Myanmar Investments International Limited

ANNUAL REPORT 2018

THE MYANMAR OPPORTUNITY

Myanmar is emerging from decades of stagnation and has the economic foundations for a period of strong growth:

- Fast growing economy: IMF projects GDP growth for Myanmar to average 7.2% p.a. through 2023
- Population of 54 million people (26th most populous country in the world) with huge growth potential as Myanmar, the last so-called frontier economy in Asia, increases economic liberalisation
- Large workforce with a high literacy rate of 90%
- 68% of the population is of working age
- 28% of the population is under 24 which will provide strong consumer demand
- Significant natural resources: hydrocarbons, fertile land, minerals, precious stones, forests and water
- Strategically situated in one of the world's most economically dynamic regions amid the intersection of India, China and South East Asia
- Critical to China's 'One Belt One Road' strategy providing direct access to the Indian Ocean
- Myanmar has undergone an unprecedented transformational reform process, initiated by the U Thein Sein administration in 2011
- The elections in 2015 were the first democratic elections in 50 years
- During the year the Foreign Investment law was revised and a new Companies Act enacted, both of which will assist in foreign investment
- This remarkable change has not been without its difficulties and the situation in Rakhine state, which stems from a complex and historically charged background, remains un-remedied
- The Advisory Commission, led by the late former UN Secretary-General Kofi Annan, on the Rakhine State crisis has provided an important framework which can provide the foundations for addressing the distressing situation there

CONTENTS

The Myanmar Kyat exchange rate was MMK 1,560 to US$1.00 as at 20 September 2018

References to "today" are to 21 September 2018 being the date of printing of this document

MYANMAR INVESTMENTS

In June 2013 Myanmar Investments International Limited became the first Myanmar-focused company to be quoted on the AIM market of the London Stock Exchange.

Our vision is to build a diversified portfolio of businesses which will benefit from Myanmar's emergence.

Myanmar Investments is not a passive investment fund, but rather a proactive business-building company with extensive on-the-ground experience; 95% of investment opportunities have been sourced by management.

Myanmar Investments is headquartered in Yangon with an experienced team of seven investment professionals with proven capabilities to source and develop attractive business opportunities.

The Company has already invested in three businesses:

Apollo Towers

- US$21 million invested for a 9.0% shareholding
- Stand-alone EBITDA of US$24.2 million, a year on year ("YoY") increase of 20%
- Being reorganised to come under common ownership with Pan Asia Towers, the 4th largest independent telecom tower company in Myanmar
- Together the two businesses will have a 20% market share of the independent Myanmar tower market
- Future growth will be driven by an increase in the tower portfolio but also by increase in tenancies as co-location rates rise

Myanmar Finance International

- US$2.3 million invested for a 37.5% shareholding
- One of Myanmar's leading microfinance companies
- Strong growth in its borrower base and loan book at 31 March 2018 at 54,000 and US$9 million, representing compound annual growth rates ("CAGR") of 60% and 97% respectively since investment
- Solid increase in profitability, up 67% over the previous year making three years of consecutive profitability
- Today it has secured US$12 million in Kyat-denominated debt facilities

MEDICARE

- US$1.4 million invested for a 48.1% shareholding
- A start-up pharmaceutical, health and beauty franchise retailer
- Designed to capitalise on both an expected rise in consumer spending power and a notable absence of modern retail outlets with similar offerings
- Today it has 14 stores in operation with more under development

In addition, the Company has a strong proprietary pipeline targeting business opportunities in consumer or B2B sectors such as education, healthcare and financial services.

MYANMAR

- One of the fastest growing economies in Asia
- Large population of 54 million
- A young population
- Endowed with significant natural resources
- Emerging from decades of stagnation

IMPACT INVESTING

- Socially beneficial
- Creating jobs
- Microfinance = financial inclusion
- Telecoms = information, communication, education
- Healthcare = quality of medicines and pharmacists
- Ethical business practices

PIPELINE

- Healthcare
- Education
- Financial Services

PORTFOLIO

Apollo Towers

- Soon to be part of the No1 telecom tower group.
- Strong EBITDA growth on back of demand for telecom services

MFIL

- Microfinance
- Profitable and fast growing
- Significant leverage is now in place

Medicare

- Modern pharmacy, health and beauty stores
- Start-up but now with 14 stores and more soon to open

PARTNERS

- Norfund
- TPG
- Medicare Vietnam

STRATEGY

- Build businesses
- Strong capital gains
- Dividends in future
- Keep costs under control
- Active entrepreneurs not passive portfolio investors

NMAR
TMENTS

MANAGEMENT

- Experienced investors in Asia
- On the ground presence in Myanmar
- Based in Yangon since 2013
- Professional team with broad and complementary skill sets

LONDON LISTING

- High levels of transparency and accountability
- Strong Corporate Governance
- Not a passive fund but a business-building company
- Liquidity

PROJECT LENDERS

- OPIC
- Norfund
- Maybank
- Yoma

BUSINESS REVIEW - **Apollo Towers**

Apollo Towers is the second largest independent telecom tower company in Myanmar, owning 12% of the independent telecoms towers and also having one of the highest shares of tenancies in the market. The Company has announced that its shareholding in Apollo Towers will be exchanged for shares in Towers Holdings, which already owns Pan Asia Towers, the fourth largest independent telecom tower company in Myanmar. Together the two businesses will be market leaders in Myanmar with a 20% market share of towers.

The Company's investment in the tower space will benefit from the continued need to build more towers in Myanmar, as the mobile penetration rate and data consumption in the country increases, but also from the increasing co-location of additional tenants on its towers as a result of the promotion of infrastructure sharing which is encouraged through regulation.

By coming together with Pan Asia Towers, this is expected to provide additional benefits from economies of scale and greater flexibility in servicing customers, operations and financing.

In the year to 31 March 2018, Apollo Towers achieved revenues and adjusted EBITDA of US$51.8 million and US$24.2 million, a Y-o-Y increase of 12% and 20% respectively.

The Myanmar telecoms sector continues to experience solid growth with continuing demand for capacity expansion as the mobile penetration rate continues to grow with data usage also surging ahead from 90 MB per connection in 2012 to an estimated 1,080 MB per connection in 2017.

In 2017, Myanmar had 15,100 towers. Independent sector consultants expect that Myanmar will have about 23,000 towers with a market average co-location rate of 2.3x by 2022.

Bringing Apollo Towers and Pan Asia Tower under common ownership is an exciting development and is expected to benefit from economies of scale and greater flexibility in servicing its customers, operations and financing and this will enhance MIL's returns from its investment in this space.

Apollo Towers has nearly doubled its tower portfolio to 1,800 towers since MIL's investment in 2015.

BACKGROUND

Apollo Towers is the second largest independent telecom tower company ("ITC") in Myanmar. Established in 2013 it constructs, manages and leases tower and power infrastructure to all of the country's MNOs, being Telenor of Norway (Apollo Towers' anchor tenant), Ooredoo of Qatar, MPT (the state-owned enterprise jointly managed with KDDI and Sumitomo) and the newly established, Viettel-led consortium, MyTel. The nationwide telecoms infrastructure roll-out continues as the MNOs seek to expand geographical coverage and increase the capacity of their networks as they introduce 4G/LTE technology and respond to increasing data consumption. This is likely to lead to additional tower orders and also a significant industrywide growth in the number of tenancies per tower, known as 'co-location', which brings significantly higher-margined revenues.

MIL first invested in Apollo Towers in July 2015 when it led a consortium of investors that invested US$30 million for a 14.2% shareholding in Apollo Towers. The other shareholders were TPG Growth, an equity investment platform of TPG (one of the world's largest alternative asset managers with assets under management of US$84 billion), and Sanjiv Ahuja, the ex-Orange Chief Executive Officer. As at 31 March 2018, MIL's indirect shareholding in Apollo Towers was 9.0% for a cost of US$21 million.

In June 2016, Apollo Towers Myanmar Limited ("Apollo Myanmar") secured a US$250 million loan from the United States' Overseas Private Investment Corporation ("OPIC") marking OPIC's first financing in the country. During the year, it also secured additional mezzanine funding that has strengthened its financial position and which will be sufficient to finance its organic growth for the foreseeable future.

Before opening its telecoms sector to foreign investment in 2013, Myanmar had only one significant MNO and was ranked equally with North Korea for having Asia's lowest mobile penetration rate of about 7%. After a highly competitive and transparent bidding process, two winners emerged: Norway's Telenor and Ooredoo from Qatar. Today the mobile phone penetration rate has surged, ostensibly to 100%, though with many subscribers having dual SIM phones, Telenor estimates the number of unique mobile subscribers could be only half of this number. Which means there is significant growth potential still. The foundation for this boom was the unprecedented roll-out of infrastructure as seen by the increase in telecommunication towers from fewer than 3,000 in 2013 to over 15,000 today.

As at 31 March 2018 Apollo Towers' co-location or lease-up rate ("LUR") (meaning the number of multiple tenancies on its towers) was 2.0x, an increase of 30% since September 2017; boosting Apollo Tower's monthly adjusted EBITDA in March 2018 to US$2.1 million for the month; an increase of 154% in comparison to the same month in 2017. Whilst co-location growth has been slower than originally anticipated at the time of MIL's investment, it has increased significantly in the past six months: the co-location rate at year end of 2.0x is up 37% from 1.4x a year ago.

The growth in co-locations has been driven in part by new contracts from Telecom International Myanmar Company Limited, operating under the brand name "MyTel", the country's most recent and fourth Mobile Network Operator ("MNO"). In conjunction with new business from the country's multiple new internet service providers, these developments have allowed Apollo Towers to substantially increase its co-location rate, revenue and EBITDA.

The expansion of Apollo Towers' tower portfolio and its growing co-location rate has endowed the company with a high-quality EBITDA-stream, with most of its customers being supported by Grade A international telecom companies.

PAN ASIA TOWERS

On 21 September 2018 MIL announced that its subsidiary, MIL 4 Limited, had agreed to exchange its existing shares in Apollo Towers for shares in Towers (M) Holdings Pte. Ltd. ("**Towers Holdings**"). This reorganisation forms part of a much larger transaction under which funds controlled by TPG Capital, have set up Towers Holdings which has acquired Pan Asia Majestic Eagle Limited ("Pan Asia Towers"), Myanmar's fourth largest ITC.

Pan Asia Towers was established in 2013 and owns approximately 1,300 towers that it has constructed and leased to Ooredoo Myanmar Limited and MNOs under long-term master lease agreements. In addition, Pan Asia Towers has long-term contracts with all of the country's MNOs and has also secured a large-scale commitment for additional tenancies from MyTel.

It is intended that both Apollo Towers and Pan Asia Towers will be under the common ownership of Towers Holdings. Taken together they will have an initial portfolio of approximately 3,100 towers and 6,000 tenants, which, on a pro-forma aggregated basis, would have represented a LUR of 2.0x as at the end of March 2018. The Directors estimate that, on a pro-forma aggregated basis, the two businesses would have had total revenues of approximately US$90 million and an EBITDA of approximately US$53 million for the financial year ending 31 March 2018. Apollo Towers' and Pan Asia Towers' unaudited management accounts for the three months from January to March 2018, were they to be annualised and aggregated, indicate annual revenues of US$102 million and an EBITDA of US$59 million.

Going forward, the two businesses intend to increase the number of towers in their portfolios and, given the existing undrawn debt facilities available to them both, coupled with cash flows from their operations, there will be available capital to add a further 1,000 towers over the next few years. Additionally, the two businesses intend to add more tenancies to these new towers as well as to their existing towers and thereby increase their composite LUR from the current pro-forma level of 2.0x and will target to achieve or exceed an LUR 2.2x within a few years in line with the market.

The existing debt facilities will remain in place, including the US$250 million loan facility granted by **OPIC** to Apollo Myanmar (of which only US$165 million has been drawn) and Apollo Towers' US$100 million mezzanine facility. In addition, based on the existing and new acquisition debt facilities, less the available cash, the net debt in the two businesses at closing is expected to be approximately US$319 million.

The Directors believe that contributing MIL's investment in Apollo Towers into the reorganisation will enhance the future growth of this investment. It is expected that the future gains the two businesses will achieve will exceed the value accretion that might be achieved by Apollo Towers and Pan Asia Towers independently. The two businesses are expected to manage Myanmar's largest portfolio of towers and the Directors believe that together they will have stronger growth prospects than Apollo Towers on its own. The Directors also believe that the increased scale of the two businesses will make them more competitive in servicing the needs of customers and provide them with economies of scale to operate more efficiently. It is considered that having the two businesses under common ownership would make a suitable candidate for strategic investors or a listing on one of the region's stock exchanges over the next three to five years. It is therefore advantageous for MIL to move its investment into a combined business holding company rather than remain as a minority investor in one of the businesses.

As part of the re-organisation, the Company's 66.7% subsidiary, MIL 4, will exchange its 13.5% shareholding in Apollo Towers for an approximate shareholding of 6.2% in Towers Holdings, of which approximately 4.2% is attributable to MIL.

MIL's team will continue its involvement on the board of Towers Holdings as well as its close working relationship with the Yangon-based management team to support the next phase of Tower Holdings' growth.

BUSINESS REVIEW - **MFIL**

Myanmar Finance International Limited ("MFIL") is one of the leading microfinance companies in Myanmar, set up in 2014 by MIL together with U Htet Nyi, a well-established Myanmar entrepreneur, and the Norwegian Government's Investment Fund for Developing Countries ("Norfund").

MFIL focuses on urban and semi-rural lending in Yangon and Bago but plans to expand to other states during the coming year.

In the year to 31 March 2018, MFIL produced its third year of profitability generating MMK 518 million (US$380,000) of net profit after-tax for the year, a Y-o-Y increase of 67%.

MFIL continued its strong growth trajectory since investment, with its borrower base at 31 March 2018 of over 54,000 borrowers and its loan book up to MMK 12.3 billion (US$9.2 million), a CAGR of 60% and 97% respectively since MIL's initial investment in 2014. Today, this has now grown to over 65,000 borrowers with a loan book of over MMK 19.1 billion (over US$13.4 million).

As at the year end, the average loan size provided by MFIL had increased by 181% to MMK 224,000 (US$168) from MMK 80,000 at the time of the initial investment.

Loan quality remains good, with non-performing loans ("NPLs") at 0.5% as at year end.

MFIL now has eight branches: five in Yangon and three in Bago.

MFIL is profitable and by taking on additional leverage, with no foreign currency exposure, it is expected to continue to increase its profitability. The fact that it has incurred low NPLs is attributable to its prudent business model and strong banking discipline.

BACKGROUND

MFIL is one of the leading microfinance operators in Myanmar and provides small loans (US$168 on average per borrower, but loans can be as high as US$6,600) to small-scale business operators in rural and semi-urban areas in Yangon and Bago. It is one of the few approved deposit-taking microfinance institutions in Myanmar.

MFIL was established as a microfinance joint venture in August 2014 by MIL and Myanmar Finance Company Limited ("MFC") a company controlled by U Htet Nyi, a Myanmar entrepreneur and honorary consul for Norway and Finland. 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%, MFC 37.5% and Norfund 25%, with a total paid up capital of nearly US$6 million. MIL's total investment cost to date is US$2.3 million.

Since its investment into MFIL in 2014, MIL has played a key role in supporting the buildout and expansion of the MFIL business. In 2015 and 2016 MIL's efforts were more focused on immediate needs such as the recruitment of a seasoned Chief Executive Officer, the introduction of new systems and procedures, the strengthening of the governance of the MFIL board, and the establishment of the internal audit function. More recently the Company has shifted its focus to longer-term, strategic support aimed at expansion. This has included continuing efforts to raise debt financing for the company, as well as product and channel development.

In the coming years, MIL expects to continue working closely with MFIL management to take on further debt facilities, to prepare for and launch new products and to expand geographically. Notwithstanding MFIL's strong performance so far, some signs of over-indebtedness and excessive competition are beginning to emerge in certain areas of the marketplace and MIL will continue to work closely with MFIL management to navigate through these challenges ahead. This may also be a catalyst for consolidation in the industry and MFIL will look for the opportunity to acquire suitable competitors.

During the year, the shareholders of MFIL injected an additional US$1 million shareholder capital into MFIL, on a pro-rata basis among all shareholders. This takes the paid-up capital of MFIL to nearly US$6 million.

In April 2018, MFIL secured a US$6 million, local-currency denominated loan facility (approximately MMK 8 billion) from Yoma Bank, one of Myanmar's leading banks. Security for the loan was provided by Norfund, one of MIL's joint venture partners in MFIL, together with other similar-minded international lenders.

MFIL will use these loans to further expand its loan portfolio and open new branches in Yangon and Bago, to continue to roll out its newly launched micro-business loan product and to explore the feasibility of expanding into new States and regions. Including these new facilities, MFIL now has about US$12 million worth of Kyat-denominated debt facilities signed and in place, with US$3 million drawn down as of 31 March 2018 and about US$9 million drawn down as of today.

MFIL is working to finalise additional Kyat loans from a number of other institutions.

BUSINESS REVIEW - **Medicare**

Medicare International Health & Beauty ("Medicare") is the first full service chain of modern pharmacy, health and beauty franchise stores in Myanmar.

MIL established the business together with Medicare Vietnam, Vietnam's leading pharmacy, health, beauty and personal care retail groups, and Randy Guttery, an industry veteran with significant experience leading Asian-based retail concepts.

In the year to 31 March 2018, Medicare rolled out 9 stores in downtown Yangon – today there are a further 5 stores with more stores expected to open in the coming months.

The concept has been well received by consumers in Myanmar. Medicare is currently refining its product offering, both in terms of the range of products that it offers as well as the locations in which it operates, based on consumer behaviour seen to date and feedback received. It is expected that once this testing phase is concluded, Medicare will then seek to expand the number of stores it operates to over 50 stores over the coming years, predominantly in Yangon and other major cities.

MIL is excited at the prospects for the pharmacy, healthcare and personal care retail sector given the expected rise in consumer spending power. McKinsey has predicted that the middle and affluent classes in Myanmar are set to boom in the coming years and this segment could grow to 19 million people by 2030, tripling consumer spending from US$35 billion to US$100 billion.

BACKGROUND

Medicare operates a nascent chain of modern pharmacy, health and beauty franchise stores. All of these stores demonstrate the "Medicare" brand concept of being informative, friendly and bright with an energetic and smart style. The brand is seeking to become a recognised chain like "Boots", "Watsons" or "Walgreens", as such branded quality chains are not yet common in Myanmar; the bulk of the 8,000 or so pharmacies in Myanmar are stand-alone "Mom & Pop" stores.

In May 2017, MIL formed the Medicare joint venture with two joint venture partners:

- Medicare Vietnam, which is the largest pharmacy, health, beauty and personal care retail group throughout Vietnam, with over 80 outlets. Medicare Vietnam has built up a reputation with customers for genuine, affordable everyday health and beauty necessities. Medicare Vietnam brings a proven franchise-operating model to Medicare with all the supporting marketing skills, inventory and supply chain management, HR development, operating systems, know-how, technical support and training. The well-known "Medicare" brand name gives Medicare a head start, especially when coupled with their own brand and exclusive products; and
- Randy Guttery, a highly experienced senior executive with many decades' experience in leadership roles at Asian-based retailers in nine countries including Wal-Mart in Korea and India, VinMart in Vietnam and Reliance Markets in India

It is expected that Medicare will fill a vacuum in the present retail landscape and at the same time tap into the rapid growth of the middle and affluent classes in Myanmar. MIL has long been excited at the prospects for the pharmacy, health, beauty and personal care retail in Myanmar. The present supply of pharmaceutical products from the existing retail offering is mainly from small, single site pharmacies which often offer out of date or poorly stored medicines. There are few independent chains and therefore very few professional retailers in this space. Coupled with this, the Company anticipated that demand for pharmaceutical, health and beauty products will grow significantly given the expected rise in consumer spending power, as well as greater emphasis on quality and reliability that comes from the ethical dispensing of medicines and their proper storage.

Having thoroughly investigated the sector in Myanmar, MIL concluded that there was a significant gap in the market for a modern and professional retail business offering pharmaceutical, health and beauty products, and that the best way to approach this opportunity is to set up a franchise with experienced partners. MIL has been actively engaged both strategically and operationally including on the ground support, especially in site selection and staff recruitment. MIL also seconded its financial systems adviser to Medicare to work with them in setting up the financial systems and controls for the company.

At year end MIL had invested US$1,395,000 for a shareholding of 48.1% and expects to invest up to US$5 million as part of the store roll-out programme over the next few years.

From a standing start, Medicare now employs over 115 staff. Most store managers are pharmacists, who are university educated and bilingual in Burmese and English.

CHAIRMEN'S LETTER

> **We have built a solid platform for sourcing, managing and executing investment opportunities.**

Dear fellow shareholder

It has been another solid year of progress for the Company, in which our three businesses have all experienced solid growth and we have proactively re-shaped our strategy for the future.

As you will be aware, over the last seven years Myanmar has undergone a transition from military dictatorship to civilian government, a situation which has allowed MIL to make strategic investments as the country has started to develop. However, this remarkable change has not been without its difficulties. The situation in Rakhine state, which stems from a complex and historically charged background, remains un-remedied. We expect this issue to reduce near term capital inflows, as well as tourist arrivals from western countries.

In addition, although Myanmar's economy has rebounded and macroeconomic imbalances have stabilised as the country has emerged from its isolation, Myanmar is still at an early stage of its growth and has limited foreign exchange reserves and tax base. A significant depreciation of the Kyat from an average of MMK 1,356 per US$1.00 in 2017/18 could lead to inflationary pressure.

While banking regulation and practices have been strengthened over the last few years, there has been a significant increase in bank lending over the same period and now there are emerging signs of some stresses in the economy which could lead to a rise in non performing loans and slower credit growth in the coming years.

During the year the updated Foreign Investment law and Companies Act were promulgated and, whilst there have been a number of significant advances, there is still opportunity for further improvement.

Your Board continues to be a strong believer in Myanmar's long term potential as a new and growing market in the broader vibrant ASEAN economy. We have built a solid platform for sourcing, managing and executing investment opportunities. However, from our on-the-ground presence we know that the next few years will see additional challenges. We have therefore adapted our approach to ensure we protect and grow our existing investments with a leaner structure that will still allow us to take advantage of meaningful opportunities as and when they arise.

Your Company has made significant and impactful investments in businesses active in the telecom towers, microfinance and retail pharmacy sectors. The telecom towers and microfinance businesses are now well established businesses with good track records and strong positions in their sectors; they are now poised to see even more significant growth. The retail pharmacy franchise business is a greenfield venture we started from scratch this past year and the roll-out of stores is progressing well.

IMPACT INVESTING

Each of our businesses is an impact investment. Collectively they employ around 500 people.

Apollo Towers has built almost 12% of the country's independent telecoms towers. Estimating the number of subscribers that benefit from this is not possible but clearly they number in the millions. So utilising Apollo Towers' towers, these citizens can now readily communicate and access information. This not only brings education and enrichment to their lives but also supports their, and the country's, economic advancement.

MFIL today has over 65,000 borrowers. That is 65,000 households which have been economically empowered (without resorting to loan sharks) to expand their businesses (small shops, trading businesses, food stalls etc) through MFIL's ethical lending practices. MFIL's rural outreach is 37% of its business and this has a significant impact on enabling rural communities to access legitimate funds. MFIL also strongly believes in women's empowerment: 86% of its borrowers are women, while internally 55% of its management are women.

Medicare aims at providing affordable health and beauty products to its customers. Every Medicare store adheres to Good Pharmacy Practice ('GPP') to contribute to health improvement and to help customers with health problems make the best use of genuine, quality and affordable medicines. This means they have been shipped and stored properly; that the correct medicine has been dispensed as treatment for the relevant ailment; and that the medicine is still within its 'sell-by date'. Simple concepts but not ones that are widespread in Myanmar today.

This year's MIL calendar features a different local charity each month. The Company made a modest donation to each and provided the contact details so that others might be able to also support them if they feel so moved.

OUTLOOK

We are pleased with the progress our existing businesses have made. We certainly expect both Apollo Towers and MFIL to go from strength to strength and are greatly encouraged by the strong start that Medicare has made.

Additionally, the Company continues to evaluate a pipeline of business opportunities that we believe will benefit from Myanmar's inherent long term potential.

On behalf of the Board, we should like to take this opportunity to thank a number of our key stakeholders: our staff for their professionalism and commitment; our business partners for all of their advice and inputs; and our shareholders for their continued support. Chris Appleton will be stepping down at this year's AGM and we thank him for all his sterling efforts over the past five years.

> **"Your Company has made significant and impactful investments in businesses active in the telecom towers, microfinance and retail pharmacy sectors."**

WILLIAM KNIGHT
Chairman
21 September 2018

AUNG HTUN
Deputy Chairman
21 September 2018

EXECUTIVE DIRECTORS' REVIEW

BUSINESS REVIEW

The past year has been an encouraging one: our net asset value appreciated by 30% to US$37.9 million and our overheads remained flat at US$2.9 million, with our loss per share reducing 12% compared to the prior year.

Our two established businesses both performed strongly:

- Apollo Tower: the long-planned increase in co-locations finally kicked in with a significant increase in EBITDA; and
- MFIL: the core business continued to grow strongly once we were able to secure additional debt facilities to properly leverage the investment.

Our new start-up business, Medicare has got off to a strong start with 14 branches already operational today in Yangon and more under development.

In all cases, Myanmar Investment's team have been closely embedded in these businesses to provide strategic advice as well as hands-on local knowledge.

Our proprietary network continues to produce a number of interesting investment opportunities. However, evaluating, negotiating, structuring and executing a new business investment properly requires a significant level of commitment in terms of human resources and, as a result, overheads. Often these opportunities are small, 'venture capital' or start-up opportunities that will take time to get to scale. Whilst there is no change to the Company's underlying investment policy, we have adopted a more selective approach in reviewing new investment opportunities. It is therefore expected that new investments will be those that are larger, already generating profit and requiring less start-up development work than has been the case in the past. As a result, the Board believes it will be able to operate a more streamlined business model with a significantly lower level of overheads.

FINANCIAL REVIEW

NET ASSET VALUE

The Directors assess the Group's net asset value ("NAV") (attributable to the shareholders of the Company) as at 31 March 2018 to be US$37.9 million, a year-on-year increase of 29.6%. This represents US$1.01 per share, based on the number of shares in issue at the year-end. This change principally reflects the increases in the Director's assessment of the values of Apollo Towers and MFIL together with the proceeds from the fund raising in June 2017, less the Group's running costs for the year.

> **"The past year has been an encouraging one: our net asset value appreciated by 30% to US$37.9 million"**

As at 31 March 2018 the Group's NAV consisted of:

- an investment in Apollo Towers of US$24 million, excluding the non-controlling interests, determined using a discounted cashflow methodology;
- an investment in MFIL of US$6.3 million, determined using a price to forward book value methodology;
- the investment in Medicare of US$1.4 million, determined based on the price of recent investment; and
- cash and other net assets/liabilities of US$6.2 million.

APOLLO TOWERS

As at 31 March 2017 the Directors had assessed the value of the Group's investment in Apollo Towers, excluding the non-controlling interests attributable to the minority shareholders of MIL 4, to be US$20.8 million, this being the cost of the investment as at that date. In assessing the value of the investment in Apollo Towers as at 31 March 2018, the Directors have decided to move to a discounted cashflow ("DCF") basis of valuation.

Grab taxis are now appearing in Myanmar.

The revised value of Apollo Towers represents an increase of 15.4% and equates to an IRR since the initial investment in July 2015 of 5.5%.

In selecting the DCF basis of valuation the Directors recognise that this is the product of a number of key variables, where small changes in one or more inputs can have a significant impact on the resulting valuation. However, the Directors recognise that Apollo Towers has achieved certain milestones during the year by securing co-location agreements with key customers and it would be inappropriate to continue to hold the investment at cost given that the initial investment was made three years ago. The Directors believe the assumptions they have used to be reasonable. However, the impact of the sensitivity of this method of valuation must be recognised.

MFIL

As at 31 March 2017 the Directors had assessed the value of the Group's investment in MFIL to be US$5.5 million, this being determined using the price to forward book value methodology. In assessing the value of the investment in MFIL as at 31 March 2018, the Directors have maintained the same methodology and have determined the value of the Group's investment in MFIL as at 31 March 2018 to be US$6.3 million.

The revised value of MFIL represents an increase over the year of 14.5% and equates to an IRR since the initial investment in September 2014 of 40.4%.

MEDICARE

The investment in Medicare was made during the financial year.

As at 31 March 2018 the Directors have assessed the value of the Group's investment in Medicare to be US$1.4 million, this being determined using the price of recent investment methodology.

The book value of Medicare reflects a loss during the year of US$327,000, being MIL's share of the start-up losses. This is broadly in line with the Directors' expectations as this new venture looks to establish itself as the first retail pharmaceutical, health and beauty chain franchise in Myanmar.

SUMMARY OF NAV

In the attached audited financial statements, the NAV attributable to shareholders differs from the above stated value of US$37.9 million due to the following differences:

	US$
NAV per the audited financial statements	33,528,450
MFIL[1]	4,020,328
Medicare[1]	326,889
NAV per the Directors' valuation	37,875,667

Note 1: In accordance with IFRS 11 Joint Arrangements, the investments in MFIL and Medicare are accounted for as an investment in a joint venture using the equity method. Whereas in accordance with the Group's Valuation Policy the Directors' valuation for MFIL is determined using the price to forward book value methodology and for Medicare is determined using the price of recent investment methodology, both as described in the International Private Equity and Venture Capital Guidelines.

EXECUTIVE DIRECTORS' REVIEW

FINANCIAL RESULTS

For the year to 31 March 2018 the Group's audited loss after tax was US$3.07 million, a modest increase-on last year's US$2.83 million whilst the loss per share decreased 12% YoY.

Note that this loss excludes the US$3.1 million fair value gain attributable to the shareholders from the Company's investment in Apollo Towers.

This loss therefore represents:

- our share of MFIL's profits; less
- our share of Medicare's start-up losses; less
- the overheads associated with running the Group's business; less
- the impact of the share-based payments arising from the Group's Employee Share Option Scheme; less
- transaction costs associated with investigating investments that did not come to fruition.

Whilst MFIL's contribution increased YoY this was offset by the start-up losses incurred by Medicare.

Within this, the core cash-based overheads (excluding discretionary compensation, share option expenses and transaction costs) amounted to US$2.2 million compared to US$2.1 million the previous year, a YoY increase of 6.6%.

As previously announced, the Board has set in motion a series of cost cutting measures to reduce our overheads with a target of getting to a monthly level of costs significantly lower than 2017/18's costs by the end of March 2019.

DIVIDENDS

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

FUND RAISING

During the financial year, MIL raised US$7.3 million (before costs) through a share placing in June 2017 to a range of institutional investors, family offices and high net worth individuals.

Since our admission to trading on AIM in 2013, our strategy has been to raise capital in line with our ability to deploy it. Therefore, in accordance with the strategy set out in the Company's admission document, MIL will consider raising additional equity to fund further businesses. Where appropriate we may also bring in like-minded co-investors thereby generating fee income for your Company.

WORKING CAPITAL

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

> **"The company is in an optimal position: a solid portfolio; adequate cash reserves for on-going overheads; and a front row seat for the opportunities that lie ahead."**

SHAREHOLDER MATTERS

CORPORATE GOVERNANCE

The Company seeks to uphold the fundamental principles of good corporate governance and is guided by the responsibilities laid down for AIM quoted companies. The Chairman's Statement on Corporate Governance provides more details 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.

ANNUAL GENERAL MEETING

This year's Annual General Meeting will be held at The British Club, Yangon, Myanmar at 9.00am (Myanmar time) on Thursday 18 October 2018. Shareholders who cannot attend the Annual General Meeting in person are encouraged to use their proxy votes. Shareholders who hold their shares through CREST are able to lodge their votes electronically. Details are set out in the Notice of the Annual General Meeting at the end of this report.

PROSPECTS

We expect all three of our businesses will continue to perform well over the coming year and beyond:

- Apollo Towers: teaming up with Pan Asia Towers represents a very exciting and transformative opportunity. Together they will have the largest tower portfolio in Myanmar and will be well placed and well-funded to take advantage of new tower construction opportunities, add additional co-locating tenants on to their already significant portfolio of towers and extract both operational and financial efficiencies arising from the significant step up in scale.
- MFIL: with additional debt facilities in the pipeline combined with no apparent let-up in demand for our products as well as an expansion of our branch network, we expect profitability to continue to grow. MFIL is also tightening its lending standards in response to signs of short-term over-indebtedness in some of the areas in which it operates. Looking further ahead, the business is likely to need to expand its capital base once we have drawn down all the planned debt facilities. As such we will most likely be looking to raise additional funds for MIL's share.
- Medicare: the roll-out of stores has been very impressive and we expect to continue the same pace of expansion through the rest of 2018. Assuming we then continue to expand in 2019, MIL will also most likely be looking to raise additional funds for its share of the roll-out funding.

There remains an expectation in the business community of a slowdown in new business activity as the government continues to take time to formulate and prioritise its various strategies and determine how best to implement them. Additionally, as we move towards the elections in 2020 we expect 2019, will see a significant increase in political activity with a possible corresponding decrease in economic and business activity. We do not expect this to filter through to the everyday demand for our three business lines but it may have an impact on the overall FDI environment.

With this backdrop we have scaled back our overheads so that we can ensure that we continue to maximise value from our existing investments whilst at the same time being well placed to take advantage of suitable opportunities.

As a result, we feel that the Company is in an optimal position: a solid portfolio; adequate cash reserves for on-going overheads; and a front row seat for the opportunities that lie ahead.

CRAIG MARTIN
Managing Director
21 September 2018

MICHAEL DEAN
Finance Director
21 September 2018

BOARD OF DIRECTORS

CHRISTOPHER WILLIAM KNIGHT

Independent Non-Executive Chairman

Mr Knight is an alternative asset investment specialist who has spent almost his entire career dealing with the financial development of growth companies in developing economies with particular emphasis on Asia. Amongst his many firsts in a career dedicated to developing frontier and emerging markets, he originated the creation of the first London-listed investment fund for Thailand, as well as the first investment funds for Vietnam, Portugal Mauritius and Russia East of the Ural Mountains. His experience covers involvement with a number of listing jurisdictions, including AIM, in his capacity as an independent non-executive director.

He spent 18 years in various senior positions within the Lloyds Bank group initially as a project finance specialist for projects in the Far East, Middle East and North Africa. Amongst his various responsibilities, he established and directed the bank's first overseas merchant banking office in Hong Kong to cover East Asia and the Indian sub-continent; he later became responsible for the creation of a number of the early emerging market investment funds.

Since 1991, as an independent director or adviser, he has served as Chairman of the J.P Morgan Chinese Investment Trust Plc, senior Independent Director of Fidelity Asian Values Trust Plc and, as a co-founder of Emerisque Brands, an East/West management buy-in company, he was chairman of its three Shanghai-located Chinese joint ventures. He has served on the Board of an AIM listed private equity fund of funds for India - a country in which he has had extensive involvement - and of a Korean-led fund dedicated to investing in Korean companies involved with China. He is a frequent visitor to China and is on the advisory board of China Resolutions Ltd, a company established to assist Chinese companies listed overseas to meet international standards of good corporate governance.

Mr Knight is Chairman of Earth Capital Asia Ltd, a sustainable technology investment company based in Hong Kong. He currently is advising a UK based food technology company on its strategy for the Chinese market including the rest of Asia. Similarly, he is advising, and on the Board of, a family office of industrial designers and architects based in London and Colombo, and he is a member of the Board of Advisers of Shapla Capital Partners which is bringing equity investment to private sector companies in Bangladesh. He is a regular visitor to Myanmar.

MAUNG AUNG HTUN

Deputy Chairman

With effect from 1 June 2018, Mr Htun became Deputy Chairman of Myanmar Investments, having been Managing Director since the Company's Admission to AIM in 2013.

Mr Htun is half Myanmar and is also an engineering graduate from Imperial College. He brings over 30 years of hands-on experience of advising, starting, building and managing companies.

Mr Htun started at Kleinwort Benson in London before founding, in 1987, Seamico Securities in Thailand, a company he took public in 1995. In 1999 he founded Thai Strategic Capital, a Bangkok based private equity fund manager where he led investments into, among others, B-Quik, Modern Asia Environmental Holdings and Wuttisak Clinic.

Mr Htun brings a wealth of experience and contacts in a diverse range of industries and currently sits on the board of Nam Seng Insurance Plc., as well as being a member of the investment committee of Lakeshore Capital Partners. He is a director of the Thai Private Equity & Venture Capital Association which he co-founded in 1989.

Mr Htun has also been appointed by Myanmar's State Counsellor to the committee to review the restructuring of the Yangon Electricity Supply Company and is Chairman of the Advisory Board of the Swiss Government funded Centre for Vocational Training.

CRAIG ROBERT MARTIN

Managing Director

With effect from 1 June 2018, Mr Martin became Managing Director of Myanmar Investments, having been an Independent Non-executive Director since the Company's Admission to AIM in 2013.

Mr Martin has over 25 years of business-building and direct investment experience in emerging markets in Southeast Asia. He has lived and worked in Southeast Asia since 1993, living in Cambodia (seven years), Vietnam (five years) and Singapore (twelve years), and has invested in many sectors across Asia. His direct investment experience covers fintech, telecoms, agribusiness, building materials, education, media, retail, real estate, manufacturing, finance, logistics, transportation and renewable energy.

Mr Martin has a Master of Engineering from the University of York, UK, and a MBA with Distinction from INSEAD, and is a member of the Singapore Institute of Directors. Until March 2018, Mr Martin was co-CEO of CapAsia, a Singapore headquartered private equity fund manager, focussing on investments in emerging markets. Since leaving CapAsia, Mr Martin has become Executive Chairman of Dynam Capital, an investment management firm focussed on Vietnam.

ANTHONY MICHAEL DEAN

Finance Director

Mr Dean has over 35 years of experience in the financial industry in investment banking, private equity and accounting. Over 25 of these years have been spent in Asia, principally Hong Kong, Singapore and Myanmar. He has held senior management positions with Credit Lyonnais Securities Asia ("CLSA"), including Head of its Investment Banking and co-Head of its Private Equity businesses; was a Director of PPMV Asia (the private equity arm of Prudential plc); and spent a further eight years as chief financial officer for a global shipping group.

Mr Dean is a non-executive independent director of Singapore main board listed Delfi Limited. He is a Fellow of the Institute of Chartered Accountants in England and Wales, an Associate of the Chartered Institute of Taxation and a member of the Singapore Institute of Directors. From 2015 to 2017 he was an elected member of the British Chamber of Commerce in Myanmar and its Treasurer.

HENRIK ONNE BODENSTAB

Independent Non-executive Director

Over the past 20 years Mr Bodenstab has gained broad international experience by living and working extensively in Asia, the US and Europe. He started his professional career in 1992 in Asia, at the Wünsche Group of Companies, a diversified group of companies focussing on international trade and shipping. In 1996, he joined the Boston Consulting Group in Hamburg, Germany. In 1998 he co-founded OneClip, a direct marketing and advertising company in New York, which he led until 2002. Mr Bodenstab re-joined the Wünsche Group in 2002 as a managing partner. In 2014, Mr Bodenstab became a partner at Trilantic Europe, a Pan-European private equity firm with a focus on mid-market transactions in healthcare, consumer, automotive, industrials and business services.

Mr Bodenstab is Chairman of the Board of Meridian 10 Holding AG, on the Advisory Board of Prettl SWH GmbH, a member of the board of Oberberg Group and a Director of Hansabay Pte Ltd in Singapore. He holds a BA in Economics and Political Science from the University of Michigan and an MBA from the Harvard Business School.

CHRISTOPHER DAVID APPLETON

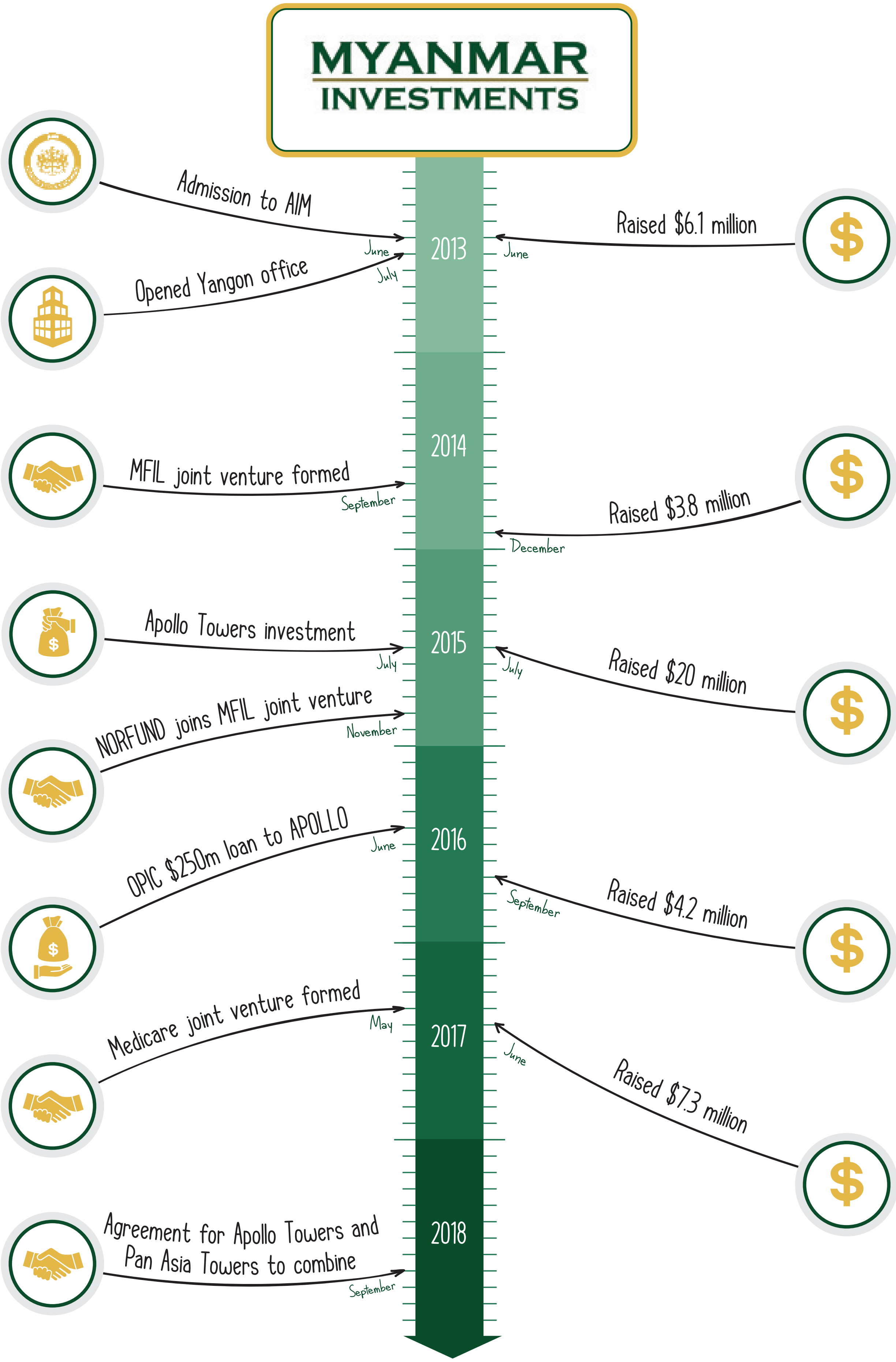
Independent Non-executive Director

Mr Appleton has worked in finance since 1982 and in Asia since 1984. He worked in Japan as equity analyst then equity sales and management. Moving to Hong Kong in 1998, Mr Appleton worked for Salomon Smith Barney as Head of Asian Sales before becoming Head of Asia for Fox-Pitt, Kelton directly running all the equity functions, as well as responsibility for capital markets and advisory. During this time he also set up their Tokyo office. In 2005 he founded Faye Capital as an advisory business and in 2008 acquired a licence for third party asset management. After closing Faye Capital in 2010, Mr Appleton briefly worked at HSBC Private Bank as Head of Investment Advisory. Since 2011, he has been running his private assets.

Mr Appleton was educated at Oxford University with postgraduate studies at Tokyo University.

Mr Appleton has advised he will step down as a Director of the Company at the end of October 2018.

MILESTONES


MYANMAR INVESTMENTS
2013
Admission to AIM
June
Raised $6.1 million
June
Opened Yangon office
July
2014
MFIL joint venture formed
September
Raised $3.8 million
December
2015
Apollo Towers investment
July
Raised $20 million
July
NORFUND joins MFIL joint venture
November
2016
OPIC $250m loan to APOLLO
June
Raised $4.2 million
September
2017
Medicare joint venture formed
May
Raised $7.3 million
June
2018
Agreement for Apollo Towers and
Pan Asia Towers to combine
September

INVESTMENT STRATEGY OVERVIEW

Myanmar Investments:

- Focusses on building businesses that can provide capital gains, dividends and fee generation opportunities;
- plans to maximise returns to shareholders by exiting at the right time for that business; and
- focuses on value creation and the timely monetisation of invested capital.

As a proactive investor, the Company seeks to add value to each of the businesses it invests into. The Company actively participates in the management process with the objective of helping to improve the growth and performance of an investee company. The Company may acquire majority or minority stakes.

The challenge is not in finding the deals - opportunities abound - but in maintaining rigorous discipline throughout the business evaluation process and in selecting the right partners.

Our partners could be:

- local entrepreneurs who have grown their business, despite the difficulties of the past, and are now looking to raise capital to propel the business to the next level – MFIL being an example of this;
- foreign players, well experienced in their sector, looking to enter their space in Myanmar – Apollo Towers being an illustration of this; and
- foreign or local corporates or individuals with the right background to start a business from scratch – Medicare Myanmar being an example.

A core component of our strategy is to stay focused on the business-building process and manage risk minimisation / reward maximisation in order to produce businesses capable of delivering sustainable and superior long-term returns.

This is achieved by:

- focussing on sectors with strong growth;
- identifying credible senior and line management; and
- de-risking the business where needed with new managers, mentors or strategic partners.

Our screening criteria therefore reflects the following:

- our equity stake in a business can be either a majority or minority position, providing that in the latter case we have commensurate negative control provisions;
- there must be a clear path to cash flows and sustainable margins;
- the business must be working capital efficient and/or receptive to leverage;
- the business must be capable of becoming a leading player with a strong franchise value in its sector; and
- a detailed consideration of the business integrity as well as economic, social impact and environmental aspects of the proposed business.

MIL is permanent capital: we are not a fund with a finite life. This allows the Company to optimise returns by assessing both the long- and short-term considerations.

In businesses where strong, durable domestic franchises can be built, the approach is to target returns on equity (at the business level) in excess of 20%, an expectation of strong dividend flows with a possible listing of the business on an appropriate stock exchange. In some businesses, exits will be made when returns have been optimised. In these cases, targeted returns would be 30%+ / 3x capital, pre-leverage.

> **"Our vision is to build a diversified but focused stable of businesses that will benefit from Myanmar's emergence."**

DIRECTORS' REPORT

The Directors present their annual report and audited consolidated financial statements of the Group for the financial year ended 31 March 2018.

THE COMPANY

Myanmar Investments International Limited (the "Company") is a public company limited by shares incorporated under the laws of the British Virgin Islands. The Company was admitted to trading on the AIM market of the London Stock Exchange ("AIM") on 27 June 2013.

THE GROUP

The Group's investments are managed through two companies: a wholly owned subsidiary in Singapore, **MIL Management Pte Ltd**, and its own wholly owned subsidiary in Myanmar, **MIL Management Co., Ltd.**

Two wholly owned subsidiaries have been established in Singapore to act as investment holding companies for investments in Myanmar. Of these, as of 31 March 2018, **Myanmar Investments Limited holds** a 37.5% shareholding in Myanmar Finance International Limited ("MFIL"), a Myanmar incorporated microfinance joint venture company. At the financial year end the other company, **MIL No. 3 Pte. Ltd.**, had not yet commenced business.

As of 31 March 2018, the Company holds a 48.1% shareholding in Medicare International Health & Beauty Pte Ltd ("Medicare") a Singapore joint venture holding company for a Myanmar pharmaceutical, health and beauty franchise business.

Two wholly owned subsidiaries have been established in the British Virgin Islands to act as investment holding companies for investments in Myanmar. Of these, as of 31 March 2018, **MIL 4 Limited** ("MIL4") holds a 13.5% effective equity interest in Apollo Towers. MIL4 is 66.7% owned by the Company and therefore as of 31 March 2018, the Company has an indirect interest in Apollo Towers of 9.0%. At the end of March 2018, the other company, **MIL Tower Ventures Limited**, had not yet commenced business.

The above **bolded** companies comprise the Myanmar Investments International Limited Group (the "Group").

FUND RAISINGS

In June 2017 the Company concluded a share offering which raised US$7.3 million (gross) through a subscription of 6,181,123 new ordinary shares at a subscription price of US$1.18 per share.

During the year to 31 March 2018, 694,375 warrants were converted to ordinary shares raising US$520,781. Following the financial year end, on 21 June 2018 a further 202,905 warrants were converted to ordinary shares raising US$152,179.

AMENDMENTS TO THE TERMS OF THE COMPANY'S WARRANTS

On 21 May 2018, subsequent to the financial year end, the Company's shareholders and warrantholders voted to amend the terms of the Company's warrants such that with effect from 21 June 2018:

- the exercise period for the warrants was extended until 31 December 2021 but at a higher exercise price of US$0.90; and
- until December 2021, in the extended period warrantholders have the option to exercise their warrants on a cashless basis in December of each year in certain circumstances.

If a warrantholder wants to exercise their warrants on a cashless basis then the number of new ordinary shares that they would receive is lower than the number of new ordinary shares they would receive if they exercised their warrants for cash. The lower ratio of new ordinary shares to warrants is designed to only reflect the "in the money" value of the warrants. This is determined by using a formula which reflects the higher of: (i) the prevailing market value of the ordinary shares for the three months prior to exercise (volume weighted average price or 'VWAP'); and (ii) the Company's net asset value as calculated by the Board in the previous September.

INVESTMENT POLICY

The Company's investment policy was set out in its Admission Document and is reproduced below. There has been no change in its investment policy since admission of the Company's shares to trading on AIM ("**Admission**").

Strategy

The Company's primary objective is to build capital value over the long term by making investments in a diversified portfolio of Myanmar businesses that the Directors believe will benefit from Myanmar's re-emergence. In the first few years it is expected that the portfolio of the Company will be concentrated as it seeks out new potential investments. However, in time and subject to available opportunities the Directors intend to diversify the portfolio.

*The Company intends to be a proactive investor, seeking to add value to the development of each of the entities in which it (or one of its subsidiaries) invests (an '**Investee Company**'). As such, the Company will usually, where permitted under Myanmar or other applicable law, seek participation in the management process through board representation, with a view to helping improve the performance and growth of the Investee Company. The Company may acquire majority or minority stakes in Investee Companies.*

Value may be added through advice on such matters as capital structure and introductions to potential foreign lenders, introductions to foreign markets, sourcing suitable senior management hires or mentors to help develop the business, access to foreign technical partners, implementation of governance issues and listing on the Yangon Stock Exchange (YSX) or other regional bourse.

Where appropriate the Company may seek to bring in strategic investors who are capable of adding operational value to the Investee Company.

Investment Categories

Investments will fall into two categories, core investments and financial investments:

Core Investments

The Company intends that its core investments will be in businesses which, in the Directors' opinion:

- *are considered essential to the domestic economy in Myanmar;*
- *are businesses where there are limited opportunities, creating a medium term barrier to entry; and/or*
- *are capable of being built into leading franchises in Myanmar.*

For core investments, the Company will seek to help the Investee Company enhance its return on equity and, as soon as it is prudent, generate dividends. When appropriate, the Investee Company will be encouraged to list on a local or regional stock exchange although the Group will generally expect to continue to hold its investment for a further period of time.

It is expected that core investments will be held until such time as the Directors believe that long term growth rates have started to moderate. As such there will not be an expectation of a near term disposal unless a compelling opportunity for full or partial divestment arises.

Financial Investments

The Company's financial investments are intended to be 'private equity style' investments where the Company sees potential for capital gains and liquidity.

Financial investments therefore, unlike core investments, are expected to be made only when there is a realistic and credible exit plan. As such they are likely to be disposed of within a five- to seven-year time horizon, though this may be adjusted in appropriate circumstances. Exits may be achieved through listings on the YSX or on suitable overseas stock exchanges, trade sales or share swaps.

It is expected, in the initial years, that the Company's investments will typically range between US$5 million and US$25 million, although it may consider larger or smaller investments. Investments that are larger than the Company's existing resources are expected to be funded through further equity issues. Additionally, where an Investment Target is larger than the Company's appetite or does not fall within the Investment Policy, the Group may seek to generate fee income (for example placement and management fees and carried interests) through placements to financial investors.

Sanctions and Restrictions

The Company will comply with any sanctions and restrictions imposed by the EU, the UK, the BVI and Singapore. The Directors will also take into consideration other actions by jurisdictions relevant to the business of the Company relating to investment in and trade with Myanmar. Should there be any addition to or re-imposition of sanctions or restrictions at any time in the future, the Directors will seek to ensure compliance with such regulations.

Portfolio

The Company expects to build a diversified portfolio. However, this will take some time and as a consequence, particularly during the early life of the Company, its investment portfolio will be concentrated in a limited number of Investee Companies.

There is no minimum or maximum number of companies that the Company can invest in at any one time. Similarly, there are no sector limits nor minimum or maximum exposure limits to any one company or joint venture partner.

Geographical Diversity

The Company will primarily make investments in companies, businesses or assets located in Myanmar. This will include Myanmar businesses that are listed on foreign stock exchanges but also foreign companies that have a material exposure to doing business with or in Myanmar.

Forms of Investment

The Company may employ all forms of permitted investment mechanisms, utilising instruments and structures that might be suitable to allow participation in Investment Targets in a manner that seeks to minimise risks and maximise rewards. The Company may invest in equity, quasi-equity or debt instruments, which may or may not represent shareholding or management control. Investments are likely to be made through special purpose vehicles established specifically for each Investee Company, or by way of legal joint ventures or nominee or trust structures. In some circumstances the Company may invest via contracts that grant an economic interest in an asset.

Because Myanmar businesses are relatively small compared to their more developed Asian counterparts, the Company's investments are more likely to be in the form of expansion capital than buyouts and may also be in greenfield businesses.

Funding of Investments

In order to finance future Investments, the Company will issue further Ordinary Shares to raise capital as and when investment opportunities become available. The Company may also consider issuing Ordinary Shares as consideration for acquiring Investments or have the Company or one of its subsidiaries issue debt or hybrid financial instruments.

<u>Borrowings</u>

The Directors believe that an appropriate amount of appropriately structured debt could enhance the overall returns from the Company's Investments.

It is the Directors' present intention that any borrowings taken on in support of an investment should ideally be raised at a subsidiary level on a non-recourse basis. Where this is not available and the Directors consider that the assumption of debt will enhance the overall return from an investment without giving rise to a disproportionate risk, then the Company may borrow directly or may provide guarantees to its subsidiaries for such borrowings. The Directors do not intend to take on borrowings of more than 50% of the prevailing net asset value ("NAV") of the Company, though if the NAV were to decline this benchmark might be breached.

The Company or its subsidiaries may also issue hybrid financial instruments and may borrow in any currency that the Directors consider appropriate.

It is not expected that the Company will borrow to fund its operating expenses.

Guests at MIL's Investor Day in Yangon

<u>Sectors</u>

The Company does not plan to limit itself to any specific sectors. However, at this time there are certain sectors falling within its Investment Policy which, given the large funding requirements typically required, it would not currently look to focus on. These sectors include large real estate development, infrastructure development and exploration and production of natural resources. However, the Company would consider establishing sector specific vehicles in the future - possibly with suitable joint venture partners - to participate in such opportunities.

Whilst the Investment Policy is not sector specific, in assessing which sectors the Company may invest in, the following themes will be considered:

- *Regulatory framework: under present foreign investment regulations there are limitations and prohibitions imposed with regard to foreign investment in certain specified sectors. However, these regulations may be subject to change and refinement.*
- *Ease of upgrading: the Directors believe that there are many areas of the Myanmar economy that can benefit from practices and technology that are commonplace in Western and other Asian economies without the need to introduce advanced technology. Relatively easy to implement changes can have a significant improvement on efficiency and profitability. These might be in manufacturing industries but also in services such as distribution and retailing.*
- *Scalability: the Company will be looking at sectors where there are opportunities for significant scalability given their potential, both domestically and in export markets.*
- *Barriers to entry: in some sectors being first to market may help secure key retail locations or licences, giving rise to competitive advantages.*
- *Leverage: the Company will take into consideration the availability of locally sourced debt where that may be influenced by the nature of the underlying business.*

Key sectors particularly attractive to the Company are those experiencing acute supply vs. demand imbalances, such as consumer (products, services, retail, distribution) and other capacity-constrained (infrastructure, energy, logistics) sectors.

DIRECTORS' REPORT

Modern buses now ply Yangon's busy streets

Investment Policy Review

The Directors will review the investment policy on an annual basis and, subject to their review and in the absence of unforeseen circumstances, the Company intends to adhere to the Investment Policy for the foreseeable future.

Notwithstanding the above, should the Company wish to make a material change to its Investment Policy, which may be prompted, inter alia, by changes in government policies or economic conditions which alter, reduce or introduce investment opportunities, the Company will seek prior shareholder consent at a general meeting.

In the event of a breach of the Investment Policy or any restrictions imposed on the Investment Policy, if the Board considers the breach to be material, notification shall be made to a Regulatory Information Service provider.

RESULTS AND DIVIDENDS

The Directors assess the Group's net asset value (attributable to the shareholders of the Company) as at 31 March 2018 to be US$37.9 million (2017: US$29.2million), a 29.6% increase over the year. The net asset value per share as of 31 March 2018 was US$1.01 per share (2017: US$0.96 per share) based on the shares in issue at that time. This change principally reflects the increases in the Director's assessment of the values of Apollo Towers and MFIL together with the proceeds from the fund raising in June 2017 less the Group's costs for the year.

The results for the year are set out in detail in the consolidated statement of comprehensive income.

The Directors do not recommend the payment of a dividend for the financial year ended 31 March 2018.

REVIEW OF THE COMPANY'S BUSINESS AND FUTURE OUTLOOK

The Chairmen's Letter and the Executive Directors' Report provide further details as to the development of the business in the year under review as well as the future outlook.

DIRECTORS

The members of the Board are listed in the section headed "Board of Directors".

Aung Htun and Michael Dean served as Executive Directors throughout the year under review. William Knight, Craig Martin, Henrik Bodenstab and Christopher Appleton, all of whom are independent Non-Executive Directors, also served throughout the year under review.

On 1 June 2018 Aung Htun became Deputy Chairman and Craig Martin became Managing Director.

In accordance with the Company's articles of association, Aung Htun, Craig Martin and Henrik Bodenstab retire by rotation and offer themselves for re-election at the Company's Annual General Meeting. Chris Appleton has advised that he will step down as a Director at the end of October 2018.

The means by which the Board administers its responsibilities are set out in detail in the Chairman's Statement on Corporate Governance.

DIRECTORS' SHAREHOLDINGS

There are no requirements in place pursuant to the Company's articles of association for the Directors to own shares in the Company.

At the date of signing this report, the Directors' interests in the equity of the Company were as follows:

Director	Ordinary Shares	Warrants	Share options
William Knight	28,000	3,000	157,005
Aung Htun	677,000	123,000	899,626
Craig Martin	237,372	145,000	167,005
Michael Dean	410,000	98,000	815,626
Henrik Bodenstab	585,849	181,159	35,000
Christopher Appleton	190,372	98,000	177,005

SHARE OPTION PLAN

The Company established its share option plan as a long-term incentive scheme for its employees, Directors and advisers, built around the fundamental principle of aligning their interests with those of our shareholders. It was envisaged that it would be used for five years and then re-assessed. As a result of that re-assessment the Board has decided that no further options will be granted, though the existing options will remain in place. In future the carried interest plan will be the Company's long-term incentive scheme.

The share option plan is designed to reward a participant only if there is an appreciation in value of the Company's share price. The share option plan is administered by the Remuneration Committee.

The share option plan provides that share options available for grant by the Company shall constitute a maximum of one-tenth of the total number of ordinary shares in issue on the date preceding the date of grant (excluding shares held by the Company as treasury shares and founder shares).

Any issue of ordinary shares by the Company enables the Remuneration Committee to grant further share options which are granted with an exercise price set at a 10% premium to the subscription price paid by shareholders for the issue of ordinary shares that gave rise to each tranche of the share options. However, the share options that arose as a result of the ordinary shares issued in connection with Admission have an exercise price of US$1.10.

Share options can be exercised at any time after the first anniversary and any time up to the tenth anniversary of the grant of the share options (as may be determined by the Remuneration Committee in its absolute discretion). Share options will not be admitted to trading on AIM but application will be made for ordinary shares that are issued upon the exercise of the share options to be admitted to trading on AIM.

Series	Placing	Number of share options	Options granted as at 31 March 2018	Options available to be granted	Exercise price (US$)
Series 1	Admission	584,261	584,261	-	1.100
Series 2	December 2014	361,700	361,700	-	1.155
Series 3	July 2015	1,734,121	1,727,067	7,054	1.265
Series 4	September 2016	324,546	-	324,546	1.430
Series 5	June 2017	618,112	-	618,112	1.298
		3,622,740	2,673,028	949,712	

In conjunction with the introduction of the Carried Interest Plan, on 17 September 2018 the Board cancelled the 949,712 unissued options.

DIRECTORS' REPORT

CARRIED INTEREST PLAN

As noted above the Company has put in place the carried interest plan to be the Company's long-term incentive scheme and no further grants of share options will be made under the original employee share option plan. As a long-term incentive scheme for its employees, Directors and advisers, it is built around the fundamental principle of aligning interests with those of our shareholders.

The carried interest plan was adopted by the Remuneration Committee and the Board on 17 September 2018.

Under the carried interest plan, beneficiaries will receive a portion of the "excess profits" made from the final realisation of an investment. In computing the excess profits:

- The starting value for MFIL and Apollo Towers will be the Directors' appraised NAV of those investments as at 31 March 2017, adjusted for any later capital injections, to reflect the fact that no share option grants have been made since November 2016.
- The starting value for Medicare will be its cost.
- A hurdle rate of 10%, compounded annually, will be applied.

The carried interest plan will receive 10% of any resultant excess profit and this will be allocated between the beneficiaries by the Remuneration Committee.

INSURANCE

The Group maintains appropriate insurance including D&O insurance in respect of its Directors and officers.

RELATED PARTY TRANSACTIONS

Other than the Directors' compensation, details of which are described in the section headed "Directors' Remuneration Report", the Group has not undertaken any related party transactions during the year under review.

SUBSTANTIAL INTERESTS

At the date of signing this report, the following interests of 3% or more of the issued ordinary share capital had been notified to the Group:

Name	Number of Ordinary Shares	Percentage of Issued Capital
LIM Asia Special Situations Master Fund Limited	7,718,665	20.5%
Stewart Investors Asia Pacific Fund	3,653,695	9.7%
Probus Opportunities SA SICAV-FIS – Mekong Fund	2,118,644	5.6%
Red Oak Operations Limited	2,105,569	5.6%
Chasophie Group Limited	1,601,086	4.3%
Alpha Investments Asia FCP-SIF Fund	1,449,475	3.9%
Finanzverwaltungs GbR Langen II	1,443,051	3.8%
Pachira Holdings Limited	1,113,499	3.0%
Crystal Consultancy Services Limited	1,113,499	3.0%

GOING CONCERN

Based on the Group's current resources and projected cash flows, the Board believes that the Group will be able to satisfy its working capital requirements for at least the next twelve months. The Board has therefore concluded that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

LITIGATION

The Group is not engaged in any litigation or claim of material importance, nor, so far as the Directors are aware, is any litigation or claim of material importance pending or threatened against the Group.

BUSINESS INTEGRITY

The Directors place great emphasis on business integrity in all aspects of the Group's operations.

Whilst conforming to appropriate regulations this emphasis goes further and is embodied in the Group's culture.

Specifically, the Group's business integrity culture seeks to ensure compliance with a broad range of ethical considerations, not all of which are financial in nature. These include:

- Sanctions;
- Financial Action Task Force ("FATF") recommendations;
- Anti-Money laundering ("AML");
- Countering the Financing of Terrorism ("CFT");
- Anti-Bribery procedures;
- Whistleblowing procedures;
- Politically Exposed Persons ("PEP");
- Confidentiality;
- Share Dealing; and
- Social and environmental considerations.

In furtherance of these aims all staff receive training in all of these areas.

Additionally, the Group conducts a risk-focussed approach to all its business dealings with third parties. This will include conducting appropriate enquiries as to the background and sources of funding of significant counter-parties including potential new shareholders (where a new equity issue is involved), potential Investee Companies and potential staff. This may involve retaining third party research and assessment functions.

PAYMENT TO SUPPLIERS

The Group's policy is to agree the terms of payment with suppliers prior to engaging them, to ensure that suppliers are made aware of the terms of payment, and to abide by the terms of payment.

TRANSPARENCY TO SHAREHOLDERS

The Company seeks to be open and transparent to its shareholders. In accordance with AIM rules, the Company will use the RNS of the London Stock Exchange to announce significant milestones. It has also established a website that allows viewing of published information.

All Shareholders are encouraged to attend the Annual General Meeting and ask further questions.

INTERNAL CONTROLS

The Directors acknowledge their responsibility for the Group's system of internal control and for reviewing its effectiveness. However, the system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives and as such can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board also considers the process for identifying, evaluating and managing any significant risks faced by the Company.

The Audit Committee confirms that it has reviewed the Group's risk management and internal control systems and believes that the controls are satisfactory given the size and nature of the Group.

DIRECTORS' REPORT

FINANCIAL RISK PROFILE

The Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to set out its overall business strategies, tolerance of risk and general risk management philosophy. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Further details on financial risk management objectives and policies are given in the notes to the consolidated financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

All of the Directors confirm that they have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

AUDITORS

BDO LLP were appointed as auditors to the Group during the period and have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board of Directors

WILLIAM KNIGHT
Chairman
21 September 2018

CRAIG MARTIN
Managing Director
21 September 2018

CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

Dear Shareholders

Since March 2018, in compliance with the change in the AIM Rules for Companies, the Company has adopted the Quoted Companies Alliance ("**QCA**") 2018 Corporate Governance Code as it believes it to be a well-established corporate governance framework grounded in international best practices which is appropriate for the Company given its size and Investment Policy.

The QCA 2018 Corporate Governance Code sets out ten principles of corporate governance:

Companies need to deliver growth in long-term shareholder value. This requires an efficient, effective and dynamic management framework and should be accompanied by good communication which helps to promote confidence and trust.

Deliver growth
1. Establish a strategy and business model which promotes long-term value for shareholders
2. Seek to understand and meet shareholder needs and expectations
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

Maintain a dynamic management framework
5. Maintain the board as a well-functioning, balanced team led by the chair
6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement
8. Promote a corporate culture that is based on ethical values and behaviours
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

Build trust
10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

It should be noted that during the year to 31 March 2018 the Company was not under an obligation to actually comply with any Corporate Governance code but nonetheless had been using the QCA Corporate Governance Code as a suitable framework to guide the Board.

I address each of the QCA 2018 Corporate Governance Code's ten principles of corporate governance in turn below.

1. ESTABLISH A STRATEGY AND BUSINESS MODEL WHICH PROMOTE LONG-TERM VALUE FOR SHAREHOLDERS

The Company's strategy is to establish a business development and investment platform that seeks to make sensible investments in Myanmar, to capitalise on the growth opportunities there.

A more detailed analysis of the implementation of the Company's business strategy is set out in detail in the "Investment Policy" section of the Directors' Report.

In essence the Company is seeking to make capital gains and/or derive income from investments in Myanmar.

The key challenges are those that derive from:

- Operating in a frontier economy, including the attendant higher operating expenses and relatively limited pool of experienced executives and network of professional advisers; and
- Sourcing, making, managing and realising investments.

The Board seeks to manage the risks inherent in this strategy by:

- Recruiting high calibre and experienced professionals and providing them with meaningful incentives that are aligned to the interests of shareholders;
- Maintaining and developing an active presence on the ground in Yangon;
- Maintaining and developing a network of Myanmar contacts to assist in investment sourcing, execution and realisation as well as maintaining a strong "finger on the pulse" of developments in the country;
- Conducting robust due diligence on investment opportunities and negotiating minority protections where applicable;
- Maintaining a rigorous monitoring process of both the executive staff and the investee companies;
- Ensuring an on-going programme of staff training on investing, changing rules and regulations in Myanmar and business ethics; and
- Proactively looking for opportunities to add value to each of the investee companies.

The section on "Risk Factors" on page 54 of the Company's Admission Document which can be found on the Company's website should also be read.

2. SEEK TO UNDERSTAND AND MEET SHAREHOLDER NEEDS AND EXPECTATIONS

The Company was established for a very specific purpose and this purpose has been clearly communicated to potential shareholders, initially through the Admission Document, a copy of which is on the Company's website. In addition, the Company's website, in compliance with AIM Rule 26, contains a detailed description of the Company and its business.

Since Admission the Board has sought to maintain an open dialogue with the Company's shareholders through:

- its Annual General meeting;
- the Regulatory News Service ("RNS") system of the London Stock Exchange;
- periodic mailing and press releases;
- its website myanmarinvestments.com;
- meetings with shareholders in the major financial cities in which its shareholders are based, including Singapore, Hong Kong, Bangkok, Dubai, Hamburg, London and Edinburgh;
- the Company's investor forums which have been held in Yangon; and
- maintaining an active social media communications platform through LinkedIn, Twitter and Facebook, today the latter having over 4,800 followers.

In addition, the Company responds promptly to any requests for information from shareholders and potential investors, within the limits of ensuring that unpublished price sensitive information is disclosed only via the appropriate regulatory channels.

The Company believes it has been successful in maintaining an open and transparent dialogue with its shareholders, especially given its relatively small size and limited personnel.

In terms of communication, shareholders and potential investors can use the dedicated email address enquiries@myanmarinvestments.com or contact directly Mike Dean, the Finance Director at mikedean@myanmarinvestments.com

or

William Knight (Chairman)	william.wknight@gmail.com
Aung Htun (Deputy Chairman)	aunghtun@myanmarinvestments.com
Craig Martin (Managing Director)	craigmartin@myanmarinvestments.com

3. TAKE INTO ACCOUNT WIDER STAKEHOLDER AND SOCIAL RESPONSIBILITIES AND THEIR IMPLICATIONS FOR LONG-TERM SUCCESS

The Board seeks to take into account the views of other stakeholders, other than the shareholders, in the execution of the Company's Investment Policy.

Other stakeholders that the Board seeks to engage with include:

- Employees – the Company seeks to provide a rewarding career for its staff in a caring and encouraging environment that enables each individual to maximise their potential. As illustrations of this, but by no means an exhaustive summary:
  - the Company provides extensive training for its staff, including on the job training that is supplemented by more formal training courses that are run in-house or by external trainers, including on-line training schemes;
  - the Company considers itself to be 'gender blind' in its approach to its employees: it does not take gender into account when recruiting, promoting, training or remunerating its employees. There has never been an instance of a gender pay gap in its remuneration of its staff; and
  - all new joiners are required to confirm they are familiar with the Employee Handbook, including the sections on:
    - non-discrimination *("employees are not to engage in any practice or behaviour which discriminates against another person on the grounds of their age, sex, race, religion or physical attributes. Similarly, the Company will not tolerate aggressive or bullying behaviour within the workplace");* and
    - ethics, including understanding the Company's policy on bribery, confidentiality and its Share Dealing Code.
- Partners – the Company seeks to be a reliable and supportive business partner to each of its co-investors, looking to add value wherever possible and to work together to maximise the value of each business. In this context 'value' may not just be financial value but also the value that the businesses bring to their own employees, sub-contractors, customers and local communities. For example, working with our joint venture partners to ensure that the lending practices of MFIL adhere to the highest ethical standards, or working with Apollo Towers to ensure that child labour is not used by any of its sub-contractors.
- Community – the Company's three investments all have significant positive benefits for the communities in which they operate:
  - Apollo Towers provides essential infrastructure on which the country's telecommunication network depends. Myanmar people can now readily communicate and access information and this not only brings education and enrichment to their lives but also supports their, and the country's, economic advancement;
  - MFIL provides much needed access to financing for people wishing to start and develop their simple micro-businesses. This is an area that Myanmar, like many emerging economies, desperately needs; and
  - Medicare aims at providing a wider range of international and authentic brands of health and

beauty products to its customers. Every Medicare store adheres to Good Pharmacy Practice to contribute to health improvement and to help customers with health problems make the best use of genuine, high quality and affordable medicines.

- Society – where appropriate the Company has supported local charitable causes. During the devastating floods of 2015 it donated to the Red Cross to assist in its effort in alleviating the damage done by the storms. This year's calendar features a different local charity each month. The Company made a modest donation to each and provided the contact details so that others might be able to also support them if they felt so moved.

4. EMBED EFFECTIVE RISK MANAGEMENT, CONSIDERING BOTH OPPORTUNITIES AND THREATS, THROUGHOUT THE ORGANISATION

The Board is responsible for managing the risks inherent in the Company's strategy and the implementation of that strategy.

To ensure that appropriate resources are focussed on the key risk areas the Board has set up two sub-committees: the Investment Committee and the Audit Committee.

Investment Committee

The Investment Committee comprises Aung Htun, Michael Dean, Henrik Bodenstab and Craig Martin and for the year under review was chaired by Craig Martin, who at the time was an independent non-executive director. Since the financial year end, Craig Martin has become Managing Director and Henrik Bodenstab has become Chairman of the Investment Committee.

During the year under review there were 17 meetings of the Investment Committee and all the members of the committee attended all of the meetings.

The Investment Committee is the principal manager of the Company's exposure to risk that might arise from within the Company's core investing activities. The Investment Committee has responsibility for, amongst other things, establishing the investment policy, guiding management in the execution of this policy, monitoring the deal flow and investments in progress, supervising the management team's handling of investments, and planning the realisation of investments. During the year under review, the Investment Committee carried out quarterly evaluations of each of the investments, assessed a number of specific new investment opportunities, and reviewed and prioritised the deal flow of potential investment opportunities. The Investment Committee has made recommendations to the Board regarding making investments and is responsible for computing the Company's net asset value for the Board's consideration.

Audit Committee

The Audit Committee comprises Craig Martin, William Knight and Henrik Bodenstab and for the year under review was chaired by Craig Martin, who at the time was an independent non-executive director. Since the financial year end Craig Martin has become Managing Director and William Knight has become Chairman of the Audit Committee.

During the year under review there were five meetings of the Audit Committee and all the members of the committee attended all of the meetings.

The Audit Committee has responsibility for, amongst other things, the planning and review of the Company's annual report and accounts and half-yearly reports and the involvement of the Company's auditors in that process. The Audit Committee also has oversight of the Company's cash flow projections. The committee focuses in particular on compliance with legal requirements, accounting standards and on ensuring that an effective system of internal financial control is maintained over the Group's underlying assets and liabilities as well as the books and records. The ultimate responsibility for reviewing and approval of the annual report and accounts and the half-yearly reports remains with the Board.

The Audit Committee also advises the Board on the appointment of the external Auditors, reviews their fees and the audit plan. It approves the external Auditors' terms of engagement, their remuneration and any non-audit work.

The Audit Committee also meets the Group's auditors and reviews reports from the Auditors relating to accounts and internal control systems. The Audit Committee meets with the Auditors as and when the Audit Committee requires and, in conformity with good practice, meets the Auditors without the presence of the executive directors.

Auditor objectivity and independence is safeguarded through limiting non-audit services to tax work.

Share Dealing

The Company has adopted a share dealing code to comply with the EU Market Abuse Regulation ("MAR") that is consistent with the obligations set out in Rule 21 of the AIM Rules for Companies relating to directors' dealings in ordinary shares and warrants. The revised share dealing code was approved by the Board on 3 July 2016. The Company takes all reasonable steps to ensure compliance by the Directors and the Group's applicable employees.

The Takeover Code

As the Company was incorporated in the BVI, it is not treated as being resident in the UK, the Channel Islands or the Isle of Man by the UK Panel on Takeovers and Mergers and therefore it is not subject to the UK Takeover Code. However, the Company has incorporated certain provisions into its articles of association which are broadly similar to those of Rules 4, 5, 6 and 9 of the Takeover Code. It should however be noted that, as the Takeover Panel will have no role in the interpretation of these provisions, shareholders will not necessarily be afforded the same level of protection as is available to a company subject to the Takeover Code which now has the effect of law for those companies within its jurisdiction. Additionally, the Directors have the right to waive the application of these provisions.

Financial Action Task Force ("FATF")

The Company's operations manual is drafted to ensure the policies and procedures associated with its operations and investments are compliant with FATF requirements.

On 24 June 2016 Myanmar was recognised by the FATF as having made significant progress in addressing its strategic anti-money laundering/counter terrorist financing deficiencies earlier identified by the FATF and included in its action plan. As a result, Myanmar is no longer subject to monitoring by the FATF.

5. MAINTAIN THE BOARD AS A WELL-FUNCTIONING, BALANCED TEAM LED BY THE CHAIR

The Board seeks to ensure that it is comprised of a well-balanced mix of professionals whose individual skill sets and extensive experiences complement each other to ensure that the Board has the requisite resources to enable the Company to achieve its strategic goals. If resources permitted, the Board would consider the inclusion of other members with diverse backgrounds to provide a broader range of skill sets, perspectives and experiences.

The Board is responsible for setting Company strategy and then ensuring that the Company has the requisite wherewithal to achieve that strategy.

Out of a total of six directors, the Board comprises two executive directors (Craig Martin, the Managing Director, and Michael Dean, the Finance Director), one non-executive non-independent director (Aung Htun) and three non-executive independent directors (William Knight, Henrik Bodenstab and Christopher Appleton). There is a clear separation of the roles of the Managing Director and the Chairman.

The Board meets regularly and is provided with timely updates and information from the two Executive Directors. As and when there are urgent commercial or other corporate matters, Board meetings are convened to seek guidance from the Board or to elicit a decision. All directors are expected to act in good faith and to act in the interests of the Company.

CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

The Chairman oversees the agenda for all Board meetings liaising closely with the executive and non-executive directors. The same applies for the meetings of the various committees outlined below and their respective chairmen. The Chairman is specifically responsible for the Chairman's Report and the Chairman's Statement on Corporate Governance in the Annual Report, and answerable to the shareholders on behalf of the Board for them. The Chairman is ultimately responsible to shareholders for the ethos, and oversight of good practice, of the executive management.

The Board is supported by the Investment Committee, the Audit Committee, the Remuneration Committee and the Nomination and Corporate Governance Committee. Since Admission, these committees have been established with clear terms of reference and they regularly review matters within their purview.

The Directors have access to the Company's nominated adviser ("Nomad"), broker, legal advisers, auditor, company secretary and, should it prove necessary in the furtherance of their duties, to independent professional advice at the expense of the Group.

Unless there is an unexpected event, Board and committee meetings are scheduled well in advance at a time and place that will enable the Directors to participate. All members of the Board are expected to attend each Board meeting and to arrange their schedules accordingly, although non-attendance is occasionally unavoidable.

An agenda and supporting papers are circulated to the Board and the relevant committees well in advance of the meeting. Directors may request any agenda items be added that they consider appropriate for Board discussion. Additionally, each Director is required to inform the Board of any potential or actual conflicts of interest prior to Board discussion.

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

Number of Meetings and Directors' Attendance

During the year under review there were 24 Board meetings and all directors attended all of them.

During the year under review there were appropriately timed meetings of each of the sub-committees: the Investment Committee held 17 meetings; the Audit Committee held five meetings; the Remuneration Committee held six meetings; and the Nomination and Corporate Governance Committee held three meetings. All the members of the various committees attended all of their respective meetings.

6. ENSURE THAT BETWEEN THEM THE DIRECTORS HAVE THE NECESSARY UP-TO-DATE EXPERIENCE, SKILLS AND CAPABILITIES

The following is a summary of the relevant experiences, skills and personal qualities and capabilities that each director brings to the Board. It should be read in conjunction with their biographies above.

CHRISTOPHER WILLIAM KNIGHT, *Independent Non-Executive Chairman*

Mr Knight has held a long career in the financial services sector, first at Lazard Brothers as an export credit negotiator and then within the Lloyds Bank group over 18 years in a variety of senior positions including spells in Hong Kong, covering the Indo-Asia Pacific region, and Portugal, where he directed the Bank of London and South America, a wholly owned subsidiary of the Lloyds Bank group. The experience prepared him well for a career dedicated to financing the development of frontier and emerging economies as an independent practitioner. It is his long-standing and on-going experience as a board member of a variety of both listed and private investment companies for frontier markets, his chairmanship of a variety of AIM listed companies as well as his strategic knowledge of many parts of Asia, that he brings to the Board of Myanmar Investments; (Myanmar being a country in which he was first doing business over 35 years ago). His breadth of knowledge, relevant experience and independence of thought complements the other members of the Board.

His current Chairmanship of a Hong Kong based sustainable technology investment company and his on-going advisory roles relating to the Asian region ensures that not only is he regularly visiting the region but also is maintaining an up-to-date knowledge base. He also regularly attends relevant conferences, seminars and meetings of professional bodies.

MAUNG AUNG HTUN, *Deputy Chairman*

Aung Htun has worked in Thailand for over 30 years during which time he founded, and was Managing Director of, Seamico Securities, a leading investment banking and broking company which went public in 1995. He has also led, or is an investment committee member of, various Thai focussed private equity investment operations which have exposed him to a variety of industrial sectors. In these roles he has built up a wide network of senior corporate executives, entrepreneurs and investor contacts, many of which have shown interest in Myanmar.

Mr Htun has a long experience of involvement in governance and management of publicly listed companies. In addition to Seamico Securities, he founded and was on the board of Siam Selective Growth Trust Plc. (a London Stock exchange listed investment trust managed by Seamico) and has sat on the boards of various Stock Exchange of Thailand listed companies as a non-executive director as well as an audit committee member.

In addition to commercial interests in Myanmar he has been appointed by Myanmar's State Counsellor to the committee to review the restructuring of the Yangon Electricity Supply Company.

Through these various roles Aung Htun brings financial, governance, management and investment experience as well as a wide network of relationships in both Myanmar and Thailand which is a key investor in, and trading partner of, Myanmar.

He attends seminars and training courses in both Bangkok and Yangon on pertinent subjects.

CRAIG ROBERT MARTIN, *Managing Director*

For the past 25 years Mr Martin has worked and invested in a number of the emerging and frontier markets of South East Asia including Cambodia, Laos, Vietnam and Myanmar. In addition to working with entrepreneurs and providing market entry and consulting studies for multinationals in these markets, he has led investments across South East Asia for institutional investors including Standard Chartered Bank, Prudential and CapAsia. Mr Martin has also lived in Cambodia and Vietnam giving him first-hand experience of the challenges of working in markets such as Myanmar.

With these accumulated experiences, Mr Martin is well versed in the origination, negotiation and financing of investment opportunities in countries not dissimilar to Myanmar. He has also successfully overseen the development of such investments and led them to profitable exits. His work with international investors makes him very familiar with international standards of corporate governance.

Mr Martin is a regular contributor and attendee at conferences on investing in South East Asia. He is a member of the Singapore Institute of Directors and keeps himself updated on corporate governance and risk management through seminars and publications.

CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

ANTHONY MICHAEL DEAN, *Finance Director*

Mr Dean is a qualified accountant (ICAEW) and a member of the UK's Chartered Institute of Taxation and the Singapore Institute of Directors. He has lived in Asia for 25 years of his 35 year career working in many of the emerging economies of the region. During this time he has held senior posts in financial institutions such as CLSA (Head of its Investment Banking and co-Head of its Private Equity businesses) and Prudential plc's Asian private equity division as well as spending 10 years in shipping as CFO of the Epic Shipping Group. He is a non-executive independent director of Singapore main board listed Delfi Limited, where he chairs both the Audit Committee and the Risk Management Committee.

This accumulated experience makes him ideally placed to provide both the financial disciplines and investment acumen that the Company, and its investee companies, need. This is especially so in the context of a listed company doing business in a challenging emerging economy such as Myanmar.

Mr Dean regularly attends seminars and courses in Yangon on the changing economic, legal, banking and commercial landscape. He also attends courses in Singapore on changes in accounting standards, risk management and other pertinent topics.

HENRIK ONNE BODENSTAB, *Independent Non-executive Director*

Mr Bodenstab has over 25 years of relevant professional experiences which he brings to the Company in his role as an Independent Non-executive Director and Chairman of the IC.

During his tenure at the Boston Consulting Group Mr Bodenstab had extensive engagements in various industries, which covered broad strategic as well as operational challenges. This allowed him to gain very relevant experiences in effectively and systematically approaching new industries and companies.

After his time as a consultant Mr Bodenstab worked in executive operational roles both in companies he founded as well as larger established entities. During this time Mr Bodenstab gained expertise in many of the industries that Myanmar Investments is actively engaged in. He also worked extensively throughout Asia gaining first-hand experiences of the challenges and opportunities of newly developing markets.

Since 2014 Mr Bodenstab has been a partner in a private equity company. He has had extensive experience both of executing a number of investments for the funds it manages and of being engaged in multiple processes on the buy and sell side. This has equipped Mr Bodenstab to provide in-depth advice on the due-diligence processes, financing and funding rounds, development of investments to maximise returns for shareholders, as well as the development of corporate governance protocols appropriate for an institutional investor.

Overall Mr Bodenstab brings many years of expertise in strategic, operational and financial matters which are of great benefit to the Company.

CHRISTOPHER DAVID APPLETON, *Independent Non-executive Director*

Mr Appleton has held senior positions in the financial industry in Asia over a career of over 30 years. Initially training as a credit analyst in the Asia Pacific Banking department of Kleinwort Benson and taking a diploma in Accounting and Finance, Mr Appleton then developed these skills of analysing companies to the equity side of the business as an equity analyst in the Tokyo market covering a variety of companies in the automotive, aerospace and railway sectors. During a spell in Seoul he also brought these skills to the then emerging market of Korean equities and convertible bonds. Assessing the value of companies is a key skill.

After moving to the sales side Mr Appleton was responsible for client relations and how investors evaluate companies. Eventually moving on to equity management he developed skills of managing multinational teams and crafting and meeting budgets. Whilst managing FPK Asia (then a subsidiary of Swiss Re) he was responsible for all aspects of the brokerage in Asia including trading and corporate finance with responsibility for budgets and targets.

During all of his career Mr Appleton has been involved in assessing the quality of investments against other investments, and the reaction of investors. This and the skills of evaluating securities and managing complex budgets and teams is helpful in being an effective non-executive director on the board of an investing company.

Mr Appleton has attended FT NED events and training sessions in both Hong Kong and London and is also a member of the Guernsey Non-Executive Forum. In addition, he is a member of Chatham House and maintains a key interest in the politics and risks of Asia.

Collectively the Board believes it has the necessary skill sets to discharge its responsibilities.

The Board draws on specialist legal advice in the UK, Singapore and Myanmar if the need arises.

The Investment Committee will bring in specialist due diligence advisers when assessing the risks inherent in a given investment situation. These might cover commercial, financial or legal due diligence as well as seeking advice on such matters as insurance or IT aspects.

The Remuneration Committee has retained the services of external advisers to assist it in the formulation of compensation arrangements for the Executive Directors.

The NCGC has retained the services of external advisers to assist it in establishing protocols to ensure that the Company's business is conducted so as to comply with the FATF requirements.

7. EVALUATE BOARD PERFORMANCE BASED ON CLEAR AND RELEVANT OBJECTIVES, SEEKING CONTINUOUS IMPROVEMENT

Since Admission, the Board has sought to ensure that the Board itself was "fit for purpose" and at the same time has adhered to a level of corporate governance appropriate for a London-listed company operating in an emerging economy.

Nomination and Corporate Governance Committee

As such it established the Nomination and Corporate Governance Committee ("NCGC") and set down detailed terms of reference for the NCGC.

During the year under review the NCGC comprised Christopher Appleton, William Knight, Craig Martin and Aung Htun and was chaired by Christopher Appleton. During the year under review there were three meetings of the NCGC and all the members of the committee attended all of the meetings.

The NCGC is responsible for assessing the performance of the Board and the various committees and also considering new or replacement appointments to the Board or senior management. This committee is also responsible for ensuring the Company's compliance with the AIM Rules for Companies as well as other relevant corporate governance standards.

The NCGC annually formally assesses the effectiveness of the Board, the balance of skills represented and the composition and performance of its various committees.

The assessment of each individual board member includes attendance at meetings, preparation for each meeting, co-operation with the other Directors, effectiveness, their ability to follow up on a timely basis, their contact with shareholders, and, where relevant, their effectiveness as a committee chairman. To date none of the Board members has been found wanting and each has been elected to the position of Director by the Shareholders in general meeting.

The assessment of each committee includes regularity of meetings, effectiveness of the committee in meeting its terms of reference, knowledge of the subject matter, agenda making, minutes taken and again the committee's chairman's effectiveness. To date none of the committees has been found wanting.

The assessments of the individual board members and the committees are conducted in private with the individual assessments all being sent to the chairman of the NCGC who in turn reports the overall results to the board. The results have been fairly constant each year and at no time have indicated any areas of serious concern.

The Chairman of the Board has affirmed that the Board is adequately staffed to discharge its duties and each of the Committee Chairmen have confirmed that their Committees are adequately staffed to discharge their duties. The NCGC has confirmed that the Board has an appropriate balance of skills and experience in relation to the activities of the Group.

When considering the appointment and reappointment of Directors, the NCGC and the Board consider whether the Board and its committees have the appropriate balance of skills, experience, independence, knowledge and diversity to enable them to discharge their respective duties and responsibilities effectively.

The NCGC also established guidelines to determine, on an annual basis, the independence of each of the Directors. This requires a statement by each Director to affirm that there are no situations that could compromise their independence. Each other director then also has to affirm that they believe that Director to be independent. The process is repeated for all the four independent directors. To date all independent directors have been affirmed as being independent.

As of the date of this report the Board consists of six Directors. The Board does not believe that it is currently in the best interests of the Group to seek to appoint a new Director, in addition to the current Directors, to broaden the diversity of the Board. At the next occasion when the Board is looking to add new members, the Board would look to take that opportunity to redress the present gender imbalance, provided that a suitable candidate can be identified.

Shareholders vote on the re-appointment of at least one Director at each Annual General Meeting, with every Director's appointment being voted on by shareholders every three years.

During the year under review the NCGC ensured that all new employees received appropriate training and the employment handbook, which includes adequate explanation on such topics as share dealing, anti-bribery legislation, anti-money laundering and whistle blowing.

The NCGC has direct access to the Company's Nomad and, in conformity with good practice, non-executive members of the committee periodically met with the Nomad without the presence of the executive directors during the year under review.
The Board has direct access to the Company's statutory auditor and, in conformity with good practice, the members of the Audit Committee meet with the statutory auditor, at least once without the presence of the executive directors.

8. PROMOTE A CORPORATE CULTURE THAT IS BASED ON ETHICAL VALUES AND BEHAVIOURS

The Company's corporate culture is a blend of its vision, its values, its people and its practices.

Our vision is to build a diversified but focused stable of businesses that will benefit from Myanmar's emergence.

Our values are established by the Board and in particular the Executive Directors. These are conveyed to our staff and other the stakeholders through our business practices.

As noted above, the Company sets great store by ensuring that not only are its own operations conducted ethically but also the businesses of its investee companies must be run on similar lines.

In this regard the evaluation of both our staff and our investee companies includes an assessment of ethical behaviour. Any new investment opportunity is subject to our own proprietary "Business Integrity" assessment before we will proceed with it.

The Board ensures that during the year it interacts with all of our staff and all of our business partners to ensure that there is a consistency in their feedback on the values and corporate culture that we aspire to.

9. MAINTAIN GOVERNANCE STRUCTURES AND PROCESSES THAT ARE FIT FOR PURPOSE AND SUPPORT GOOD DECISION-MAKING BY THE BOARD

The Board is responsible for managing the Company in pursuing its clearly stated strategy.

The day-to-day running of the Company is the responsibility of the Executive Directors who are well versed in making investments of the type required by the Company's strategy as well as the responsibilities of a listed company.

The Managing Director in particular is responsible for the overall control and management of the Group, the development and implementation of the Group's investing and business strategies, for directing the Group's investment activities so as to achieve its strategic objectives, management of shareholder relations, and responsibility for planning and execution of fundraising activities.

The Finance Director in particular is responsible for the overall control and management of the finance and accounting functions of the Group, including the development of adequate internal controls, the maintenance of the Group's HR and IT systems, and for compliance with the Company's obligations as a BVI company and an AIM listed company.

In discharging this responsibility, the Board has established sub-committees to focus on key areas of risk management and good corporate governance. The work and terms of reference of the Audit Committee and the Investment Committee are described in Section 4 above and similarly the terms of reference of the NCGC is described in Section 7 above.

Remuneration Committee

The Remuneration Committee comprises William Knight, Craig Martin, Christopher Appleton and Henrik Bodenstab and is chaired by William Knight.

During the year under review there were 6 meetings of the Remuneration Committee and all the members of the committee attended all of the meetings.

The Remuneration Committee is responsible for establishing a formal and transparent procedure for developing policy on executive remuneration and to set the remuneration packages of individual Directors. This includes agreeing with the Board the framework for remuneration of the Managing Director and the Finance Director and such other members of the executive management of the Company as it is designated to consider. This includes the administration of the Employee Share Option Plan and the Carried Interest Scheme. It is also responsible for determining the total individual remuneration packages of each Director including, where appropriate, bonuses, incentive payments and allocation of Share Options. No Director plays a part in any decision about his own remuneration.

The Remuneration Committee's report for the year is included within this Annual Report.

CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

10. COMMUNICATE HOW THE COMPANY IS GOVERNED AND IS PERFORMING BY MAINTAINING A DIALOGUE WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

During the year under review, although the Company was not under an obligation to actually comply with any corporate governance code, nonetheless it had been using the QCA Corporate Governance Code as a guideline. There were no instances where there was a breach or a departure from the principles of the QCA Corporate Governance Code.

It is my belief that this report, taken together with the rest of the Annual Report, should provide the reader with a clear understanding of:

- the Company's strategy;
- the inherent risks in executing that strategy;
- the risk management processes taken to minimise risks and maximise returns;
- the allocation of duties between the Board, its sub-committees and the Executive Directors;
- our efforts to conduct an open dialogue with our shareholders;
- the engagement of the Company with other stakeholders; and
- the promotion and preservation of our Corporate culture.

Should anyone have any further questions or suggestions on how we might reasonably improve our performance in this regard then I would heartily encourage them to contact either myself (william.wknight@gmail.com) or either of the Executive Directors at their email addresses listed above in Section 2.

Yours faithfully

WILLIAM KNIGHT
Chairman of the Board
21 September 2018

REMUNERATION COMMITTEES' REPORT

REMUNERATION POLICY

The Remuneration Committee is responsible for determining the Remuneration Policy of the Company.

It is the Group's policy to ensure that compensation arrangements are appropriate and are fairly applied across the Group.

The Group's long term incentive plan was initially embodied within the Share Option Plan. With effect from 17 September 2018 this has been supplemented by the carried interest plan. Details of both the share option plan and the carried interest plan are provided in the Directors Report section of this annual report. Both of them are fundamentally driven around the principle of aligning interests with our shareholders. The Group's share option plan and carried interest plan are described in the Directors' Report.

DIRECTORS' REMUNERATION

The Directors' remuneration for each of the years ended 31 March 2018 and 2017 was (all amounts in US dollars):

Director	2018		2017	
	Directors' fees	Short term employee benefits[1]	Directors' fees	Short term employee benefits[1]
William Knight	40,000	-	40,000	-
Aung Htun[2]	-	455,893	-	456,747
Michael Dean	-	458,610	-	434,784
Craig Martin[2]	30,000	-	30,000	-
Christopher Appleton	30,000	-	30,000	-
Henrik Bodenstab	30,000	-	26,200	-
	130,000	914,503	126,200	891,531

1. *The short-term employee benefits also include rental expenses paid for the Directors' accommodation and bonuses totalling US$225,000 (2017: US$200,000) for the Executive Directors as determined by the Remuneration Committee.*

2. *During the financial year ended 31 March 2018 Aung Htun was the Managing Director and Craig Martin was a non-executive director. On 1 June 2018 Aung Htun became Deputy Chairman and Craig Martin became Managing Director.*

The remuneration of the Executive Directors is determined by the Remuneration Committee. The remuneration of the Non-Executive Directors is determined by the Remuneration Committee, but no director may vote on his own compensation arrangements.

No additional sums were paid in the year to Directors for work on behalf of the Company outside their normal duties.
The Remuneration Committee notes that the following Directors subscribed for shares in the share placing

REMUNERATION COMMITTEES' REPORT

undertaken in June 2017:

Director	Share Subscription US$
Aung Htun	358,720
Michael Dean	220,660
Craig Martin	50,000
Christopher Appleton	50,000
Henrik Bodenstab	50,000
	729,380

There are no further cash payments or benefits provided to Directors.

Each of the Non-Executive Directors of the Company, William Knight, Aung Htun, Christopher Appleton and Henrik Bodenstab have entered into a letter of appointment with the Company under the terms of which they each agreed to act as a Non-Executive Director of the Company. Each Non-Executive Director's appointment is subject to retirement by rotation in accordance with the Articles and is terminable by either party on one month's notice.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

BVI Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Under BVI company law the Directors must not approve the financial statements unless they are satisfied that, taken as a whole, the annual report and accounts provide the information necessary for the Shareholders to assess the Company's performance, business model and strategy and that they give a true and fair view of the state of affairs of the Company for that period. The Directors are also required to prepare financial statements in accordance with the AIM Rules for Companies.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board confirms that the annual report and accounts taken as a whole are fair, balanced and understandable and provide the information necessary for Shareholders to assess the performance, business model and strategy of the Company. The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's activities and disclose with reasonable accuracy at any time the financial position of the Company and ensure that the financial statements and the Directors' Remuneration Report comply with the BVI Business Companies Act, 2004. They also are responsible for safeguarding the assets of the Company and therefore for taking reasonable steps for the prevention of fraud and other irregularities.

Under the applicable law and regulations, the Directors are also responsible for preparing a Directors' Report and Statement of Corporate Governance that comply with that law and those regulations.

The accounts are published on www.myanmarinvestments.com which is maintained by the Company. The Company is responsible for the integrity of the website as far as it relates to the Company.

Each of the Directors, whose names and functions are listed in the Directors' Report confirms to the best of his knowledge:

- the financial statements, which have been prepared in accordance with IFRS give a true and fair view of the assets, liabilities, financial position of the Company; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Legislation in the British Virgin Islands governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

For and on behalf of the Board of Directors

WILLIAM KNIGHT
Chairman
21 September 2018

KEY AUDIT MATTERS

During the year, the Audit Committee ("AC") received, at least quarterly, financial statements together with supporting analyses and papers prepared by Management. These were reviewed in detail and the AC considered, with input from the independent auditors, the appropriateness of the critical accounting estimates and judgments made in preparing the annual financial statements.

In particular, the AC reviewed the following matter which it considers to be the sole "key audit matter" during its review of the annual financial statements for the financial year ended 31 March 2018.

Valuation of Available-for-sale Financial Assets
Please refer to Notes 3.2 and 11 of the financial statements.

As at 31 March 2018 the Group held an available-for-sale financial asset, being its investment in Apollo Towers Holdings Limited ("Apollo Towers") and this is reflected at its fair value as at that date.

The AC considered the fair value for Apollo Towers.

In doing this the AC reviewed:

- the Investment Committee's evaluations and the Board approvals of the same;
- the work done and advice provided from external professionals;
- Apollo Towers' business plans detailing its expectations of its future cash flows and its methodologies used in determining the estimates used;
- suitable valuation methodologies;
- comparable market-based valuation data and benchmarks;
- the basis for key assumptions applied by management such as:
    - long-term revenue growth rates for both anchor tenancies and co-location tenancies;
    - discount rates; and
    - terminal value determinants.

The AC discussed these with the management team and is satisfied that these are appropriate.

The AC concurred with the fair value of Apollo Towers as determined by management and the Investment Committee.

The AC also reviewed the adequacy of the disclosures in respect of this investment in Notes 3.2 and 11 of the financial statements.

The independent auditor's description of the key audit matter is included in the section "Independent Auditor's Report".

Other than the key audit matter described above, the AC reviewed the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2018, as well as the Independent Auditor's Report thereon prior to their submission to the Board of Directors for approval.

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

The Directors of Myanmar Investments International Limited (the "Company") present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 2018.

1. Opinion of the Directors

In the opinion of the Board of Directors,

(a) the consolidated financial statements of the Group together with notes thereon are properly drawn up in accordance with International Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group as at 31 March 2018 and consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year then ended; and

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

2. Directors

The Directors of the Company in office at the date of this statement are:

Christopher William Knight
Maung Aung Htun
Anthony Michael Dean
Craig Robert Martin
Christopher David Appleton
Henrik Onne Bodenstab

3. Arrangements to enable directors to acquire shares and debentures

Except as disclosed in paragraphs 4 and 5 below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

4. Directors' interests in shares or debentures

The following directors, who held office at the end of the financial year, had interests in shares in the Company (other than wholly-owned subsidiaries) as stated below:

Name of directors and companies in which interests are held	Shareholdings registered in name of director or nominee At 1 April 2017	At 31 March 2018
<u>Company</u>		
Myanmar Investments International Limited		
Number of ordinary shares		
Christopher William Knight	28,000	28,000
Maung Aung Htun	373,000	677,000
Anthony Michael Dean	223,000	410,000
Craig Robert Martin	195,000	237,372
Christopher David Appleton	148,000	190,372
Henrik Onne Bodenstab	543,477	585,849
Number of warrants to subscribe for ordinary shares of the Company		
Christopher William Knight	3,000	3,000
Maung Aung Htun	123,000	123,000
Anthony Michael Dean	98,000	98,000
Craig Robert Martin	145,000	145,000
Christopher David Appleton	98,000	98,000
Henrik Onne Bodenstab	181,159	181,159
Number of share options to subscribe for ordinary shares of the Company		
Christopher William Knight	157,005	157,005
Maung Aung Htun	899,626	899,626
Anthony Michael Dean	815,626	815,626
Craig Robert Martin	167,005	167,005
Christopher David Appleton	177,005	177,005
Henrik Onne Bodenstab	35,000	35,000

5. Share option plan

The Company has established a Share Option Plan (the "Plan") for the employees, Directors and advisers of the Group, as well as the employees, directors and advisers of its Investee Companies ("Participants").

The Plan is administered by the Remuneration Committee whose members during the financial year were:

- Christopher William Knight (Chairman)
- Craig Robert Martin
- Christopher David Appleton
- Henrik Bodenstab

5. Share option plan (Continued)

The Plan in respect of unissued ordinary shares in the Company was adopted by the Company on 21 June 2013.

The Plan is designed to reward a Participant only if there is an appreciation in value of the Company's share price.

The Plan provides that share options granted by the Company under the terms of the Plan shall constitute a maximum of one-tenth of the number of the total number of ordinary shares in issue on the date preceding the date of grant.

Any issue of ordinary shares by the Company will enable the Remuneration Committee to grant further share options which will be granted with an exercise price set at a 10 percent premium to the subscription price paid by shareholders for the issue of ordinary shares that gave rise to the availability of each tranche of the share options. However, the share options that arise as a result of the new ordinary shares being issued in connection with admission have an exercise price of US$1.10.

Share options can be exercised at 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.

Any share options which have not been allocated or which have not vested will not be eligible for conversion into ordinary shares. Where a Participant ceases to be in the employment of or engaged by the Group entities before their Share Options have fully vested, then in the case of a 'good leaver', the Remuneration Committee shall determine in its absolute discretion whether any unvested share options shall continue to be retained by the Participant or lapse without any claim against the Company. The Remuneration Committee has the discretion to re-allocate the number of ordinary shares underlying the portion of any lapsed or unvested share options to be the subject of further options granted under the Plan, subject to certain conditions.

At the end of the financial year, there were 3,622,740 share options available for issue. There were no new share options granted to Directors and employees during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

The information on Directors of the Company participating in the Plan is as follows:

Name of Director	Options granted during the financial year	Aggregate options granted since commencement of the Plan to the end of financial year	Aggregate options exercised since commencement of the Plan to the end of financial year	Aggregate options lapsed since commencement of the Plan to the end of financial year	Aggregate options outstanding as at end of the financial year
Christopher William Knight	–	157,005	–	–	157,005
Maung Aung Htun	–	899,626	–	–	899,626
Anthony Michael Dean	–	815,626	–	–	815,626
Craig Robert Martin	–	167,005	–	–	167,005
Christopher David Appleton	–	177,005	–	–	177,005
Henrik Onne Bodenstab	–	35,000	–	–	35,000

6. Independent auditor

The independent auditor, BDO LLP, has expressed its willingness to accept reappointment.

On behalf of the Board of Directors

Anthony Michael Dean	**Maung Aung Htun**
Director	Director

21 September 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Myanmar Investments International Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Myanmar Investments International Limited (the "Company") and its subsidiaries (the "Group"), which comprise:

- the consolidated statement of financial position of the Group as at 31 March 2018;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group for the financial year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group are properly drawn up in accordance with International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group as at 31 March 2018, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter (Continued)

KEY AUDIT MATTER	AUDIT RESPONSE
1 Valuation of Available-for-sale Financial Assets	
The investment in available-for-sale financial assets ("AFS assets") represents a 13.45% equity interest in Apollo Towers Holdings Limited ("Apollo Towers"). Apollo Towers owns and operates a telecommunication tower business in Myanmar through its wholly-owned subsidiary, Apollo Towers Myanmar Limited. As at 31 March 2018, the carrying amount of the Group's investment in AFS assets was US$36 million, which represented 78.5% of the total assets of the Group. During the financial year, the carrying amount of the investment in AFS assets increased by US$4.6 million due to a valuation uplift. The investment in AFS assets, which was previously stated as cost, was measured at fair value as Apollo Towers' business had achieved certain milestones by securing telecommunication co-location agreements with key customers. Management had engaged its internal valuation specialists to derive the fair value of the AFS assets. We focused on this area as a key audit matter as a considerable amount of judgment is involved in determining the fair value of the AFS assets, taking into account that the fair value was measured using significant unobservable inputs (Level 3) such as projected revenue growth rates, discount rate and terminal value. Refer to Notes 3.2 and 11 to the financial statements.	Our procedures on the valuation of the AFS assets included, amongst others, the following: ■ We discussed with management the assumptions used in the valuation process; ■ We evaluated management's processes in estimating the expected discounted future cash flows of the investment and checked the computation of the model applied; ■ We, with the assistance of our internal valuation specialist, assessed and reviewed the methodology used in the valuation and the reasonableness of the key assumptions and estimates used by management for the projected revenue growth rates, discount rate and terminal value; and ■ We also assessed the adequacy of the disclosure in the financial statements with respect to the valuation of the investment.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Adrian Lee Yu-Min.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
21 September 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2018

	Note	2018 US$	2017 US$
Revenue		–	–
Other item of income			
Other income	4	530	174
Items of expense			
Employee benefits expense	5	(1,601,194)	(1,867,297)
Depreciation expense	12	(8,789)	(12,941)
Other operating expenses		(1,252,959)	(1,016,672)
Finance costs	6	(15,211)	(13,887)
Share of results of joint ventures, net of tax	10	(190,949)	85,933
Loss before income tax	7	(3,068,572)	(2,824,690)
Income tax expense	8	(6,164)	(8,390)
Loss for the financial year		(3,074,736)	(2,833,080)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange gain/(loss) arising on translation of foreign operations	10	57,051	(188,209)
Fair value gain on available-for-sale financial assets	11	4,604,478	–
Other comprehensive income for the financial year, net of tax		4,661,529	(188,209)
Total comprehensive income for the financial year		1,586,793	(3,021,289)
Loss attributable to:			
Owners of the parent		(3,049,533)	(2,828,540)
Non-controlling interests	13	(25,203)	(4,540)
		(3,074,736)	(2,833,080)
Total comprehensive income attributable to:			
Owners of the parent		77,170	(3,016,749)
Non-controlling interests	13	1,509,623	(4,540)
		1,586,793	(3,021,289)
Loss per share (cents)			
- Basic and diluted	9	(8.57)	(9.74)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2018

	Note	2018 US$	2017 US$
ASSETS			
Non-current assets			
Investments in joint ventures	10	3,347,783	1,711,681
Available-for-sale financial assets	11	36,000,000	31,395,522
Plant and equipment	12	54,751	12,510
Total non-current assets		39,402,534	33,119,713
Current assets			
Other receivables	14	194,584	198,504
Cash and cash equivalents	15	6,282,330	3,303,327
Total current assets		6,476,914	3,501,831
Total assets		45,879,448	36,621,544
EQUITY AND LIABILITIES			
Equity			
Share capital	16	40,161,942	32,656,994
Share option reserve	17	1,220,549	866,390
Accumulated losses		(10,711,403)	(7,669,565)
Foreign exchange reserve		(212,290)	(269,341)
Fair value reserve	18	3,069,652	–
Equity attributable to owners of the parent		33,528,450	25,584,478
Non-controlling interests	13	11,903,731	10,394,108
Total equity		45,432,181	35,978,586
LIABILITIES			
Current liabilities			
Other payables	19	432,330	632,738
Income tax payable		14,937	10,220
Total current liabilities		447,267	642,958
Total equity and liabilities		45,879,448	36,621,544

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2018

	Note	Share capital US$	Share option reserve US$	Foreign exchange reserve US$	Fair value reserve US$	Accumulated losses US$	Equity attributable to owners of the parent US$	Non-controlling interests US$	Total US$
2018									
At 1 April 2017		32,656,994	866,390	(269,341)	–	(7,669,565)	25,584,478	10,394,108	35,978,586
Loss for the financial year		–	–	–	–	(3,049,533)	(3,049,533)	(25,203)	(3,074,736)
Other comprehensive income for the financial year									
Exchange gain arising on translation of foreign operations	10	–	–	57,051	–	–	57,051	–	57,051
Fair value gain on available-for-sale financial assets	11	–	–	–	3,069,652	–	3,069,652	1,534,826	4,604,478
Total other comprehensive income for the financial year		–	–	57,051	3,069,652	–	3,126,703	1,534,826	4,661,529
Total comprehensive income for the financial year		–	–	57,051	3,069,652	(3,049,533)	77,170	1,509,623	1,586,793
Contributions by and distributions to owners									
Issue of shares	16	7,293,725	–	–	–	–	7,293,725	–	7,293,725
Exercise of warrants	16	520,781	–	–	–	–	520,781	–	520,781
Share issue expenses	16	(309,558)	–	–	–	–	(309,558)	–	(309,558)
Share options expense	17	–	361,854	–	–	–	361,854	–	361,854
Cancellation of share options	17	–	(7,695)	–	–	7,695	–	–	–
Total contributions by and distributions to owners		7,504,948	354,159	–	–	7,695	7,866,802	–	7,866,802
At 31 March 2018		40,161,942	1,220,549	(212,290)	3,069,652	(10,711,403)	33,528,450	11,903,731	45,432,181

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2018

	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$
2017								
At 1 April 2016		28,765,805	313,561	(81,132)	(4,843,655)	24,154,579	10,398,648	34,553,227
Loss for the financial year		–	–	–	(2,828,540)	(2,828,540)	(4,540)	(2,833,080)
Other comprehensive income for the financial year								
Exchange loss arising on translation of foreign operations	10	–	–	(188,209)	–	(188,209)	–	(188,209)
Total other comprehensive income for the financial year		–	–	(188,209)	–	(188,209)	–	(188,209)
Total comprehensive income for the financial year		–	–	(188,209)	(2,828,540)	(3,016,749)	(4,540)	(3,021,289)
Contributions by and distributions to owners								
Issue of shares	16	4,219,081	–	–	–	4,219,081	–	4,219,081
Exercise of warrants	16	7,885	–	–	–	7,885	–	7,885
Share issue expenses	16	(335,777)	–	–	–	(335,777)	–	(335,777)
Share options expense	17	–	555,459	–	–	555,459	–	555,459
Cancellation of share options	17	–	(2,630)	–	2,630	–	–	–
Total contributions by and distributions to owners		3,891,189	552,829	–	2,630	4,446,648	–	4,446,648
At 31 March 2017		32,656,994	866,390	(269,341)	(7,669,565)	25,584,478	10,394,108	35,978,586

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2018

	Note	2018 US$	2017 US$
Operating activities			
Loss before income tax		(3,068,572)	(2,824,690)
Adjustments for:			
Interest income	4	(530)	(174)
Finance costs	6	15,211	13,887
Depreciation of plant and equipment	12	8,789	12,941
Fixed assets written off	7	1,207	–
Share-based payment expense	17	361,854	555,459
Share of results of joint ventures, net of tax	10	190,949	(85,933)
Operating cash flows before working capital changes		(2,491,092)	(2,328,510)
Changes in working capital:			
Other receivables		3,920	(106,754)
Other payables		(200,408)	501,317
Cash used in operations		(2,687,580)	(1,933,947)
Interest received	4	530	174
Finance costs paid	6	(15,211)	(13,887)
Income tax paid		(1,447)	(7,697)
Net cash flows used in operating activities		(2,703,708)	(1,955,357)
Investing activities			
Investment in available-for-sale financial assets	11	–	(10,000)
Investments in joint ventures	10	(895,000)	–
Advances to joint ventures	10	(875,000)	–
Purchase of plant and equipment	12	(52,237)	(8,564)
Net cash flows used in investing activities		(1,822,237)	(18,564)
Financing activities			
Net proceeds from issuance of shares representing net cash flows generated from financing activities	16	7,504,948	3,891,189
Net change in cash and cash equivalents		2,979,003	1,917,268
Cash and cash equivalents at beginning of the year		3,267,183	1,349,915
Cash and cash equivalents at the end of financial year	15	6,246,186	3,267,183

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

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 has been established for the purpose of identifying and investing in, and disposing of, businesses operating in or with business exposure to Myanmar. The Company will target businesses operating in sectors that the Directors believe have strong growth potential and thereby can be expected to provide attractive yields, capital gains or both.

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

The consolidated financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 March 2018 were approved by the Board of Directors on 21 September 2018.

1.1 Going concern

After due and careful enquiries, the Directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future based on the Company's existing financial resources and the equity fund raised amounting to US$7,293,725 during the financial year as disclosed in Note 16 to the financial statements.

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

2. Summary of significant accounting policies

2.1 Basis of preparation of the consolidated financial statements

The consolidated financial statements, which are expressed in United States dollars, have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") which comprise standards and interpretations approved by IASB and International Financial Reporting Interpretations Committee ("IFRIC").

The consolidated financial statements have been prepared on an historical cost basis, except as disclosed in the accounting policies below.

For the purpose of IFRS 8 Operating Segments, the Group has only one segment, being "Investments" which comprise investments in joint ventures and available-for-sale financial assets as disclosed in Notes 10 and 11 to the financial statements respectively. No further operating segment financial information is therefore disclosed.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of the consolidated financial statements (Continued)

The preparation of the consolidated financial statements in conformity with IFRS requires the management to exercise judgement in the process of applying the Group's accounting policies and requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on the management's best knowledge of historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year, or in the financial year of the revision and future financial years if the revision affects both current and future financial years.

Critical accounting judgements and key sources of estimation uncertainty used that are significant to the consolidated financial statements are disclosed in Note 3 to the financial statements

In the current financial year, the Group and the Company adopted all the new or revised IFRS that are relevant to their operations and effective for the current financial year. The adoption of the new or revised IFRS did not result in any changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current and prior financial years.

New or amended standards and interpretations that have been issued but are not yet effective

At the date of authorisation of these financial statements, the following IFRS that are relevant to the Group were issued but not yet effective, and have not been adopted early in these financial statements:

IFRS 2 (Amendments)	Clarification of Classification and Measurement of Share-based Payment Transactions[2]
IFRS 9	Financial Instruments[2]
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
IFRIC 22	Foreign Currency Transactions and Advance Consideration issued[2]
Annual Improvements 2014-2016 Cycle[2]	

[1] To be determined
[2] Effective for annual periods beginning on or after 1 January 2018

Consequential amendments were also made to various standards as a result of these new or revised standards.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of the consolidated financial statements (Continued)

New or amended standards and interpretations that have been issued but are not yet effective (Continued)

The Directors have considered the above and are of the opinion that the above Standards and Interpretations will have no material impact on the Group's consolidated financial statements, except as discussed below.

IFRS 9 Financial Instruments

IFRS 9 supersedes IAS 39 Financial Instruments: Recognition and Measurement with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Under IFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group will have a choice to recognise the gains and losses in other comprehensive income. A third measurement category has been added for debt instruments – fair value through other comprehensive income. This measurement category applies to debt instruments that meet the "Solely Payments of Principal and Interest" contractual cash flow characteristics test and where the Group is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets.

IFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from IAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, IFRS 9 retains the requirements in IAS 39 for de-recognition of financial assets and financial liabilities.

IFRS 9 introduces a new forward-looking impairment model based on expected credit losses to replace the incurred loss model in IAS 39. This determines the recognition of impairment provisions as well as interest revenue. For financial assets at amortised cost or fair value through other comprehensive income, the Group will always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition.

IFRS 9 also introduces a new hedge accounting model designed to allow entities to better reflect their risk management activities in their financial statements.

The Group plans to adopt IFRS 9 in the financial year beginning on 1 April 2018 with retrospective effect in accordance with the transitional provisions and elects not to restate comparatives for the previous financial year. On adoption of IFRS 9, the Group will measure its available-for-sale financial assets at fair value through profit or loss. Accordingly, the Group will also transfer the fair value reserve to retained earnings on adoption of IFRS 9.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Inter-company transactions, balances, income and expenses between group companies are eliminated.

Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

The consolidated financial statements present the results of the Company and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

Non-controlling interests in subsidiaries relate to the equity in subsidiaries which is not attributable directly or indirectly to the owners of the parent. They are shown separately in the consolidated statements of comprehensive income, financial position and changes in equity.

Non-controlling interests in the acquiree that are a present ownership interest and entitle its holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value, of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2. Summary of significant accounting policies (Continued)

2.3 Joint arrangements

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- *Joint ventures* : where the Group has rights to only the net assets of the joint arrangement.
- *Joint operations* : where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement.
- The legal form of joint arrangements structured through a separate vehicle.
- The contractual terms of the joint arrangement agreement.
- Any other facts and circumstances (including any other contractual arrangements).

The Group's interest in joint ventures are accounted for using the equity method. Under the equity method, the investments in joint ventures are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in net assets of the joint ventures. The share of results of the joint ventures are recognised in profit or loss. Where there have been a change recognised directly to equity of the joint ventures, the Group recognises its share of such changes. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the joint ventures.

The Group's share of results and reserves of a joint venture acquired or disposed of are included in the financial statements from the date of acquisition up to the date of disposal or cessation of joint control over the relevant activities of the arrangements.

2.4 Revenue recognition

Interest income

Interest income is recognised on an accruals basis using the effective interest rate ("EIR") method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

2.5 Foreign currency translation

Transactions in currencies other than US dollars, which is the functional currency of all of the respective Group entities, are recorded at the rate of exchange prevailing on the date of the transactions.

At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rate prevailing at the end of the reporting period.

2. Summary of significant accounting policies (Continued)

2.5 Foreign currency translation (Continued)

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollars using exchange rates prevailing at the end of the financial year. Share of results of joint venture, net of tax (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, are recognised initially in other comprehensive income and accumulated in the Group's foreign exchange reserve.

Non-monetary items carried at fair value which are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Foreign exchange gains and losses arising on the settlement of monetary items, and on the retranslation of monetary items, are included in net profit or loss for the period, except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity in which cases, the exchange differences are also recognised directly in equity.

2.6 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss if it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the end of the financial year.

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates (and tax laws) that have been enacted or substantially enacted by the end of the financial year. Deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

2. Summary of significant accounting policies (Continued)

2.7 Plant and equipment

Plant and equipment are all stated at cost less accumulated depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the plant and equipment, the expenditure is capitalised as an additional cost of that asset.

Subsequent expenditure on an item of plant and equipment is added to the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other costs of servicing are recognised in profit or loss when incurred.

Disposals

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising from disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation

Depreciation is provided to write off the cost of plant and equipment, using the straight line method, over their useful lives. The principal annual rates are as follows:

	Years
Office equipment	3
Computer equipment	3
Furniture and fittings	3

The residual values, useful lives and depreciation method are reviewed at each financial year-end to ensure that the residual values, period of depreciation and depreciation method are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

Fully depreciated assets still in use are retained in the consolidated financial statements.

2.8 Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment loss and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated.

2. Summary of significant accounting policies (Continued)

2.8 Impairment of non-financial assets (Continued)

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups of assets.

Impairment losses are recognised in profit or loss, unless they reverse a previous revaluation, credited to other comprehensive income, in which case they are charged to other comprehensive income up to the amount of any previous revaluation.

The recoverable amount of an asset or cash-generating unit is the higher of a) its fair value less costs to sell and b) its value in use. Recoverable amount is determined for individual assets, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which the assets belong. The fair value less costs to sell is the amount obtainable from the sale of an asset or cash-generating unit in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. Value in use is the present value of estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life, discounted at pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset or cash-generating unit for which the future cash flow estimates have not been adjusted.

An assessment is made at the end of each reporting period as to whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. An impairment loss recognised in prior periods is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. Reversals of impairment loss are recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss recognised in profit or loss in prior periods is treated as a revaluation increase. After such a reversal, the depreciation or amortisation is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.9 Financial assets

The Group classifies its financial assets as loans and receivables or available-for-sale depending on the purpose of which the assets was acquired. The Group has not classified any of its financial assets as held to maturity and fair value through profit or loss.

The Group's accounting policy for each category is as follows:

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

2. Summary of significant accounting policies (Continued)

2.9 Financial assets (Continued)

Loans and receivables (Continued)

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in profit or loss.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date.

The Group's loans and receivables comprise other receivables excluding prepayments and cash and cash equivalents in the consolidated statement of financial position.

Available-for-sale financial assets

Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise principally the Group's strategic investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. They are carried at fair value with changes in fair value, other than those arising due to exchange rate fluctuations and interest calculated using the effective interest rate, recognised in other comprehensive income and accumulated in the available-for-sale reserve. Exchange differences on investments denominated in a foreign currency and interest calculated using the effective interest rate method are recognised in profit or loss.

Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognised in other comprehensive income, is recognised in profit or loss.

Purchases and sales of available-for-sale financial assets are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the available-for-sale reserve.

On sale, the cumulative gain or loss recognised in other comprehensive income is reclassified from the available-for-sale reserve to profit or loss.

Equity instruments without active quoted market prices and whose fair value cannot be reliably measured are measured at cost less impairment. For available for sale equity investment that is carried at cost, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversed.

2. Summary of significant accounting policies (Continued)

2.9 Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition, any difference between the carrying amount and the sum of proceeds received and amounts previously recognised in other comprehensive income is recognised in profit or loss.

2.10 Financial liabilities

Financial liabilities are classified as other financial liabilities.

The accounting policies adopted for other financial liabilities are set out below:

Other payables

Other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

Financial liabilities are recognised on the consolidated statement of financial position when, and only when, the Group becomes parties to the contractual provisions of the financial instruments.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

2.11 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.12 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity and recognised at the fair value of the consideration received.

Incremental costs directly attributable to the issuance of new equity instruments are shown in equity as a deduction from the proceeds.

2. Summary of significant accounting policies (Continued)

2.13 Share-based payments

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellation of equity-settled transaction awards are treated equally.

Fair value is measured using the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

2.14 Operating leases

When the Group is the lessee of operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which termination takes place.

2.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

2. Summary of significant accounting policies (Continued)

2.15 Provisions (Continued)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.16 Contingent liabilities

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

  (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised on the consolidated statement of financial position of the Group.

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated 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 Judgements made in applying accounting policies

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

3. Significant accounting judgements and estimates (Continued)

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 consolidated 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 available-for-sale financial assets

The Group's available-for-sale financial assets 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.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages internal qualified valuers to perform the valuation. The Investment Committee works closely with the qualified internal valuers to establish the appropriate valuation techniques and inputs to the model. The Finance Director reports the Investment Committee's 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 available-for-sale financial assets are disclosed in Note 11 to the financial statements.

(ii) Impairment of investments in joint ventures

The Group follows the guidance of IAS 39 in determining whether investments in joint ventures are impaired. This determination requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the recoverable amounts of investments in joint ventures are less than their carrying amounts and the financial health of and near-term business outlook for investments in joint ventures, including factors such as industry and sector performance, changes in technology and operational and financing cash flows. The carrying amounts of investments in joint ventures are disclosed in Note 10 to the financial statements.

(iii) Employee share option plan

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including expected life of the share option, volatility and dividend yield and making assumptions about them. The carrying amount and assumptions and model for estimating fair value for share-based payment transactions are set out in Note 17 to the financial statements.

4. Other income

	2018 US$	2017 US$
Interest income	530	174

5. Employee benefits expense

	2018 US$	2017 US$
Salaries, wages and other staff benefits	1,104,340	1,061,838
Bonuses	135,000	250,000
Share options expense (Note 17)	361,854	555,459
	1,601,194	1,867,297

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.

7. Loss before income tax

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

	2018 US$	2017 US$
Auditor's remuneration	54,815	52,071
Consultants fees	349,911	377,240
Fixed assets written off	1,207	–
Operating lease expenses	64,042	74,273
Professional fees	68,291	59,098
Travel and accommodation	156,875	63,779
Transaction costs	168,856	30,447

8. Income tax

	2018 US$	2017 US$
Current income tax		
- current financial year	6,164	9,631
- over-provision in prior financial year	–	(1,241)
	6,164	8,390

A reconciliation of income tax applicable to loss before income tax at the statutory income tax rate of 25% (2017: 25%) in Myanmar is as follows:

	2018 US$	2017 US$
Loss before income tax	(3,068,572)	(2,824,690)
Share of results of joint venture, net of tax (Note 10)	190,949	(85,933)
	(2,877,623)	(2,910,623)
Income tax at the applicable tax rates	(719,406)	(727,655)
Effects of different income tax rates in other countries	720,343	732,756
Under-provision in prior financial year	–	(1,241)
Tax effects of expenses not deductible for tax purposes	6,310	4,530
Income tax exemption	(1,083)	–
Income tax for the financial year	6,164	8,390

9. Loss per share

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

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

	2018	2017
Loss for the financial year attributable to owners of the Company (US$)	(3,049,533)	(2,828,540)
Weighted average number of ordinary shares during the financial year applicable to basic loss per share	35,570,618	29,049,372
Loss per share		
Basic and diluted (cents)	(8.57)	(9.74)

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 decrease the loss per share.

10. Investments in joint ventures

	2018 US$	2017 US$
Investments in joint ventures		
At 1 April	1,711,681	1,813,957
Investments during the year	895,000	–
Share of results of joint ventures, net of tax	(190,949)	85,933
Foreign exchange adjustment	57,051	(188,209)
At 31 March	2,472,783	1,711,681
Advances	875,000	–
	3,347,783	1,711,681

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

In the previous financial year, the Company's carrying amount of investment in its subsidiary, Medicare International Health and Beauty Pte. Ltd. (formerly known as MIL No. 2 Pte. Ltd.) ("Medicare") amounted to US$3,600. During the financial year, Medicare issued 1,895,000 shares for a consideration of US$1,796,400 for which the Company subscribed for 890,000 shares and paid a consideration of US$791,400. The Company has also provided advances to the shareholders of Medicare's joint operator of US$100,000 which is recognised as part of cost of investment in Medicare.

The Company also provided advances of US$500,000 to Medicare during the financial year for which 500,000 shares in Medicare were only issued subsequent to year end on 6 April 2018. These advances have been classified as investments in joint ventures as the nature of the advances were quasi-equity in nature and were converted to equity shares subsequent to the year end. The effective equity interest in Medicare is 48.1% as at 31 March 2018.

Myanmar Finance International Ltd.

On 26 August 2014 the Company's wholly-owned subsidiary, Myanmar Investments Limited ("MIL"), signed a joint venture agreement ("JVA") with Myanmar Finance Company Limited ("MFC") in which, the two parties agreed to establish a Myanmar microfinance joint venture company, Myanmar Finance International Ltd. ("MFIL").

Under the terms of the JVA, MFC injected its existing microfinance business into the joint venture which is jointly managed by MIL and MFC. The two partners agreed to a four-phased contribution of US$4.8 million in capital (MIL's share being US$2.84 million) with MIL owning 55% of the new company and MFC holding the remaining 45%.

On 7 August 2015, MIL invested an additional US$266,667 in MFIL (which included US$120,000 as premium paid, reflecting MFC's injected microfinance business) and the Company's equity interest in MFIL remained at 55%.

On 16 November 2015, The Norwegian Investment Fund for Developing Countries ("Norfund") subscribed for new shares in MFIL for a total consideration of US$1,430,720. Concurrent with Norfund's investment, the fourth and final tranche of the initial capital specified under the JVA was called from MIL and MFC and MIL invested an additional US$140,833 bringing its total capital contribution of US$1,920,000. Following Norfund's investment and the capital contributions by MIL and MFC, MIL's and MFC's shareholdings in MFIL were each reduced to 37.5%, while Norfund now has a 25% shareholding in MFIL. Arising from the dilution of equity interest in MFIL, a gain of US$20,909 was recognised to the consolidated statement of comprehensive income.

10. Investments in joint ventures (Continued)

Myanmar Finance International Ltd. (Continued)

On 2 January 2018, MIL provided advances of US$375,000 to MFIL for which 375,000 shares in MFIL were only issued subsequent to year end on 4 April 2018. These advances have been classified as investments in joint ventures as the nature of the advances were quasi-equity in nature and were converted to equity shares subsequent to the year end. There is no change to the effective equity interest in MFIL.

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

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

The detail of the joint ventures are as follows:

Name of joint ventures (Country of incorporation/place of business)	Principal activities	Effective equity interest held by the Company	
		2018	2017
		%	%
Medicare International Health and Beauty Pte. Ltd.[1] (Singapore) ("Medicare")	Provider of beauty, health, and pharmaceutical products	48.1	–
Myanmar Finance International Limited[2] (Myanmar) ("MFIL")	Provider of microfinance loans	37.5	37.5

(1) Audited by BDO LLP, Singapore
(2) Audited by JF Group Audit Firm, Yangon, Myanmar.

10. Investments in joint ventures (Continued)

The summarised financial information below reflects the amounts presented in the financial statements of the joint ventures (and not the Company's share of those amounts), adjusted for differences in accounting policies between the Company and the joint venture.

	Myanmar Finance International Limited 2018 US$	Medicare International Health and Beauty Pte. Ltd. and its subsidiary 2018 US$	Total 2018 US$	Myanmar Finance International Limited 2017 US$
Assets and liabilities				
Cash and cash equivalents	571,733	707,050	1,278,783	504,649
Trade receivables	9,128,395	53,436	9,181,831	5,898,757
Other current assets	213,525	21,496	235,021	192,680
Current assets	9,913,653	781,982	10,695,635	6,596,086
Non-current assets	134,686	1,369,142	1,503,828	119,763
Total assets	10,048,339	2,151,124	12,199,463	6,715,849
Current liabilities	4,289,214	30,140	4,319,354	1,998,898
Non-current liabilities	–	540	540	472,468
Total liabilities	4,289,214	30,680	4,319,894	2,471,366
Net assets	5,759,125	2,120,444	7,879,569	4,244,483
Advances	–	100,000	100,000	–
	5,759,125	2,220,444	7,979,569	4,244,483
Investments in joint ventures	37.5%	48.1%		37.5%
Share of net assets	2,159,672	1,068,111	3,227,783	1,591,681
Premium paid	120,000	–	120,000	120,000
	2,279,672	1,068,111	3,347,783	1,711,681
Income and expenses				
Revenue	2,256,491	53,436	2,309,927	1,557,162
Other income	106,700	270	106,970	77,692
Operating expense	(1,328,892)	(733,261)	(2,062,153)	(1,063,140)
Depreciation	(50,924)	–	(50,924)	(54,429)
Interest expense	(499,184)	–	(499,184)	(198,359)
Tax expense	(121,689)	–	(121,689)	(89,770)
Profit/(loss) after income tax	362,502	(679,555)	(317,053)	229,156
Share of results of joint ventures, net of tax	135,938	(326,887)	(190,949)	85,933

11. Available-for-sale financial assets

	2018 US$	2017 US$
At 1 April	31,395,522	31,385,522
Addition	–	10,000
Fair value gain on available-for-sale financial assets	4,604,478	–
At 31 March	36,000,000	31,395,522

As disclosed in Note 13 to the financial statements, MIL 4 Limited ("MIL 4") was incorporated by the Company to acquire shares in Apollo Towers Pte. Ltd. ("Apollo"), an unquoted Singapore incorporated company.

On 29 July 2015, MIL 4 acquired a 14.18% stake in Apollo for a purchase consideration of US$30,182,725.

On 24 December 2015, Apollo held a further round of fund raising in which MIL 4 only invested US$1,202,797 into Apollo, resulting in a dilution of MIL 4's equity interest to 13.48%.

On 16 June 2016, MIL 4 purchased a warrant for a total consideration of US$10,000, allowing MIL 4 to purchase for a nominal amount 1.56% of Apollo's total capital stock on a fully diluted basis. The warrant has not been exercised by MIL 4 as of 31 March 2018.

On 23 June 2017, a reorganisation took place as a result of which a new holding company was created to own all of the shares in Apollo and MIL 4's shareholding was exchanged for shares in the new holding company, Apollo Towers Holdings Limited ("Apollo Towers").

Following other changes in the composition of Apollo Towers share structure, as at 31 March 2018 MIL 4's shareholding was 13.45% (fully diluted).

As at 31 March 2018, the investment in available-for-sale financial assets ("AFS assets") represents an effective 13.45% equity interest in the unquoted share capital of Apollo Towers.

Apollo Towers owns and operates a telecommunication tower business in Myanmar through its wholly-owned subsidiary, Apollo Towers Myanmar Limited.

In the previous financial year, the investment in AFS assets was stated at cost as the management had assessed and concluded that the fair value of the AFS assets could not be determined reliably till Apollo achieved certain in-progress milestones due to the number of key variables involved in each of the valuation methodologies and the wide spread of assumptions that could reasonably be used for each variable.

In the current financial year, the investment in AFS assets is measured at fair value as the Apollo Towers business has achieved certain milestones by securing telecommunication co-location agreements with key customers.

The investment is denominated in United States Dollars.

11. Available-for-sale financial assets (Continued)

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

Financial assets	Valuation technique used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Unquoted equity investments	Discounted cash flow	- Projected revenue growth rates (range between 11% to 18% per annum, average 14.6% per annum)	Increase in projected revenue growth rates based on anchor and co-location tenancy growth rates will increase the fair value of the financial asset.
		- Discount rate (14.2%)	Increase in discount rate will decrease the fair value of the financial asset.
		- Terminal value based on EBITDA multiplier of 11.9 times (from a range of 9.9 to 25.5)	Increase in terminal value based on EBITDA multiplier 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$
2018				
Cost				
Balance at 1 April 2017	17,410	4,895	34,733	57,038
Additions	3,931	–	48,306	52,237
Written off	(11,358)	(3,777)	(31,054)	(46,189)
Balance at 31 March 2018	9,983	1,118	51,985	63,086
Accumulated depreciation				
Balance at 1 April 2017	11,753	3,012	29,763	44,528
Depreciation for the financial year	3,077	1,038	4,674	8,789
Written off	(11,358)	(3,254)	(30,370)	(44,982)
Balance at 31 March 2018	3,472	796	4,067	8,335
Carrying amount				
Balance at 31 March 2018	6,511	322	47,918	54,751
2017				
Cost				
Balance at 1 April 2016	13,739	4,580	30,155	48,474
Additions	3,671	315	4,578	8,564
Balance at 31 March 2017	17,410	4,895	34,733	57,038
Accumulated depreciation				
Balance at 1 April 2016	7,649	1,599	22,339	31,587
Depreciation for the financial year	4,104	1,413	7,424	12,941
Balance at 31 March 2017	11,753	3,012	29,763	44,528
Carrying amount				
Balance at 31 March 2017	5,657	1,883	4,970	12,510

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	
			2018	2017	2018	2017
			%	%	%	%
Myanmar Investments Limited[1]	Singapore	Investment holding company	100	100	–	–
MIL Management Pte. Ltd.[1]	Singapore	Provision of management services to the Group	100	100	–	–
Medicare International Health and Beauty Pte. Ltd. (formerly known as MIL No. 2 Pte. Ltd.)[1]	Singapore	Investment holding company	–	100	–	–
MIL No. 3 Pte. Ltd.[2]	Singapore	Dormant	100	100	–	–
MIL 4 Limited[1]	British Virgin Islands	Investment holding company	66.67	66.67	33.33	33.33
MIL Tower Ventures Limited[2]	British Virgin Islands	Dormant	100	–	–	–
Held by MIL Management Pte. Ltd.						
MIL Management Co., Ltd[3]	Myanmar	Provision of management services to the Group	100	100	–	–

(1) Audited by BDO LLP, Singapore.
(2) Not required to be audited as the subsidiary is dormant since the date of its incorporation.
(3) Audited by JF Group Audit Firm, Yangon, Myanmar.

13. Investment in subsidiaries (Continued)

Incorporation of a subsidiary

On 9 July 2015, the Company incorporated a 100.00% owned subsidiary, MIL 4 for a cash consideration of US$5,000, in the British Virgin Islands for the purpose of investing into Apollo as disclosed in Note 11 to the financial statements.

On 29 July 2015, the Company and new shareholders injected an amount of US$19,995,000 and US$10,000,000 respectively into Mil 4, which resulted in the dilution of the Company's equity interest in the subsidiary to 66.67%.

On 24 December 2015, the Company and MIL 4's other shareholders further increased their investment in MIL 4 by US$801,864 and US$400,933 respectively and the Company's equity interest in MIL 4 remained at 66.67% during this round of additional investment.

Dilution of interest of a subsidiary

As disclosed in Note 10 to the financial statements, the Company diluted its equity interest in Medicare International Health and Beauty Pte. Ltd. (formerly known as MIL No. 2 Pte. Ltd.) ("Medicare") to 48.1% during the financial year and Medicare was classified as a joint venture.

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	
	2018	2017
	US$	US$
Assets and liabilities		
Non-current assets	36,000,000	31,395,522
Current assets	74,918	89,778
Current liabilities	(363,729)	(302,977)
Net assets	35,711,189	31,182,323
Accumulated non-controlling interests	11,903,731	10,394,108
Revenue	–	–
Administrative expenses	(75,610)	(13,620)
Loss for the financial year	(75,610)	(13,620)
Other comprehensive income for the financial year	4,604,478	–
Total comprehensive income for the financial year	4,528,868	(13,620)
Loss allocated to non-controlling interests	(25,203)	(4,540)
Other comprehensive income allocated to non-controlling interests	1,534,826	–
Total comprehensive income allocated to non-controlling interests	1,509,623	(4,540)
Net cash used in operating activities	(139)	(96,567)
Net cash used in investing activity	–	(10,000)
Net cash generated from financing activities	139	106,567
Net change in cash and cash equivalents	–	–

14. Other receivables

	2018 US$	2017 US$
Other receivables	121,433	136,974
Deposits	29,562	12,502
Prepayments	43,589	49,028
	194,584	198,504

Other receivables are denominated in the following currencies:

	2018 US$	2017 US$
United States dollar	194,584	192,254
Myanmar kyat	–	6,250
	194,584	198,504

15. Cash and cash equivalents

	2018 US$	2017 US$
Cash and bank balances	6,246,186	3,267,183
Short-term deposit	36,144	36,144
	6,282,330	3,303,327

The short-term deposit bears interest at an average rate of 0.25% (2017: 0.25%) per annum, has a tenure of approximately 12 months (2017: 12 months) and is pledged to bank to secure credit facilities.

Cash and cash equivalents are denominated in the following currencies:

	2018 US$	2017 US$
United States dollar	6,139,626	3,164,896
Singapore dollar	132,048	134,075
Myanmar kyat	10,656	4,356
	6,282,330	3,303,327

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

	2018 US$	2017 US$
Bank balances	6,282,330	3,303,327
Less: short-term deposits pledged	(36,144)	(36,144)
	6,246,186	3,267,183

16. Share capital

	2018 US$	2017 US$
Issued and fully-paid share capital:		
Ordinary shares at the beginning of the financial year	32,656,994	28,765,805
Issuance of ordinary shares during the financial year	7,293,725	4,219,081
Exercise of warrants during the financial year	520,781	7,885
Share issuance expenses	(309,558)	(335,777)
	40,161,942	32,656,994

	2018		2017	
	Ordinary shares	Warrants	Ordinary shares	Warrants
Equity Instruments in issue				
At the beginning of the financial year	30,556,793	16,040,882	27,300,833	15,240,027
Issuance during the financial year	6,181,123	–	3,245,447	811,368
Exercise of warrants during the financial year	694,375	(694,375)	10,513	(10,513)
At the end of the financial year	37,432,291	15,346,507	30,556,793	16,040,882

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

In June 2017, the Company allotted 6,181,123 Ordinary Shares at US$1.18 per share (total of US$7,293,725) pursuant to a subscription for new shares (the "Fifth Subscription").

On 16 September 2016, the Company allotted 3,245,447 Ordinary Shares at US$1.30 per share (total of US$4,219,081) pursuant to a subscription for new shares (the "Fourth Subscription").

During the financial year, a total of 694,375 (2017: 10,513) warrants were exercised at a price of US$0.75 by the parties that held them for cash consideration of US$520,781 (2017: US$7,885).

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

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

Warrants

No new warrants were issued during the year.

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). The terms of the warrants were amended after the year end as described in Note 24 to the financial statements.

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

17. 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 31 March 2018, there were 3,622,740 (2017: 3,004,628) share options available for issue under the Plan of which 2,640,862 (2017: 2,673,028) had been granted. These granted share options have a weighted average exercise price of US$1.214 (2017: US$1.214) per share and a weighted average contractual life of 7.50 years (2017: 8.51 years).

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

Series/Date	Occasion	Number	Exercise price (USD)
Series 1	Admission Placing and Subscription	584,261	1.100
Series 2	Second Subscription	361,700	1.155
Series 3	Third Subscription	1,734,121	1.265
Series 4	Fourth Subscription	324,546	1.430
Series 5	Fifth Subscription	618,112	1.298
		3,622,740	

17. Share option reserve (Continued)

Details of the Share Option Plan (the "Plan") (Continued)

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

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	954,933	15 January 2016	14 January 2026	1.265	507,847
Series 3	181,667	28 June 2016	27 June 2026	1.265	127,028
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	567,334	19 October 2016	18 October 2026	1.265	297,802
	2,640,862				1,384,790

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.

The weighted average fair value of the share options granted in the previous financial year is US$0.569. Share options were priced using Black-Scholes option pricing model. Where relevant, the expected life used in the model has been 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 is 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 US$361,854 (2017: US$555,459) related to equity-settled share-based payment transactions during the financial year.

17. Share option reserve (Continued)

Movement in share option during the financial year

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

	2018		2017	
	Number	Weighted average exercise price US$	Number	Weighted average exercise price US$
Balance at start of the financial year	2,673,028	1.214	1,894,661	1.194
Granted	–	–	783,267	1.263
Forfeited	(32,166)	1.226	(4,900)	1.117
Balance at end of financial year	2,640,862	1.214	2,673,028	1.214

No share options were exercised during the financial year.

Movement in share option reserve during the financial year

	2018 US$	2017 US$
Balance at start of the financial year	866,390	313,561
Share options expense	361,854	555,459
Cancellation of share options	(7,695)	(2,630)
Balance at end of financial year	1,220,549	866,390

18. Fair value reserve

Fair value reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

	2018 US$	2017 US$
Balance at start of the financial year	–	–
Fair value gain on available-for-sale financial assets (Note 11)	4,604,478	–
Less: Attributable to non-controlling interest (Note 13)	(1,534,826)	–
Balance at end of financial year	3,069,652	–

19. Other payables

	2018 US$	2017 US$
Accruals	395,577	596,032
Other payables	36,753	36,706
	432,330	632,738

Other payables are denominated in the following currencies:

	2018 US$	2017 US$
Singapore dollar	113,414	47,179
United States dollar	228,612	523,791
British pound	90,304	50,976
Euro	–	2,667
Myanmar kyat	–	8,125
	432,330	632,738

20. Significant related party disclosures

For the purposes of these consolidated 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.

Compensation of key management personnel

For the financial year ended 31 March 2018, 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 years ended 31 March 2018 and 31 March 2017 was as follows:

	Directors' fee US$	Short term employee benefits[1] US$	Share option plan US$	Total US$
Financial year ended 31 March 2018				
Executive directors				
Maung Aung Htun	–	455,893	106,744	562,637
Anthony Michael Dean	–	458,610	100,967	559,577
Independent non-executive directors				
Christopher William Knight	40,000	–	21,906	61,906
Craig Robert Martin	30,000	–	21,906	51,906
Christopher David Appleton	30,000	–	21,906	51,906
Henrik Onne Bodenstab	30,000	–	8,493	38,493
	130,000	914,503	281,922	1,326,425

20. Significant related party disclosures (Continued)

Compensation of key management personnel (Continued)

	Directors' fee US$	Short term employee benefits[1] US$	Share option plan US$	Total US$
Financial year ended 31 March 2017				
Executive directors				
Maung Aung Htun	–	456,747	179,327	636,074
Anthony Michael Dean	–	434,784	165,913	600,697
Independent non-executive directors				
Christopher William Knight	40,000	–	34,352	74,352
Craig Robert Martin	30,000	–	34,453	64,453
Christopher David Appleton	30,000	–	34,554	64,554
Henrik Onne Bodenstab	26,200	–	5,051	31,251
	126,200	891,531	453,650	1,471,381

(1) The short term employee benefits also includes rental expenses paid for the Director's accommodation.

21. Commitments

Operating lease commitments - as lessee

The Group leases the Yangon office and accommodation for Directors under non-cancellable operating leases. The operating lease commitments are based on rental rates as specified in the lease agreements. The Group has the option to renew certain agreements on the leased premises for another one year.

In accordance with prevailing market conditions in Yangon, lease payments are paid in advance.

22. Dividends

The Directors of the Company do not recommend any dividend in respect of the financial year ended 31 March 2018 (2017: Nil).

23. Financial risk management objectives and policies

The Group has risk management policies that systematically manage the risks that could prevent it from achieving its objectives. These policies are intended to manage risks identified in such a way that opportunities to deliver the Group's objectives are achieved. The Group's risk management takes place in the context of day-to-day operations and normal business processes such as strategic and business planning and are kept under review by the Directors. The Directors have identified each risk and are responsible for coordinating and continuously improving risk strategies, processes and measures in accordance with the Group's established business objectives.

23. Financial risk management objectives and policies (Continued)

The Group's principal financial instruments consist of available-for-sale financial assets, other receivables, cash and cash equivalents and other payables. The main risks arising from the Company's financial instruments and the policies for managing each of these risks are summarised below.

23.1 Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfil its obligations. The Group's credit risk is primarily attributable to other receivables and cash and cash equivalents with the maximum exposure being the reported balance in the consolidated statement of financial position. The Group has a nominal level of debtors and as such the Company believes that the credit risk to these is minimal. The Group holds available cash with licensed established banks. The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

23.2 Market risks

Foreign currency risks

The Group incurs foreign currency risk on transactions and balances that are denominated in currencies other than its functional currency, the United States dollar. The main currencies giving rise to this risk are the Singapore dollar, Myanmar kyat and British Pound. Exposure to foreign currency risk is monitored on an on-going basis to ensure that the net exposure is at an acceptable level.

The Group monitors its foreign currency exchange risks closely and maintains funds in various currencies to minimise currency exposure. Currency translation risk arises when commercial transactions, recognised assets and liabilities and net investment in foreign operations are denominated in the currency that is not the entity's functional currency.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period were as follows:

	Assets		Liabilities	
	2018	2017	2018	2017
	US$	US$	US$	US$
Singapore dollar	132,048	134,075	113,414	47,179
Euro	–	–	–	2,667
Myanmar kyat	16,906	10,606	–	8,125
British pound	–	–	90,304	50,976
	148,954	144,681	203,718	108,947

Foreign currency sensitivity analysis

No sensitivity analysis was performed as the exposure to foreign currency risk is not significant to the consolidated financial statements.

Interest rate risk

The Group does not have any significant exposure to interest rate risk as the Group does not have any significant interest bearing liabilities and its interest earning assets are producing relatively low yields.

23. Financial risk management objectives and policies (Continued)

23.3 Liquidity risk

The Group is exposed to liquidity risk to the extent that it holds investments that it may not be able to sell quickly at close to fair value.

The risk is managed by the Group by means of cash flow planning to ensure that future cash requirements are anticipated and, where financial instruments have to be sold to meet these requirements, the process is carried out in a controlled manner intended to minimise the liquidity risk involved.

As at 31 March 2018, the Group's principal financial assets consist mainly of cash and cash equivalents and available-for-sale financial assets.

23.4 Fair value of financial assets and financial liabilities

The carrying amounts of the Group's financial assets and financial liabilities approximate their respective fair values due to the short term maturity of these financial instruments except as disclosed in Note 11 to the financial statements.

23.5 Capital management

The Group manages its capital to ensure that the Group is able to continue as going concern and to maintain an optimal capital structure so as to maximise shareholders' value.

Management regards total equity attributable to owners of the parent as capital.

The management constantly reviews the capital structure to ensure the Group is able to service any debt obligations and contracted overheads based on its operating cash flows. At present the Group has taken on no debt obligations, other than other payables, and therefore has no difficulties in settling its debts as they fall due.

The Group is not subjected to any externally imposed capital requirements for the financial years ended 31 March 2018 and 31 March 2017.

24. Subsequent events

i) *Apollo Towers reorganisation*

As announced on 21 September 2018, MIL 4 agreed to exchange its investment in Apollo Towers for shares in Towers (M) Holdings Pte. Ltd. ("Towers Holdings") which owns Pan Asia Majestic Eagle Limited ("Pan Asia Towers") another Myanmar independent tower company. Upon completion of this reorganisation, MIL 4's existing 13.45 per cent shareholding in Apollo Towers will be exchanged for a shareholding of approximately 6.2 per cent in Towers Holdings, of which approximately 4.2 per cent will be indirectly held by MIL.

ii) *Amendments to the terms of the Company's Warrants*

As announced on 22 May 2018, the Company's shareholders and warrant holders approved resolutions to amend the terms of the Company's existing warrants as follow:

- the warrants can be exercised at US$0.75 on or before 21 June 2018, in line with their original terms; and
- in relation to any warrants that remain outstanding at 21 June 2018:
  - a) the exercise period for the warrants will be automatically 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 December of each year in certain circumstances.

NOTICE OF ANNUAL GENERAL MEETING

Myanmar Investments International Limited (Company Number 1774652)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser.

If you have recently sold or transferred all of your shares in Myanmar Investments International Limited, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Notice is hereby given that the 2018 Annual General Meeting of Myanmar Investments International Limited (the "**Company**") will be held at the British Club, Yangon, Myanmar at 9.00 a.m. (Myanmar time) on Thursday 18 October 2018 for the purpose of considering and, if thought fit, passing the following resolutions:

Ordinary Resolutions

Each of the following resolutions will be proposed as an ordinary resolution:

1. To receive and adopt the Company's annual accounts for the financial year ended 31 March 2018 together with the directors' report and auditors' report on those accounts.

2. To reappoint Maung Aung Htun, who retires by rotation as required by Article 8.5 of the Articles of Association of the Company, as a director of the Company.

3. To reappoint Craig Robert Martin, who retires by rotation as required by Article 8.5 of the Articles of Association of the Company, as a director of the Company.

4. To reappoint Henrik Onne Bodenstab, who retires by rotation as required by Article 8.5 of the Articles of Association of the Company, as a director of the Company.

5. To reappoint BDO LLP as the auditors of the Company to hold office from the conclusion of the AGM to the conclusion of the next meeting at which the annual accounts are laid before the Company.

6. To authorise the directors to determine the remuneration of BDO LLP as auditors of the Company.

By Order of the Board

Estera Corporate Services (BVI) Limited
Secretary

21 September 2018

Registered Office:
Jayla Place
Wickhams Cay 1
Road Town
Tortola VG1110
British Virgin Islands

NOTICE OF ANNUAL GENERAL MEETING

Myanmar Investments International Limited (Company Number 1774652)

NOTES

1. Resolutions 1 to 6 will be passed if approved by more than fifty per cent. of the votes of those members entitled to vote and voting on the resolutions.

2. A member entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to attend and, on a poll, vote in his place. A proxy need not be a member of the Company but must attend the meeting to represent the relevant member.

3. A member may appoint one or more proxies in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A member may not appoint more than one proxy to exercise rights attached to any one existing ordinary share. If a member wishes to appoint more than one proxy, please contact the Company's Share Registrars, Link Asset Services at +44 371 664 0300. Lines are open from 09:00 to 17:30 BST Monday to Friday, excluding public holidays. Alternatively you may write to Link Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF for additional proxy forms and for assistance.

4. The form of proxy must be signed by the appointor or his attorney duly authorised in writing. In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy. However, if more than one holder is present at the meeting, the vote of the first named on the register of members of the Company will be accepted to the exclusion of other joint holders. If the appointor is a corporation, the form of proxy should be signed on its behalf by an attorney or duly authorised officer or executed as a deed or executed under common seal.

5. Forms of Direction from holders of depositary interests must be deposited at the office of the Depositary, Link Market Services Trustees Limited, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF, United Kingdom not later than 17:30 BST on 12 October 2018.

6. Any corporation which is a member of the Company can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same existing ordinary share.

7. To appoint a proxy you may use the form of proxy enclosed with this notice of AGM. Please carefully read the instructions on how to complete the form of proxy. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be deposited by 17:30 BST on 15 October 2018 with the Company's registrars, Link Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF. The completion and return of a form of proxy will not preclude a Member from attending the AGM and voting in person if he or she so wishes. If a member has appointed a proxy and attends the AGM in person, such proxy appointment will automatically be terminated.

8. The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company by close of business on 15 October 2018, or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (excluding any part of a day that is not a business day), shall be entitled to attend or vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes in entries on the relevant register of members after such time and date shall be disregarded in determining the rights of any person to attend or vote at this meeting.

9. Any member may insert the full name of a proxy or the full names of two alternative proxies of the member's choice in the space provided with or without deleting "the Chairman of the meeting". The person whose name appears first on the form of proxy and has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow. If this proxy form is signed and returned with no name inserted in the space provided for that purpose, the Chairman of the meeting will be deemed to be the appointed proxy. Where a Member appoints as his/her proxy someone other than the Chairman, the relevant member is responsible for ensuring that the proxy attends the meeting and is aware of the member's voting intentions. Any alteration, deletion or correction made in the form of proxy must be initialled by the signatory/ies.

10. As at the close of business on the date immediately preceding this notice the Company's issued share capital comprised 37,635,196 ordinary shares. Each ordinary share carried the right to one vote at the AGM and, therefore, the total number of voting rights in the Company as at the close of business immediately preceding this notice is 37,635,196.

11. CREST members who wish to appoint a proxy or proxies through the CREST Electronic Proxy Appointment Service may do so for the AGM and any adjournment(s) thereof by following the procedures described in the CREST manual. All messages relating to the appointment of a proxy or an instruction to a previously-appointed proxy, which are to be transmitted through CREST, must be received by Link Asset Services (Crest ID RA10) no later than 17:30 BST on 15 October 2018, or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (excluding any part of a day that is not a business day).

12. In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Registrars. In the case of a member which is a company, the revocation notice must be executed in accordance with note 4 above. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice and must be received by Link Asset Services not less than 48 hours (excluding any part of a day that is not a business day) before the time fixed for the holding of the Meeting or any adjourned Meeting (or in the case of a poll before the time appointed for taking the poll) at which the proxy is to attend, speak and to vote. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then your proxy appointment will remain valid.

DIRECTORS AND ADVISERS

Company data
Website: www.myanmarinvestments.com
Email: enquiries@myanmarinvestments.com
Listed on the AIM market of the London Stock Exchange:

Ticker symbol for the Ordinary Shares	MIL
Ticker symbol for the Warrants	MILW

The Company is incorporated in the British Virgin Islands with registration number 1774652

Directors
Christopher William Knight, Independent Non-Executive Chairman
Maung Aung Htun, Deputy Chairman
Craig Robert Martin, Managing Director
Anthony Michael Dean, Finance Director
Henrik Onne Bodenstab, Independent Non-Executive Director
Christopher David Appleton, Independent Non-Executive Director

Registered Office
Jayla Place
Wickhams Cay I
Road Town
Tortola VG1110
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Myanmar Office
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Telephone: +95 1 391 804

Nominated Adviser
Grant Thornton UK LLP
30 Finsbury Square
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United Kingdom

Broker
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60 New Broad Street
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United Kingdom

Legal Advisers to the Company (as to English Law)
Reed Smith LLP
The Broadgate Tower
20 Primrose Street
London EC2A 2RS
United Kingdom

Legal Advisers to the Company (as to Myanmar Law)
DFDL Legal & Tax
134A Thanlwin Road
Golden Valley Ward (1)
Bahan Township
Yangon, Myanmar

Legal Advisers to the Company (as to British Virgin Islands law)
Appleby
Jayla Place
Wickhams Cay I
Road Town
Tortola VG1110
British Virgin Islands

Company Secretary
Estera Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola VG1110
British Virgin Islands

Independent Auditor
BDO LLP
Public Accountants and Chartered Accountants
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778
Partner-in-charge: Adrian Lee Yu-Min
(Appointed since the financial period ended 31st March 2014)

Registrars
Link Market Services (Guernsey) Limited
Mont Crevelt House
Bulwer Avenue
St. Sampson
Guernsey GY2 4LH

Warrant Registrar
Link Market Services Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

Depository
Link Market Services Trustees Limited
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34 Beckenham Road
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Kent BR3 4TU
United Kingdom