with the valuation as at 30 September 2021. This reduction is driven by a combination of a decrease in comparable multiples and a decline in the EBITDA of AP Towers.

This value of AP Towers represents a loss of US$5.3 million over the original cost of the investment.

Myanmar Finance International Limited ("MFIL")

Background

MFIL is one of the leading microfinance operators in Myanmar. As at 31 March 2022, the company had 15 main branches and 3 subbranches. However, over the coming months management has plans to reduce and combine the number of branches. It provides loans of between US$150 and US$5,000 to individuals and small-scale business operators in rural and semi-urban areas in Yangon, Bago, Ayeyarwady and Mon. In October 2020, MFIL was granted a license to operate in the Mandalay region. MFIL was established as a microfinance joint venture in September 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.

MFIL is a well-established microfinance company that has a positive impact on the lives and economic well-being of its clients.

A representative of MIL sits on the board of MFIL and works closely with the management and shareholders on strategic and restructuring issues.

Update

- The microfinance industry has been badly affected by both the Covid lockdown and economic crisis following the military takeover. Economic difficulties have a disproportionately larger negative impact on the low-income segment of society which are borrowers from microfinance institutions.

- According to an International Labour Organization briefing note in January 2022, the annual employment losses in 2021 amounted to 8 per cent, or 1.6 million jobs lost. A sizeable decrease from a workforce of 20.5 million in 2020.

  Key economic sectors suffered considerable impacts. Rural farmers were affected by lower incomes, export reductions and higher input prices, as well as monsoon flooding. Construction, garments, and tourism and hospitality were also among the hardest hit industries in 2021, with year-on-year employment losses reaching an estimated 31 per cent, 27 per cent and 30 per cent, respectively.

- For 2021/22, both Fitch Solutions and the Asian Development Bank ("ADB") forecast a reduction in GDP although ADB sees signs of stability returning with a possible small growth in 2023. The recent relaxation in covid related quarantine requirements and lifting of border closures should increase trade and travel.

- Although MFIL's borrowers have not been immune from the continuing economic and political crisis, most continue to demonstrate a strong will to repay even though they have significantly reduced ability.

- Management therefore continues its policy of reducing the loan book as well as the company's liabilities.

- As at 31 March 2022, MFIL's loan book has decreased from MMK21.7 billion in March 2021 to MMK14.0 billion and 32,000 clients (down from 49,000) with Portfolio at Risk over 30 days (PAR 30+) of 10.3 per cent. Full provisions have been made to cover potential loan losses.

- The company continues to maintain a high level of liquidity but also continues to make losses because of provisions, forex losses and the high costs of borrowings when compared to an asset impairment base where part of the loan book is not performing, and also the company's cash holding is effectively generating minimal returns.

- After the last report at 30 September 2021, MFIL successfully negotiated a one-year extension to all of its loans and had made a prepayment of 25 per cent of the outstanding loan principal. Operating expenses had also been reduced by a similar percentage.

  At the time management believed that the cuts were sufficient and would not materially impact the company's network.

- Although there is significant demand for new loans and very early signs that the economic decline has slowed, management now believes that a sustained recovery in the sector may take longer, and they have decided to embark on a second round of costs cutting and negotiations with all lenders to reduce the company's liabilities further. The strategy is "to go small in order to grow back".

  This restructuring is expected to be finalised within the next few months and is likely to result in a smaller MFIL with fewer branches, lower costs and substantially reduced liabilities. A structure that is able to weather further deterioration in the operating environment.

- The offer for 100 per cent of MFIL from Thitikorn Plc, a Thai finance company, has been extended to the end of August 2022 and is subject to, *inter alia,* local regulatory approval.

Valuation
As at 30 September 2021, the Directors had assessed the value of the Group's investment in MFIL to be US$2.0 million using the price to book value methodology contained in the Sale Agreement and before applying the portfolio discount.

Applying the same methodology that we used as at 30 September 2021, the value of this investment is US$1.2 million, a decrease of US$0.8 million compared with the valuation as at 30 September 2021.

This value of MFIL represents a loss of US$1.5 million over the original cost of the investment.

Portfolio 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 not be 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 30 per cent on the company's entire portfolio as at 31 March 2022 which compares to the 25 per cent discount that they applied as at 30 September 2021. This change reflects the ongoing uncertainty about the exit opportunities from our investments and will be reviewed regularly.

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

APT:
This discount reduces the value of this investment to US$10.9 million, which is US$11.4 million lower than at September 2021.

This valuation of AP Towers represents a loss of US$9.9 million over the cost of the investment.

MFIL:
This discount reduces the value of this investment to US$0.84 million, which is US$0.66 million lower than at September 2021.

This valuation of MFIL represents a loss of US$1.8million over the cost of the investment.

Financial Performance

Unaudited Financial Statements
The unaudited financial statements for the six months to 31 March 2022 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 2022, MIL's unaudited consolidated loss after tax attributable to the owners of the Company was US$12.4 million, compared with a loss after tax of US$5.3 million in the same period last year.

This is principally represented by:

- the overheads associated with running the Company's business (US$333,000);
- the write down to fair value less cost to sell on non-current asset held for sale of the investment in MFIL (US$660,000); and
- the fair value loss of the investment in AP Towers (US$11.4 million).

Within this, the cost of MIL's cash-based overheads (i.e. excluding transaction costs and re-evaluation losses) was US$329,000 compared to US$339,000 for the six months to 31 March 2021, a reduction of US$10,000 or 2.9 per cent. On a per share basis this has dropped from 0.89¢ to 0.86¢, a reduction of 2.9 per cent.

Net asset value
The Directors have determined that MIL's Net Asset Value attributable to the owners of the Company ("NAV") as at 31 March 2022 was US$13.2 million, or US$0.35 per share. This is comprised of:

- the investment in AP Towers, the telecommunication tower business, of US$10.9 million (which equals 66.67 per cent of US$16.3 million), excluding the non-controlling interests, determined using a comparable EBITDA multiple methodology and applying a portfolio discount of 30 per cent;
- the investment in MFIL, the microfinance business, of US$0.8 million, determined using a comparable price to book value methodology and applying a portfolio discount of 30 per cent;
- cash and other net assets/liabilities of US$1.5 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$13.2 million is a net decrease of US$12.4 million (48.4 per cent) from US$25.6 million as at 30 September 2021. This is mainly attributable to:

- the fact that the AP Towers investment, is valued US$11.4 million lower than as at 30 September 2021);
- the reduction of the valuation of MFIL by US$660,000 compared with September 2021; and
- overheads and transaction costs of US$333,000.

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 "The last 6 months have again been challenging for the Company. The combined effects of the military takeover in February 2021 and of the impact of the Covid virus have now had a direct impact on both of our investments. We have been consistent with our valuation methodology but the slowdown in their financial results has led to significant reductions in our valuation of them. In addition, the Directors have increased the portfolio valuation discount to reflect an increase in the uncertainty of when we might be able to sell our investments and at what price. The result is a reduction of 48.4 per cent in the Company's NAV. We are managing the Company cautiously and conserving cash, but its success is heavily dependent on seeing an improvement in the economic conditions within Myanmar. Meanwhile we intend to re-engage with shareholders to consider possible changes including the de-listing of our shares which would reduce our cash outflows as much as possible. This is necessary in order to preserve our cash and avoid the need to undertake a share issue priced at a discount to NAV in order to ensure that our cash balance does not fall below the critical going concern level of 12 months of forecast outflows."

The information contained within this announcement is deemed to constitute inside information as stipulated under the retained EU law version of the Market Abuse Regulation (EU) No. 596/2014 (the "UK MAR") which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. The information is disclosed in accordance with the Company's obligations under Article 17 of the UK MAR. 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 2022

	Note	*Present Interims*	*Prior Interims*	*Prior Full Year*
		1 October 2021 to 31 March 2022	**1 October 2020 to 31 March 2021**	**1 October 2020 to 30 September 2021**
		Unaudited	**Unaudited**	**Audited**
		US$	**US$**	**US$**
Revenue		-	-	-
Other item of income				
Finance income	4	-	-	476
Items of expense				
Employee benefits expense	5	(99,250)	(99,250)	(198,500)
Other operating expenses		(236,397)	(251,714)	(495,663)
Finance costs	6	(3,221)	(3,607)	(6,827)
Fair value loss on investment at fair value through profit or loss	11	(17,100,000)	(7,000,000)	(9,100,000)
Write down to fair value less cost to sell on non-current asset held for sale	13	(660,000)	(611,069)	(1,052,467)
Loss before income tax	7	(18,098,867)	(7,965,640)	(10,852,981)
Income tax expense	8	(8,103)	(70)	(120)
Loss and total comprehensive income for the financial period/year		(18,106,971)	(7,965,710)	(10,853,101)
Loss and total comprehensive income attributable to:				
Owners of the parent		(12,400,638)	(5,624,929)	(7,806,703)
Non-controlling interests		(5,706,333)	(2,340,781)	(3,046,398)
		(18,106,971)	(7,965,710)	(10,853,101)
Loss per share (cents)				
- Basic and diluted	9	(32.54)	(14.76)	(20.49)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	*Present Interims*	*Prior Full Year*
		31 March 2022	**30 September 2021**
		Unaudited	**Audited**
		US$	**US$**
ASSETS			
Non-current assets			
Investments in joint ventures	10	-	-
Equity instrument at fair value through profit or loss	11	16,300,000	33,400,000
Plant and equipment		-	-
Total non-current assets		16,300,000	33,400,000
Current assets			
Other receivables		109,891	117,989
Cash and cash equivalents		1,420,669	1,807,634
Non-current asset classified as held for sale	13	840,000	1,500,000
Total current assets		2,370,560	3,425,623
Total assets		18,670,560	36,825,623
EQUITY AND LIABILITIES			
Equity			
Share capital	14	40,569,059	40,569,059
Share option reserve	15	1,358,913	1,358,913
Accumulated losses		(28,630,822)	(16,230,184)
Foreign exchange reserve		(76,560)	(76,560)
Equity attributable to owners of the parent		13,220,590	25,621,228
Non-controlling interests		5,182,836	10,889,169
Total equity		18,403,426	36,510,397
LIABILITIES			
Current liabilities			
Other payables		267,134	297,512
Income tax payable		-	17,714
Total current liabilities		267,134	315,226
Total equity and liabilities		18,670,560	36,825,623

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 31 MARCH 2022

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$
2022								
At 1 October 2021		40,569,059	1,358,913	(76,560)	(16,230,184)	25,621,228	10,889,169	36,510,397
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(12,400,638)	(12,400,638)	(5,706,333)	(18,106,971)
At 31 March 2022		40,569,059	1,358,913	(76,560)	(28,630,822)	13,220,590	5,182,836	18,403,426

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

Audited	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$
2021								
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)
At 30 September 2021		40,569,059	1,358,913	(76,560)	(16,230,184)	25,621,228	10,889,169	36,510,397

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 31 MARCH 2022

	Note	*Present Interims*	*Prior Interims*	*Prior Full Year*
		1 October 2021 to 31 March 2022	**1 October 2020 to 31 March 2021**	**1 October 2020 to 30 September 2021**
		Unaudited	**Unaudited**	**Audited**
		US$	**US$**	**US$**
Operating activities				
Loss before income tax		(18,098,867)	(7,965,640)	(10,852,981)
Adjustments for:				
Interest income	4	-	-	(476)
Finance costs		3,221	3,607	6,827
Fair value loss on investment at fair value through profit or loss	11	17,100,000	7,000,000	9,100,000
Write down to fair value less cost to sell on non-current asset held for sale	13	660,000	611,069	1,052,467
Operating cash flows before working capital changes		(335,647)	(358,178)	(694,163)
Changes in working capital:				
Other receivables		8,098	169,440	150,845
Other payables		(48,092)	(62,294)	(6,541)
Cash used in operations		(335,647)	(251,032)	(549,859)
Interest received		-	-	476
Finance costs paid		(3,221)	(3,607)	(6,827)
Income tax paid		(8,103)	(311)	(321)
Net cash flows used in operating activities		(386,965)	(254,950)	(556,531)
Financing activities				
Decrease in short-term deposits pledged		-	-	35,943
Net cash flows generated from financing activities		-	-	35,943

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 31 MARCH 2022

	Note	***Present Interims***	***Prior Interims***	***Prior Full Year***
		1 October 2021 to 31 March 2022	**1 October 2020 to 31 March 2021**	**1 October 2020 to 30 September 2021**
		Unaudited	**Unaudited**	**Audited**
		US$	**US$**	**US$**
Net change in cash and cash equivalents		(386,965)	(254,950)	(520,588)
Cash and cash equivalents at beginning of financial period/year		1,795,951	2,316,539	2,316,539
Cash and cash equivalents at end of financial period/year		1,408,986	2,061,589	1,795,951

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

	Present Interims	***Prior Full Year***
	31 March 2022	**30 September 2021**
	Unaudited	**Audited**
	US$	**US$**
Cash and bank balances	1,420,669	1,807,634
Less: short-term deposits pledged	(11,683)	(11,683)
	1,408,986	1,795,951

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 are traded on the AIM market of the London Stock Exchange under the ticker symbols MIL. The Company's warrants were traded on the AIM market of the London Stock Exchange under the ticker symbols MILW until 31 December 2021.

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 and 13; 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 2021 to 31 March 2022 were approved by the Board of Directors on 28 June 2022. This consolidated financial information is unaudited.

Whilst the financial information included in this announcement has been prepared in accordance with the International Accounting Standards ("IFRS"), the same accounting policies, presentation and methods of computation are followed in the condensed financial statements as were applied in the Group's latest annual audited financial statements. The full audited financial statements of the Company for the financial year ended 30 September 2021 can be found on the Company's website at www.myanmarinvestments.com. While the financial figures included in the financial information included in this announcement have been computed in accordance with IFRS applicable to interim periods, the financial information included in this announcement does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

1.1 Going concern

The Group incurred loss after tax of US$18,106,971 during the six-month period ended 31 March 2022. 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$2,103,426. 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 Group's accounting policies are available in the financial statements for the financial year ended 30 September 2021, a copy of which can be found on the Company's website at www.myanmarinvestments.com.

3. Significant accounting judgements and estimates

The Group's significant accounting judgements and estimates used in the preparation of these financial information are available in the full audited financial statements for the financial year ended 30 September 2021, a copy of which can be found on the Company's website at www.myanmarinvestments.com.

4. Finance income

	1 October 2021 to 31 March 2022	1 October 2020 to 31 March 2021	1 October 2020 to 30 September 2021
	Unaudited	Unaudited	Audited
	US$	US$	US$
Interest income	-	-	476

5. Employee benefits expense

	1 October 2021 to 31 March 2022	1 October 2020 to 31 March 2021	1 October 2020 to 30 September 2021
	Unaudited	Unaudited	Audited
	US$	US$	US$
Salaries, wages and other staff benefits	99,250	99,250	198,500

The employee benefits expense includes the remuneration of Directors as disclosed in Note 16.

6. Finance costs

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

7. 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 2021 to 31 March 2022	1 October 2020 to 31 March 2021	1 October 2020 to 30 September 2021
	Unaudited	Unaudited	Audited
	US$	US$	US$
Auditor's remuneration	42,192	25,597	51,607
Consultants' fees	89,655	101,261	191,472
Short term lease expenses	2,112	736	2,730
Professional fees	56,592	59,545	147,428

8. Income tax

	1 October 2021 to 31 March 2022	1 October 2020 to 31 March 2021	1 October 2020 to 30 September 2021
	Unaudited	Unaudited	Audited
	US$	US$	US$
Current income tax			
- current financial period/year	-	(241)	120
- Under provision in prior financial period/year	8,103	311	-
	8,103	70	120

9. Loss per share

Basic loss per share is calculated by dividing the 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 loss and share data used in the basic and diluted loss per share computation:

	1 October 2021 to 31 March 2022	1 October 2020 to 31 March 2021	1 October 2020 to 30 September 2021
	Unaudited	**Unaudited**	**Audited**
Loss for the financial period/year attributable to owners of the Company (US$)	(12,400,638)	(5,624,929)	(7,806,703)
Weighted average number of ordinary shares during the financial period/year applicable to basic loss per share	38,108,451	38,102,054	38,108,451
<u>Loss per share</u>			
Basic and diluted (cents)	(32.54)	(14.76)	(20.49)

Diluted loss per share is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive as the effect of the shares conversion would be to increase the loss per share.

10. Investments in joint ventures

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 15 March 2022 which extended the expiry of BO to 31 August 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 certain conditions 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 13).

11. Equity instrument at fair value through profit or loss

	31 March 2022	30 September 2021
	Unaudited	Audited
	US$	US$
Investment in unquoted equity instrument, at fair value	16,300,000	33,400,000

The Group, through its 66.67% subsidiary, MIL 4 Limited ("MIL 4") invested in a 6.2% (30 September 2021: 6.2%) equity interest in unquoted share capital of AP Towers Holdings Pte. Ltd ("AP Towers").

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

	31 March 2022	30 September 2021
	Unaudited	Audited
	US$	US$
Balance at beginning of financial period/year	33,400,000	42,500,000
Fair value loss during the financial period/year	(17,100,000)	(9,100,000)
Balance at end of financial period/year	16,300,000	33,400,000

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 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**
31 March 2022			
Unquoted equity investments	Comparable Company Analysis	- Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) of US$75.7million - Enterprise Value (“EV”) per EBITDA multiple of 10.0x - Portfolio discount of 30%*	Increase EBITDA and EV/EBITDA multiple will increase the fair value of the financial asset.
30 September 2021			
Unquoted equity investments	Comparable Company Analysis	- Earnings Before Interest, Tax, Depreciation and Amortisation (“EBITDA”) of US$85.9million - Enterprise Value (“EV”) per EBITDA multiple of 12.7x - Portfolio discount of 25%*	Increase EBITDA and EV/EBITDA multiple will increase the fair value of the financial asset.

* Due to uncertain political environment and ongoing COVID-19 pandemic in Myanmar during current financial period/year, management is of the view that an additional 30% (30 September 2021: 25%) discount should be applied to the Group’s investments in Myanmar.

12. Investment in subsidiaries

Details of the subsidiaries at 31 March 2022 and 30 September 2021 were 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[1]	Myanmar	Provision of management services to the Group	100	-

[1] In the process of striking off.

13. 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 classified 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 and the BO with the Purchaser has been extended to 31 August 2022. As such, the Group continued classifying its investment in MFIL as non-current asset held for sale is appropriate as at 31 March 2022.

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

	31 March 2022	**30 September 2021**
	US$	US$
Investment in joint venture – 37.5% equity interest in Myanmar Finance International Limited	1,500,000	2,552,467
Less: Write down to fair value less cost to sell	(660,000)	(1,052,467)
	840,000	1,500,000

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$840,000 (30 September 2021: US$1,500,000) based on 2 times the audited book value of MFIL at 30 September 2021, adjusted for a valuation discount of 30% (30 September 2021: 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$660,000 (30 September 2021: 1,052,467) was recognised in profit or loss for the six-month period ended 31 March 2022.

14. Share capital

	31 March 2022 Unaudited US$	30 September 2021 Audited US$
Issued and fully paid share capital:		
Ordinary shares at the beginning of the financial period/year	40,569,059	40,569,059

	Ordinary shares	Warrants
Equity Instruments in issue		
31 March 2022		
At the beginning of the financial period	38,108,451	13,573,901
Cancelled during the financial period	-	(13,573,901)
At the end of the financial period	38,108,451	-
30 September 2021		
At the beginning of the financial year	38,097,037	14,128,387
Exercised during the financial year	-	(554,486)
Issued during the financial year	11,414	
At the end of the financial year	38,108,451	13,573,901

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 2022, there were nil (30 September 2021: 13,573,901) warrants in issue.

All unexercised warrants as of 31 December 2021 were cancelled as the warrant instrument ended on 31 December 2021.

15. Share option reserve

Details of the Share Option Plan (the "Plan") are set out in the financial statements for the financial year ended 30 September 2021, which can be found on the Company's website at www.myanmarinvestments.com.

During the six-month period ended 31 March 2022, no further options were created, granted or forfeited.

As at 31 March 2022, 2,590,527 (30 September 2021: 2,590,527) share options had been granted under the Plan.

16. Significant related party disclosures

Compensation of key management personnel

The remuneration of Directors for the financial period was as follows:

	Directors' fees	Short term employee benefits	Share option plan	Total
	US$	US$	US$	US$
<u>Financial period from 1 October 2021 to 31 March 2022</u>				
Executive directors				
Maung Aung Htun	-	43,000	-	43,000
Nicholas John Paris	-	40,000	-	40,000
Non-executive directors				
Henrik Onne Bodenstab	8,750	-	-	8,750
Rudolf Gildemeister	7,500	-	-	7,500
	16,250	83,000	-	99,250

	Directors' fees	Short term employee benefits	Share option plan	Total
	US$	US$	US$	US$
<u>Financial period from 1 October 2020 to 31 March 2021</u>				
Executive directors				
Maung Aung Htun	-	43,000	-	43,000
Nicholas John Paris	-	40,000	-	40,000
Non-executive directors				
Henrik Onne Bodenstab	8,750	-	-	8,750
Rudolf Gildemeister	7,500	-	-	7,500
	16,250	83,000	-	99,250

17. Dividends

The Directors of the Company did not recommend any dividend in respect of the financial period from 1 October 2021 to 31 March 2022 (1 October 2020 to 30 September 2021: Nil).

18. Financial risk management objectives and policies

The Group's financial risk management objectives and policies are set out in the audited financial statements for the financial year ended 30 September 2021.

19. Comparative

Certain comparative information for the prior financial period was reclassified to conform the current financial period's classification.