MYANMAR INVESTMENTS INTERNATIONAL LIMITED

ANNUAL REPORT 2019

MYANMAR
INVESTMENTS

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 was to build a diversified portfolio of businesses which would benefit from Myanmar's emergence from military rule. While Myanmar has made progress and the long term potential for development of the economy exists, the pace of change has been slow and we now foresee a few years of difficulty and volatility. In particular, as the IMF has pointed out, the banking system which is both the fuel and lubricant of an economy is in urgent need of recapitalisation.

The Directors believe that our current strategy in Myanmar is therefore unlikely to generate an appropriate risk adjusted return commensurate with an investment in a frontier economy.

The Directors therefore feel that it is appropriate to amend the existing investment strategy of the Company to start planning for an orderly disposal of our three investments with a view to ultimately winding up the Company. This decision is not one that has been taken lightly but reflects the harsh realities of both trying to raise significant new funds for investment in Myanmar as well as identifying suitable investments in Myanmar.

So enclosed with this Annual Report is the Notice of the AGM to be held in Yangon on 24 October 2019 and included is a proposed resolution to amend the Company's Investment Policy such that the Board can:

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

In due course the Directors plan to put a winding up proposal to Shareholders.

If the resolution is approved, the Directors will look to undertake an orderly disposal of its investments in MFIL and Medicare in consultation with our joint venture partners.

The investment in Apollo Towers, which is in the process of being exchanged into shares in Towers Holdings, will most likely continue to be held until such time as our joint venture partners are able to create an exit opportunity.

Further details of these proposals are included in the Chairmen's Letter.

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The Myanmar Kyat exchange rate was MMK 1,534 to US$1.00 as at 23 September 2019
References to "today" are to 25 September 2019 being the date of printing of this document

The Company has invested in three businesses:

Apollo Towers

- To date the Company has invested US$21 million in Apollo Towers
- The Directors have been advised that the share exchage with Towers Holdings should be completed in the near future
- Under the share exchage, the Company will exchange its indirect interest of 9.1 per cent of Apollo Towers for an indirect interest of 4.1 per cent of Towers Holding
- The share exchage effectively brings Apollo Towers and Pan Asia Towers, another Myanmar independent tower company, under the common ownership of Towers Holdings
- On a pro-forma basis, had the share swap taken place before 31 March 2019, then Towers Holdings would have had a portfolio of approximately 3,150 towers hosting around 6,450 tenants; a Lease Up Rate of 2.0x
- Similarly, Towers Holdings' proforma March 2019 normalised and annualised Revenue and EBITDA would have been US$119 million and US$69 million respectively
- Future growth will be driven by an increase in the tower portfolio and also by an increase in tenancies as co-location rates rise

Myanmar Finance International Limited ("MFIL")

- US$2.7 million invested for a 37.5 per cent shareholding
- One of Myanmar's leading microfinance companies
- Strong growth in its borrower base and loan book at 31 March 2019 at 71,500 and US$14.6 million, representing CAGR of 54 per cent and 107 per cent respectively since investment
- Secured US$12.3 million in Kyat-denominated debt facilities
- MFIL focuses on urban and semi-rural lending in Yangon, Bago and Mon State and plans to expand to other states during the coming year.

MEDICARE

- US$2.1 million invested for a 48.6 per cent shareholding
- Greenfield joint venture in pharmaceutical, health and beauty franchise retailing
- A joint venture with Medicare, Vietnam's leading pharmacy, health and beauty retail group.
- Designed to capitalise on both an expected rise in consumer spending power and an absence of modern retail outlets with similar offerings
- Today it has 21 stores in operation with plans to have 31 open by the end of December 2019

CHAIRMEN'S LETTER

Dear fellow shareholder

CHANGE IN STRATEGY

While we are pleased with the positive impact that our business has had in Myanmar, after significant discussions the Directors believe that our current strategy in Myanmar is unlikely to generate an appropriate risk adjusted return commensurate with an investment in a frontier economy. We are therefore writing to propose that your Company should commence an orderly winding down and to return capital to shareholders.

Our decision is based on a number of factors including, but not limited to, post Rakhine crisis difficulties in raising significant capital in western markets, a fragile domestic banking system, an increasingly complex political landscape and the slow pace of reform.

We are now holding around US$3 million of cash and have streamlined our operations thereby significantly reducing our operating expenses. We propose to proactively seek to dispose of our investments in MFIL and Medicare.

Our investment in Apollo Towers, which is in the final stages of being exchanged for an investment in Towers Holdings, should not require additional funding. We also believe that in due course the resultant investment in Towers Holdings can be exited by way of a sale to a strategic investor or a listing on one of the region's stock exchanges.

We therefore envisage a period of proactivity as we look to sell our investments in MFIL and Medicare. Once this has been achieved, we will then significantly streamline what is left of the business to monitor and manage the process of exiting from Towers Holdings. In this second phase we do not envisage that we will require a Yangon office nor a significant number of staff.

During the past year, as part of our evaluation of the strategic options available to the Company, we had explored the possibility of a tie-up with Myanmar Strategic Holdings Limited, another London listed company which invests in Myanmar. However the Directors did not believe that the terms offered would have been acceptable to the Company's shareholders and therefore did not proceed.

> "The Directors believe that our current strategy in Myanmar is unlikely to generate an appropriate risk adjusted return commensurate with an investment in a frontier economy."

BOARD CHANGE

Michael Dean, our Finance Director, has indicated that he will look to step down some time after this year's AGM. The Board will look to put in place a suitable replacement to handle the changed needs of the Company, especially if the winding down resolution is approved at the AGM.

IMPACT INVESTING

We are pleased with the positive impact each of our businesses has had in Myanmar. Collectively they employ around 500 people.

Towers Holdings has built 29 per cent of the country's independent telecoms towers. Estimating the number of subscribers that benefit from this is not possible but on the basis of the total number of subscribers in Myanmar, they clearly number in the millions. So utilising our 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 Myanmar's, economic advancement.

Today MFIL has over 66,000 borrowers. That is 66,000 households which have been economically empowered to expand their businesses (small shops, trading businesses, food stalls etc) through MFIL's ethical lending practices. MFIL's rural outreach is nearly 40 per cent 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: over 80 per cent of its borrowers are women, while internally 60 per cent of its management are women.

Medicare's objective is to provide affordable health and beauty products to its customers. All our Medicare stores adhere to the 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 providing medicines which 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 ones that are not widespread in Myanmar today.

CORPORATE GOVERNANCE

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

ANNUAL GENERAL MEETING

This year's Annual General Meeting ("**AGM**") will be held at The British Club, Yangon, Myanmar at 9.00am (Myanmar time) on Thursday 24 October 2019. 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.

Of particular importance is the resolution relating to the proposed change to the investing strategy of the Company. As explained above, the Directors have determined that it would be in the best interests of Shareholders to formally amend the investment objective of the Company and to commence steps to complete an orderly winding down of the business of the Company in the medium term (the "**Winding Down**"). To effect the Winding Down, as the Company realises its assets it intends to make periodic distributions to Shareholders of the surplus capital that is received from the proceeds of the Winding Down.

CHAIRMEN'S LETTER

No specific date can be set for when the Winding Down will be completed but following the exit from the last of the Company's investments, which will most likely be Towers Holdings, the Directors intend to put forward a formal proposal for winding up the Company. Shareholders should bear in mind that no representations can be made as to the exact timing, terms and quantum of disposals or returns of value, all of which will depend, among other things, on market and general economic conditions and could be adversely affected by changes in, among other things, interest rates, rates of inflation, market, foreign exchange, taxation, competition and political events. For these reasons, Shareholders should bear in mind that the net asset value periodically determined by the Directors is done in good faith but may not be an indicator of the values ultimately realised.

With regard to the Company's existing warrants, in the event that capital is returned to the shareholders, in accordance with the warrant instrument the Board will exercise its discretion, with the advice of the Company's auditors, to determine what adjustments should be made to reflect the consequences of the reduction in capital.

Accordingly, item 6 to be proposed at the AGM is a resolution to amend the investment objective and policies of the Company on terms set out below.

The proposed amendments to the Company's investment objective and policies are as follows:

> "The Company will seek to realise the Company's investments in an orderly manner, such realisations to be effected at such times, on such terms and in such manner as the Directors (in their absolute discretion) may determine.
>
> Following such realisations, the Company will make periodic returns of surplus capital to Shareholders on such terms and in such manner as the Directors (in their absolute discretion) may determine.
>
> The Company shall not make any new investments in projects to which it is not already committed. However, this will not preclude the Directors (in their absolute discretion) from: (a) authorising the expenditure of such capital as is necessary to: (i) complete arrangements pertaining to the Company's existing investments; or (ii) carry out any activities that the Directors (in their absolute discretion) deem appropriate to ensure the saleability of any existing investment; or (b) entering into any contract or other arrangement with any third party to realise all or any part of the Company's existing investments.
>
> Following the disposal of all of the Company's existing investments, the Directors intend to put a winding up proposal to the Shareholders."

The Directors consider that approval of the ordinary resolution is in the Company's best interests and in the best interests of the shareholders as a whole and recommend that you **VOTE IN FAVOUR** of the resolution to be proposed at the AGM.

On behalf of the Board, we should like to take this opportunity to thank a number of our key stakeholders: our staff for their professionalism and commitment; our business partners for all of their advice and contributions; and our shareholders for their continued support. In particular we should like to thank Mike for his whole-hearted commitment over the past six years and wish him well in his future endeavours.

WILLIAM KNIGHT
Chairman
25 September 2019

AUNG HTUN
Deputy Chairman
25 September 2019

> “The Company’s investments have all had a positive impact in Myanmar.”

EXECUTIVE DIRECTORS' REVIEW

Business Review

During the past year our net asset value ("**NAV**") has decreased by 12 per cent and was US$33.3 million as at 31 March 2019. This was mainly due to the reduction in the assessed value of our investments in MFIL (down US$1.9 million to US$4.4 million, driven mainly by a marked reduction in the comparable companies' multiples coupled with a 13.5 per cent depreciation in the Myanmar Kyat) and Medicare (down US$183,000 to US$1.2 million). What is not reflected in these numbers is the possible uplift in our investment in Apollo Towers as the share exchange with Towers Holdings has not yet occurred, even though we have already committed to completing this. Had the share exchange occurred before year-end then the Directors estimate that our NAV as at 31 March 2019 would have been US$39.3 million, an increase over the year of 3.7 per cent.

During the year we drastically reduced our operating "run-rate" costs from US$2.2 million per annum to the equivalent of US$1.2 million per annum by year-end. As a result our loss per share reduced 25 per cent compared to the prior year.

Overall, our businesses have performed well:

- Apollo Towers: the long-planned increases in co-locations have driven growth in EBITDA and the tie-up with Pan Asia Towers is expected to produce greater synergies and economies of scale;
- MFIL: with additional equity investment and additional debt facilities in place the business has grown well in size, product mix and geographic reach. This growth has however been tempered by an increase in the portfolio-at-risk due to borrower over-indebtedness and excessive competition; and
- Medicare: the business has experienced strong growth with 17 branches open at the end of March 2019, an increase over the year of 8 branches. As of today this has increased even further to 21 branches and a further 10 branches are targeted to be opened before the end of December 2019.

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 loss per share reduced 25 per cent compared to the prior year"

Financial Review

NET ASSET VALUE

The Directors assess the Group's NAV attributable to the shareholders of the Company as at 31 March 2019 to be US$33.3 million, a year-on-year decrease of 12 per cent. This represents US$0.87 per share, based on the number of shares in issue at the year-end. This change principally reflects the net changes in the Directors' assessment of the values of the Company's investments, described in more detail below, less the Group's running costs for the year.

As at 31 March 2019 the Group's NAV consisted of:

- an investment in Apollo Towers, the telecommunication tower business, of US$24 million, excluding the non-controlling interests, determined using a comparable EBITDA multiple methodology;
- an investment in MFIL, the microfinance business, of US$4.4 million, determined using a price to book value methodology;
- an investment in Medicare, the pharmaceutical, health and beauty retail franchise business, of US$1.2 million, determined based on the cost of the investment less attributable losses (akin to underlying NAV); and
- cash and other net assets/liabilities of US$3.5 million.

APOLLO TOWERS

As at 31 March 2018 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$24 million by using a discounted cashflow ("**DCF**") basis of valuation. Using the same methodology as at 30 September 2018 the valuation remained the same.

Plans have been put in place to bring Apollo Towers and Pan Asia Majestic Eagle Limited ("**Pan Asia Towers**"), under the ultimate common ownership of a new holding company Towers (M) Holdings Pte. Ltd. ("**Towers Holdings**"). Given that the combined businesses have greater scale and maturity, the Directors believe that it is suitable time to move away from a DCF basis of valuation and have instead valued the investment by reference to the run-rate EBITDA and prevailing comparable EV/EBITDA multiples. DCF as a methodology relies on a number of critical forward looking assumptions and slight changes in one or two variables can have a significant effect on the range of potential values. Whilst in the early stages of a business there may be little choice to using DCF, as a business matures it is more appropriate to look to a present value rather than a discounted future value. As the business has significantly matured and is generating stable and growing earnings, the Directors believe it appropriate to adopt a market-based valuation methodology, especially given a sufficient universe of appropriate comparable listed companies and transactions. Although there is greater upside still to be achieved after the reorganisation, and the Directors continually review options to create liquidity and/or monetisation of the investment, at this point the indication from the joint venture partner is that they are not contemplating an exit in the near future.

Using this methodology the Directors have assessed the value of the Group's investment in Apollo Towers as at 31 March 2019 to be US$24 million. While this is equal to the valuation as at 31 March 2018, the main components of the valuation methodology changed as follows:

- Increase in run-rate EBITDA resulting in increase in value of approximately US$1.7 million;
- Increase in net debt resulting in decrease in value of approximately US1.8 million; and
- Decrease in comparable EBITDA multiple resulting in decrease in value of approximately US$0.1 million.

The value of Apollo Towers is the same as last year and shows a profit of US$3.2 million over the cost of the investment and equates to an IRR since the initial investment in July 2015 of 4.0 per cent.

Under the planned share exchange, the Company's 66.6 per cent owned subsidiary, MIL 4 Limited ("MIL4"), will exchange its 13.7 per cent shareholding in Apollo Towers for a 6.2 per cent shareholding in Towers Holdings, which already owns Pan Asia Towers. MIL4 had committed to this course of action back in November 2017. If the share exchange had been completed by 31 March 2019 then the Directors estimate that that the Company's attributable shareholding in Towers Holdings would have been worth US$30 million as at that date. Based on this valuation this would represent a profit of US$9.2 million over the cost of the investment and equate to an IRR of 10.5 per cent.

EXECUTIVE DIRECTORS' REVIEW

MFIL

As at 31 March 2018 the Directors had assessed the value of the Group's investment in MFIL to be US$6.3 million, using the price to forward book value methodology.

The use of the forward book value, which is then discounted back to the valuation date, is appropriate for companies on a steep growth trend, as MFIL has been. However, as such businesses mature it is more appropriate to value them on their present value and thereby remove the estimations and assumptions associated with using forecasts. Therefore the Directors have applied a market-based price to book value multiple to the equity book value as at 31 March 2019.

Using this methodology the Directors have assessed the value of the Group's investment in MFIL as at 31 March 2019 to be US$4.4 million. If the Group had applied this methodology for 31 March 2018, the net change in value between 2018 and 2019 can broadly be attributed to:

- Increase in book value resulting in an increase in value of approximately US$1.6 million;
- Decrease in comparable book value multiple used resulting in decrease in value of approximately US$2.3 million; and
- Appreciation of the US dollar against the Myanmar Kyat by 13.5 per cent resulting in a decrease in value of approximately US$0.7 million.

The revised value of MFIL represents a decrease over the year of 30 per cent but is still a profit of US$1.7 million over the cost of the investment. This equates to an IRR since the initial investment in September 2014 of 15.5 per cent.

MEDICARE

As at 31 March 2018 the Directors had assessed the value of the Group's investment in Medicare to be US$1.4 million, using the price of a recent investment ("PRI") methodology.

Integral to Medicare's business plan is that it will continue to open new stores but as these stores take time to become profitable it is inevitable that there will be a period of start-up losses. As such the Directors feel that it is appropriate to reflect these losses in the valuation and have therefore moved from a PRI methodology to NAV, being the investment cost to date less the proportionate share of Medicare's losses.

Using this methodology the Directors have assessed the value of the Group's investment in Medicare as at 31 March 2019 to be US$1.2 million. The revised value of Medicare represents a loss of US$0.95 million on the cost of the investment.

SUMMARY OF NAV

In the attached audited financial statements, the NAV attributable to shareholders differs from the above stated value of US$33.3 million due to the following adjustments:

	US$
NAV per the audited financial statements	31.4
MFIL (Note 1)	1.9
NAV per the Directors' valuation	33.3

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

> The annualised year end cash-based overheads represent a year on year reduction of 46 per cent

FINANCIAL RESULTS

For the year to 31 March 2019 the Group's audited loss after tax was US$2.4 million, a significant reduction on last year's US$3.1 million whilst the loss per share decreased 25 per cent year-on-year.

As announced last year, the Board had set in motion a series of cost cutting measures to significantly reduce our overheads. These reductions were phased in over the year and the Company reduced its recurring core cash-based overheads (including the costs of being a quoted company but excluding discretionary compensation, share option expenses and transaction costs), from US$2.2 million for the year to 31 March 2018 to US$1.6 million for the year to 31 March 2019, a reduction of 27 per cent. For a more accurate assessment of the year end cash-based overheads, the annualised costs for March 2019 equate to US$1.2 million, which represents a year on year reduction of 46 per cent.

Outside of our overheads the most significant items were:

- our share of Medicare's losses which were US$600,000 compared to last year's US$325,000;
- our share of MFIL's profits which were US$112,000 compared to last year's US$135,000;
- the impact of the share-based payments arising from the Group's Employee Share Option Scheme; and
- transaction costs associated with investigating investments that did not come to fruition.

CHANGE OF YEAR END

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

This will be effected in a phased manner: the Company will issue interim accounts for the six months to 30 September 2019 and also 31 March 2020. It will then produce audited accounts for the 18 months to 30 September 2020. The two sets of interim accounts will be reviewed by BDO LLP, the Company's statutory auditors. The interim accounts and the final audit accounts will all be targeted to be issued within 3 months of their respective period ends.

DIVIDENDS

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

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.

CRAIG MARTIN
Managing Director
25 September 2019

MICHAEL DEAN
Finance Director
25 September 2019

BUSINESS REVIEW

APOLLO TOWERS HOLDINGS LIMITED ("APOLLO TOWERS")

BACKGROUND

Apollo Towers is one of the largest independent telecom tower ("**ITC**") companies in Myanmar.

The Company plans to exchange its interest in Apollo Towers for an interest in Towers Holding and the Directors have been advised that the share exchange should be completed in the near future.

Under this share exchange, MIL's 66.6 per cent subsidiary, MIL 4, will exchange its existing 13.7 per cent shareholding in Apollo Towers for a shareholding of 6.2 per cent in Towers Holdings, of which 4.1 per cent is attributable to MIL. A MIL representative will sit on the board of Towers Holdings.

The share exchange effectively brings Apollo Towers and Pan Asia Towers, another Myanmar ITC, under the common ownership of Towers Holdings. Towers Holdings would then be one of the largest ITC companies in Myanmar. Apollo Towers and Pan Asia Towers provide tower and power services to all of Myanmar's mobile network operators ("**MNOs**") being Telenor, Ooredoo, MPT and the more recently established, Viettel-led consortium, MyTel.

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

The Myanmar telecoms sector continues to experience solid growth with continuing demand for capacity expansion. Myanmar's mobile penetration rate continues to grow with estimates currently as high as 105 per cent, though this is based on SIM cards and not unique subscribers. Coupled with this is the prevalence of data enabled devices. Smartphones are estimated to account for in excess of 80 per cent of the mobile phones in use in the country and data demand drives the need for connectivity. Connectivity requires an extensive network of telecom towers with reliable power. Myanmar currently has 20,000 towers, of which 11,000 are owned by ITCs, and is expected to reach 22,000 towers within the next few years. Apollo Towers has built a strong reputation in the market for its capability in providing and maintaining "tower and power" solutions for its customers. Pan Asia Towers has built a strong reputation for providing towers only. Towers Holdings will look to leverage the best practices of both companies in providing as full a suite of services as is possible and commercially attractive to the customers of both businesses.

At the end of March 2019, Apollo Towers and Pan Asia Towers together had an aggregated portfolio of 3,150 towers, 6,450 tenants and a co-location ratio ("Lease-up-Rate" or "LUR") of 2.0x. LUR is a key driver of profitability for ITCs. By adding additional tenants to existing towers, the yield on invested capital can significantly improve, making each additional tenant highly accretive in terms of EBITDA and eventually enterprise value. Market analysis for Myanmar points to an expected LUR of 2.2x over the next few years.

Both ITCs' LUR has benefitted from the significant increase in the number of co-tenants on their towers from both the entry of Myanmar's fourth mobile operator, MyTel, and also the country's multiple new internet service providers.

Apollo Towers' accounts for the year ended 31 March 2019, adjusted for non-recurring items, show that the company achieved revenues and EBITDA of US$61 million and US$32.3 million, a Y-o-Y increase of 19 per cent and 33 per cent respectively.

On a pro-forma aggregated basis and adjusting for non-recurring items, for the financial year ending 31 March 2019 the two businesses would have had combined revenues of approximately US$110 million and EBITDA of approximately US$65.7 million. Similarly, if the accounts for both businesses for just March 2019, were to be similarly aggregated, adjusted and then annualised to provide an indicative "run rate", they would show annualised revenues of US$119 million and EBITDA of US$69.4 million.

Going forward, Towers Holdings intends to increase the number of towers in its portfolio. Given the existing undrawn debt facilities, coupled with cash flows from operations, there will be available capital to build further towers over the next few years without the need to seek additional funding.

Apollo Towers' net debt was US$234 million as at the end of March. At that date, on a proforma basis, Towers Holdings combined net debt would have been US$335 million.

BUSINESS REVIEW

MYANMAR FINANCE INTERNATIONA LIMITED ("MFIL")



BACKGROUND

MFIL is one of the leading microfinance companies in Myanmar. Setup in 2014 by MIL with U Htet Nyi, a well-established Myanmar entrepreneur, the Norwegian Government's Investment Fund for Developing Countries ("**Norfund**") subsequently also became a shareholder.

MFIL focuses on urban and semi-rural lending in Yangon and Bago and recently opened two branches in Mon State with plans to expand to other states during the coming year. Traditionally, MFIL has focussed on the traditional group lending methodology but during the year has increased its micro-loan business which is targeted at small-scale entrepreneurs.

In the year to 31 March 2019, MFIL produced its fourth year of profitability generating over US$300,000 of net profit after-tax for the year.

MFIL provides small loans (US$205 on average per borrower, but it can be as high as US$6,600) to small-scale business operators. It is also an approved deposit-taking microfinance institution in Myanmar.

MIL sits on the board of MFIL and works closely with the management and shareholders in growing the business, especially in assisting with securing debt finance and managing issues of loan underperformance.

Since its inception MFIL has had a positive impact on the lives and economic well-being of its customers and for the past 4 years the company has been profitable.

The key driver of profitability for a microfinance business is the net interest margin. Gross loan rates are capped at 30 per cent, though this is scheduled to reduce to 28 per cent starting in October 2019. The highest marginal cost is the cost of funds followed by the cost of operations and the provisions for loan losses. In addition to keeping tight control on loan losses, the key means of driving profitability further is through scale and by lowering the cost of operations.

MFIL is looking to grow its loan book by increasing the average loan size, adding better qualified customers, and broadening its product offering to include microbusiness loans in its existing areas of operation as well as expand its geographic presence. It recognises, however, that with geographic growth and expansion of its product range, it must continue to invest more in systems and training.

With additional equity investment and additional debt facilities in place, MFIL's business has grown well in size, product mix and geographic reach.

During the year to 31 March 2019, MFIL continued its strong growth trajectory and took its borrower base to over 70,000 borrowers (though it reduced after the year end as a result of management's initiatives to address the PAR issue) and its loan book to MMK 22.2 billion (US$14.6 million), a CAGR of 54 per cent and 107 per cent respectively since MIL's initial investment.

Since MIL invested the average loan size provided by MFIL has increased 288 per cent to MMK 311,000 (US$205) from MMK 80,000 at the time of the initial investment.

Certain areas in which MFIL operates are showing strains in terms of borrower over-indebtedness and excessive competition. MIL will continue to work closely with MFIL management to navigate through these challenges ahead, with the cooperation of the industry through the Myanmar Microfinance Association. As a result, MFIL's portfolio-at-risk ("**PAR**") (over 30 days) stood at 2.1 per cent as at end March (2018: 0.5 per cent). Over the last year the industry has seen a gradual but persistent rise in PAR. Although we believe MFIL's PAR is still below industry norms it is nonetheless a cause for concern and is negatively impacting profitability. MIL and management have undertaken in-depth reviews of the causes of the problems and have implemented significant remedial action.

The new micro-business product which is targeted at individual micro-entrepreneurs has been well received and as of end March, comprised 31 per cent of the total loan portfolio.

During the year MFIL opened 2 new branches in Bago so that it now has eleven branches: five in Yangon and six in Bago. In April 2019, MFIL received its license to operate in Mon State and has opened 2 new branches there.

As at the year-end, MFIL had drawn down US$12.3 million of local currency facilities from a combination of international microfinance lenders and local banks.

During the year, the shareholders of MFIL injected an additional US$1 million of shareholder capital into MFIL, on a pro-rata basis among all shareholders. This takes the paid-up capital of MFIL to nearly US$7 million. The shareholdings today are MIL 37.5 per cent, Myanmar Finance Company Limited 37.5 per cent and Norfund 25 per cent. MIL's total investment cost to date is US$2.7 million.

BUSINESS REVIEW

MEDICARE INTERNATIONAL HEALTH & BEAUTY (“MEDICARE”)

BACKGROUND

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

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

There are now 21 modern franchised stores on the streets and in the shopping centres of Yangon. Medicare provides the growing customer base at its franchised stores with a very broad range (4,500 SKUs) of international quality products at affordable prices. All of these stores demonstrate the modern “Medicare” brand concept of being “informative, friendly and bright with an energetic and smart style”. Similar in style to international brands such as “Boots” (UK), “Guardian” (Asia), “Watsons” (Asia) or “Walgreens” (US), such branded quality chains are not yet common in Myanmar; the bulk of the estimated 8,000 pharmacies in Myanmar are stand-alone “Mom & Pop” stores.

Analysts have positive views for 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. The expected rise in consumer spending power should bode well for the pharmacy, healthcare and personal care retail sector in the longer term. 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.

As at the year end, MIL had invested US$2,145,000 for a shareholding of 48.6 per cent.

Since its establishment in May 2017, Medicare has rolled out 21 stores in Yangon and is targeting to have 31 open by December 2019.

From a standing start, Medicare now employs over 200 staff. Most of the store managers are pharmacists, who are University educated and are bi-lingual in Myanmar and English.

The concept has been well received by the Myanmar consumer. At this stage, Medicare is refining its product offering both in terms of the range of products that it offers as well as the locations in which it operates. It is expected that once this testing phase is concluded, Medicare could then expand the number of stores to over 50 stores, predominantly in Yangon and the other major cities.

The partnership with H&B yields important advantages to Medicare, especially in access to Medicare-brand products which account for 153 Medicare-brand name products in stores, and for about 6 per cent of sales.

Medicare's net loss for the year to 31 March 2019 was US$1.2 million. These start-up losses are in line with Medicare management's expectations and reflect the net effect of the profitable stores' positive contribution being masked by losses incurred on more recent stores coupled with central overheads.

Besides those, Medicare also stocks well-known international brands such as Loreal, Revlon, Similac, Brands, Blackmores, Nestle, Pfizer, Listerine, among many others. Some, such as DeARANCHY, Luke and Basicare, are exclusive to Medicare.

Going forward, Medicare will require additional equity funding to cover the start-up costs and operating losses until critical mass is achieved as well as funding the store roll-out programme over the next few years.

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 dedicated to financing the development of frontier and emerging markets with particular emphasis on East Asia, China and the Indian sub-continent. He originated the creation of the first London-listed investment funds for Thailand and Vietnam and his wide experience has covered involvement with a number of listing jurisdictions, including AIM.

After Lazards, Mr Knight 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 and later as director of the bank's first overseas merchant banking office which he established in Hong Kong to cover East Asia and the Indian sub-continent.

Since 1991, as an independent director or adviser, Mr Knight has served as Chairman of the J.P Morgan Chinese Investment Trust Plc and as the senior Independent Director of Fidelity Asian Values Trust Plc. 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.

Currently Mr Knight is Chairman of Earth Capital Asia Ltd, a sustainable technology investment company based in Hong Kong, and 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 which he first visited in 1980.

MAUNG AUNG HTUN

Deputy Chairman

Mr Htun is half Myanmar and is 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.

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.

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.

CRAIG ROBERT MARTIN

Managing Director

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 (thirteen years), and has invested in many sectors across Asia. His direct investment experience covers the fintech, telecoms, agribusiness, building materials, education, media, retail, real estate, manufacturing, finance, logistics, transportation and renewable energy sectors.

Mr Martin has a Master of Engineering from the University of York, UK, and an MBA with Distinction from INSEAD, and he 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 Limited, a Guernsey regulated investment management firm focussed on Vietnam.

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.

ANTHONY MICHAEL DEAN

Finance Director

Mr Dean has nearly 40 years of experience in the finance industry in investment banking, private equity and accounting. 30 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 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.

NICHOLAS JOHN PARIS

Non-Independent Non-executive Director

Over the past 30 years, Mr Paris has gained extensive experience as a stock broker and fund manager with a particular emphasis on closed end funds and hedge funds. He has held senior positions with institutions such as American Express Asset Management, Credit Lyonnais Securities Asia, Santander Securities and Baring Securities. In his current position at LIM Advisors he invests in closed end funds with a principal focus on funds investing in Asia.

Mr Paris is a Fellow of The Institute of Chartered Accountants in England & Wales and holds a Bachelor of Science with Honours in Agricultural Economics from the University of Newcastle-Upon-Tyne.

Mr Paris was appointed to the Board on 27 December 2018.

Mr Paris is a director and portfolio manager with LIM Advisors (London) Limited. One of the funds managed by the LIM Advisors Group, LIM Asia Special Situations Master Fund Limited ("**LIM**"), owns more than 10 per cent of the Company's ordinary share capital and as a representative of LIM, Mr Paris is considered a non-independent, non-executive director.

DIRECTORS' REPORT

The Directors present their annual report and audited consolidated financial statements of the Group for the financial year ended 31 March 2019.

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.**

As of 31 March 2019, the Company held:

- a 66.7 per cent shareholding in **MIL 4 Limited** ("MIL4") a BVI company which in turn holds a 13.7 per cent shareholding in Apollo Towers Holdings Limited ("Apollo Towers") a BVI incorporated telecom tower company;
- a 100 per cent shareholding in **Myanmar Investments Limited** ("MIL") a Singapore company which in turn holds a 37.5 per cent shareholding in Myanmar Finance International Limited ("MFIL"), a Myanmar incorporated microfinance joint venture company; and
- a 48.6 per cent shareholding in Medicare International Health & Beauty Pte Ltd ("Medicare") a Singapore joint venture holding company for a Myanmar pharmaceutical, health and beauty franchise business.

The above companies highlighted in bold type comprise the Myanmar Investments International Limited Group (the "**Group**").

FUND RAISINGS

During the year to 31 March 2019:

- 202,905 warrants were converted at US$0.75 each into 202,905 ordinary shares raising US$152,179;
- 377,486 warrants were converted at US$0.90 each into 377,486 ordinary shares raising US$339,737; and
- a further 637,729 warrants were cashlessly converted into 84,355 ordinary shares.

AMENDMENTS TO THE TERMS OF THE COMPANY'S WARRANTS

On 21 May 2018, 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 December (volume weighted average price or 'VWAP'); and (ii) the Company's net asset value as calculated by the Board in the previous September.

The Directors aim to publish an RNS at the end of November detailing the formula and the resulting ratio of warrants that are required to cashlessly acquire one new ordinary share.

As noted elsewhere in this Annual Report, the Directors are proposing that the Investment Policy of the Company be amended to enable the return of capital to shareholders with the ultimate aim to wind up the Company in due course. In the event that capital is returned to the shareholders, in accordance with the warrant instrument the Board will exercise its discretion, with the advice of the Company's auditors, to determine the adjustment that should be made to the number of Ordinary Shares that could be subscribed for or the subscription price for those shares as a consequence of the reduction in capital.

INVESTMENT POLICY

The Company's investment policy (the "**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**"). However as explained in the Chairmen's Letter it is proposed that the Investment Policy be amended at this year's AGM.

Strategy

The Company's primary objective at the date of this document 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 was expected that the portfolio of the Company would be concentrated as it sought out new potential investments. However, in time and subject to available opportunities the Directors intended to diversify the portfolio.

The Company is 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 fall into two categories, core investments and financial investments:

Core Investments

The Company's core investments are 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.

DIRECTORS' REPORT

For core investments, the Company seeks to help the Investee Company enhance its return on equity and, as soon as it is prudent, generate dividends. When appropriate, the Investee Company is 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.

Core investments are held until such time as the Directors believe that long term growth rates have started to moderate. As such there would 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, would only be made 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.

The Company's investments have ranged between US$5 million and US$25 million, although the Company has been open to larger or smaller investments. Investments that are larger than the Company's existing resources would be 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 might seek to generate fee income (for example placement and management fees and carried interests) through placements to financial investors.

Sanctions and Restrictions
The Company complies 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 has sought to build a diversified portfolio. 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 makes investments primarily into companies, businesses or assets located in Myanmar. This might 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 employs 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 may 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.

Borrowings

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 o n borrowings of more than 50 per cent 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.

Sectors

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 are 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

Investment Policy Review and Proposed Amendments to the Company's Investment Policy
The Directors review the investment policy on an annual basis. Following this years' review, the Directors have determined that it would be in the best interests of the Company's shareholders to supplement the existing investment policy with the following:

> "The Company will seek to realise the Company's investments in an orderly manner, such realisations to be effected at such times, on such terms and in such manner as the Directors (in their absolute discretion) may determine.
>
> Following such realisations, the Company will make periodic returns of surplus capital to Shareholders on such terms and in such manner as the Directors (in their absolute discretion) may determine.
>
> The Company shall not make any new investments in projects to which it is not already committed. However, this will not preclude the Directors (in their absolute discretion) from: (a) authorizing the expenditure of such capital as is necessary to: (i) complete arrangements pertaining to the Company's existing investments; or (ii) carry out any activities that the Directors (in their absolute discretion) deem appropriate to ensure the saleability of any existing investment; or (b) entering into any contract or other arrangement with any third party to realise all or any part of the Company's existing investments.
>
> Following the disposal of all of the Company's existing investments, the Directors intend to put a winding up proposal to the Shareholders."

These proposed amendments will require shareholder consent prior to implementation. As such, the proposed amendments to the Company's investment objective and policies that have been tabled for this year's AGM.

RESULTS AND DIVIDENDS

The Directors assess the Group's net asset value attributable to the shareholders of the Company as at 31 March 2019 to be US$33.3 million (2018: US$37.9million), a 12 per cent decrease over the year. The net asset value per share as of 31 March 2019 was US$0.87 per share (2018: US$1.012 per share) based on the shares in issue at that time. This change is mainly attributable to the reduction in the assessed value of the Company's investments in MFIL (down US$1.9 million to US$4.4 million) and Medicare (down US$183,000 to US$1.2 million). What is not reflected in these numbers is the possible uplift in the Company's investment in Apollo Towers as the share exchange with Towers Holdings has not yet occurred, even though the Company has already committed to completing this. Had the share exchange occurred before year end then the Directors estimate that the Company's NAV as at 31 March 2019 would have been US$39.3 million, an increase over the year of 3.7 per cent.

For the year to 31 March 2019 the Group's audited loss after tax was US$2.4 million, a significant reduction on last year's US$3.1 million whilst the loss per share decreased 25 per cent year-on-year. The results for the year are set out in more detail in the Executive Director's Review and in the consolidated statement of comprehensive income.

The Directors do not recommend the payment of a dividend for the financial year ended 31 March 2019.

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, especially the proposal to commence an orderly disposal of the Company's investments and to return surplus capital to shareholders. Ultimately the Directors expect to put a winding up proposal to Shareholders.

DIRECTORS

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

During the financial year under review:

- Aung Htun served as Managing Director until 1 June 2018 and then became Deputy Chairman;
- Craig Martin became Managing Director on 1 June 2018 having previously been an independent Non-Executive Director;
- Michael Dean served as Finance Director throughout the year;
- William Knight and Henrik Bodenstab served as independent Non-Executive Directors;
- Christopher Appleton served as an independent Non-Executive Director until his retirement on 30 October 2018; and
- Nicholas Paris was appointed as a non-independent Non-Executive Director on 27 December 2018.

In accordance with the Company's articles of association, William Knight and Nicholas Paris retire by rotation and offer themselves for re-election at the Company's Annual General Meeting.

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 was 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
Nicholas Paris [1]	—	—	—

1. Nicholas Paris is a director and portfolio manager with LIM Advisors (London) Limited. One of the funds managed by LIM Advisors, LIM Asia Special Situations Master Fund Limited, is a substantial shareholder in the Company and its interests are disclosed in the Directors Report under "Substantial Interests".

SHARE OPTION PLAN

On its admission to trading on AIM, the Company established a 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 during the financial year the Board decided that no further options would be granted, though the existing options will remain in place.

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 per cent 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 2019	Exercise price (US$)
Series 1	Admission	584,261	579,728	1.100
Series 2	December 2014	361,700	357,200	1.155
Series 3	July 2015	1,734,121	1,653,599	1.265
Series 4	September 2016	324,546	—	1.430
Series 5	June 2017	618,112	—	1.298
		3,622,740	2,590,527	

In conjunction with the introduction of the Carried Interest Plan (as further detailed below), the Board has cancelled the balance of 1,032,213 unissued options.

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 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 per cent, compounded annually, will be applied.

The Carried Interest Plan will receive 10 per cent of any resultant excess profit and this will be allocated between the beneficiaries as determined by the points allocated 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 per cent 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	20.3%
Probus Opportunities SA SICAV-FIS – Mekong Fund	2,118,644	5.6%
Red Oak Operations Limited	2,105,569	5.5%
Chasophie Group Limited	1,601,086	4.2%
Alpha Investments Asia FCP-SIF Fund	1,449,475	3.8%
Finanzverwaltungs GbR Langen II	1,443,051	3.8%
Alam Investments Limited	1,147,874	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;
- Countering the Financing of Terrorism;
- Anti-Bribery procedures;
- Whistleblowing procedures;
- Politically Exposed Persons;
- 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.

DIRECTORS' REPORT

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.

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
25 September 2018

CRAIG MARTIN
Managing Director
25 September 2019

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

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 current 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.

CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

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, Epsom, London and Edinburgh;
- the Company's investor forums which have been held in Yangon; and
- maintaining an active social media communications platform through LinkedIn (over 1,500 followers), Twitter (over 2,000 followers) and Facebook (over 5,000 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 Michael Dean, the Finance Director on 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. Our 2018 calendar featured 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

During the financial year under review the following served on the Investment Committee: Craig Martin (who was also Chairman until 31 May 2018), Henrik Bodenstab (who became Chairman from 1 June 2018), Aung Htun and Michael Dean.

During the year there were 23 meetings of the Investment Committee and all 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

During the financial year under review the following served on the Audit Committee: Craig Martin (who was Chairman until 31 May 2018 when he stepped down from the committee), William Knight (who became Chairman from 1 June 2018), Henrik Bodenstab and Nicholas Paris (from 27 December 2018).

During the year there were five meetings of the Audit Committee and all 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), two non-executive non-independent directors (Aung Htun and Nicholas Paris) and two non-executive independent directors (William Knight and Henrik Bodenstab). 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.

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.

CHAIRMAN'S STATEMENT ON CORPORATE GOVERNANCE

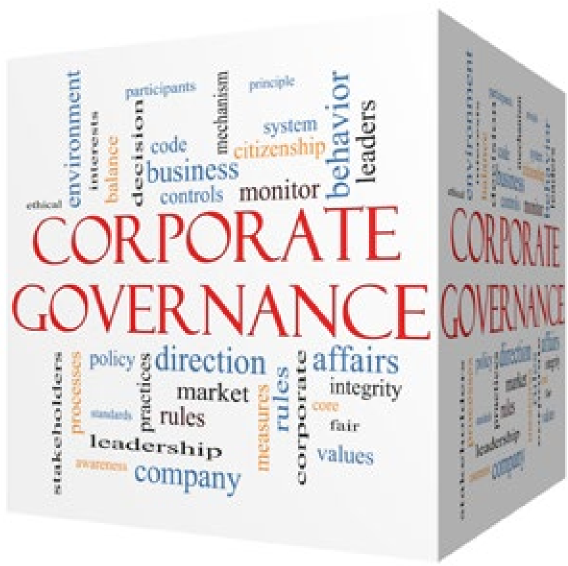
The Board is supported by the Investment Committee, the Audit Committee, the Remuneration Committee and the Nomination and Corporate Governance Committee. Since Admission, these committees have been established with clear terms of reference and they regularly review matters within their purview.

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 14 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 23 meetings; the Audit Committee held five meetings; the Remuneration Committee held four meetings; and the Nomination and Corporate Governance Committee ("**NCGC**") held five 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, *Non-Independent Deputy Chairman*

Mr 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.

Mr Martin was a Managing Director and Co-CEO of CapAsia for seven years, an investor in infrastructure in non-BRIC emerging markets, managing investments in thermal power, renewable energy, toll-roads and telecommunications infrastructure, including telecom towers. Mr Martin sat on the board of infrastructure investments in Pakistan, Thailand, Malaysia, Philippines and Vietnam. At CapAsia Mr Martin led and structured an investment in a portfolio of approximately 2,000 telecom towers.

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) as well as a member of both the UK's Chartered Institute of Taxation and the Singapore Institute of Directors. He has lived in Asia for 30 years 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, corporate governance 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.

NICHOLAS JOHN PARIS, *Non-Independent Non-executive Director*

Mr Paris has specialised in the launch and ongoing trading of closed end Investment funds since he joined Baring Securities in 1994 and throughout his career on the sell-side and the buy-side of the investment markets and he has had a particular focus on funds that were invested in Asia. Also, throughout his career he has focussed on the corporate governance rights of shareholders in closed end funds and both of these skill sets are of relevance to the Company and its shareholders as it navigates the winding down of its portfolio and ultimately of the Company.

In addition, he is a Portfolio Manager within the LIM Advisors Group one of whose clients is a substantial shareholder in the Company having invested at the Company's launch and which is also a co-investor in Apollo Towers through its shareholding in the Company's subsidiary, MIL4.

Mr Paris is also a Chartered Accountant in England and Wales and a Chartered Alternative Investment Analyst and is able to apply the skills and knowledge gained from these qualifications for the benefit of the Company.

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 financial year under review the following served on the NCGC: Christopher Appleton (who was Chairman until 30 October 2018 when he retired); Henrik Bodenstab (who became Chairman from 1 November 2018), William Knight, Craig Martin and Aung Htun.

During the year under review there were five meetings of the NCGC and all 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 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

During the financial year under review the following served on the Remuneration Committee: William Knight (Chairman), Craig Martin (until 31 May 2018), Christopher Appleton (until 30 October 2018) Henrik Bodenstab and Nicholas Paris (from 27 December 2018).

During the year under review there were four meetings of the Remuneration Committee and all 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 Share Option Plan and the Carried Interest Plan and the allocation of the benefits from those schemes amongst the Board and management team. 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 and Carried Interest Plan points. 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, the Company has been applying the QCA Corporate Governance Code. 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
25 September 2019

REMUNERATION COMMITTEE'S 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 2019 and 2018 was (all amounts in US dollars):

Director	2019		2018	
	Directors' fees	Short term employee benefits(1)	Directors' fees	Short term employee benefits(1)
William Knight	24,375	-	40,000	-
Aung Htun 3	-	141,156	-	455,893
Michael Dean	-	284,008	-	458,610
Craig Martin 3	7,500	58,250	30,000	-
Christopher Appleton	12,333	-	30,000	-
Henrik Bodenstab	20,000	-	30,000	-
Nicholas Paris	2,500	-		
	66,708	483,414	130,000	914,503

1. *The short-term employee benefits also include rental expenses paid for the Directors' accommodation.*
2. *The short-term employee benefits include bonuses totalling US$225,000 for the Executive Directors for 2018 as determined by the Remuneration Committee. No bonuses were paid for 2019.*
3. *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.

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

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 of the Board
25 September 2019

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 2019.

Valuation of Available-for-sale Financial Assets
Refer to Notes 3.2 and 12 of the financial statements.

As at 31 March 2019 the Group held an equity instrument at fair value through profit or loss, being its investment in 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's approval of the same;
- suitable valuation methodologies;
- comparable market-based valuation data and benchmarks;
- the basis for key assumptions applied by management principally the run rate EBITDA and comparable EV/EBITDA multiples.

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 12.

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 2019, 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 2019.

1. Opinion of the Directors

In the opinion of the Board of Directors,

(a) the 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 2019 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
Henrik Onne Bodenstab
Nicholas John Paris (Appointed on 27 December 2018)

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 2018	At 31 March 2019
<u>Company</u>		
Myanmar Investments International Limited		
Number of ordinary shares		
Christopher William Knight	28,000	28,000
Maung Aung Htun	677,000	677,000
Anthony Michael Dean	410,000	410,000
Craig Robert Martin	237,372	237,372
Henrik Onne Bodenstab	585,849	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
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
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 (resigned on 1 June 2018)
- Christopher David Appleton (resigned on 31 October 2018)
- Henrik Onne Bodenstab
- Nicholas John Paris (appointed on 27 December 2018)

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 arose as a result of the new ordinary shares being issued in connection with the Company's Admission to the AIM market of the London Stock Exchange in June 2013 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 of which 2,590,527 have been issued. The Directors do not intend to issue any further share options. 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
Henrik Onne Bodenstab	–	35,000	–	–	35,000

6. Independent auditor

The independent auditor, BDO LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Anthony Michael Dean
Director

Maung Aung Htun
Director

25 September 2019

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 2019;
- 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 2019, 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 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 Equity Instrument at Fair Value through Profit or Loss	
The investment in equity instrument at fair value through profit or loss ("FVTPL") represents a 13.7 % 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 2019, the carrying amount of the Group's investment in equity instrument at FVTPL was US$36 million, which represented 82.5% of the total assets of the Group. In the current year, valuation methodology changed from the previous discounted cash flow method to a market-based valuation using public comparable companies since Apollo Towers has entered to a mature stage where the new valuation method would be more appropriate. 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 equity instrument at FVTPL, taking into account that the fair value was measured using significant unobservable inputs (Level 3) such as EV/EBITDA of public comparable companies. Refer to Notes 3.2 and 12 to the financial statements.	Our procedures on the valuation of the equity instruments at FVTPL included, amongst others, the following: ■ We discussed with management the assumptions used in the valuation process; ■ We reviewed the reconciliation of the EBITDA used to the audited financial statements of Apollo Towers and performed reasonableness test on the EBITDA used; ■ We, with the assistance of our internal valuation specialist, assessed and reviewed the methodology used in the valuation and the reasonableness of the EV/EBITDA multiplier used; 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.

- 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 Ng Kian Hui.

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
25 September 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2019

	Note	2019 US$	2018 US$
Revenue		–	–
Other item of income			
Finance income	4	514	530
Items of expense			
Employee benefits expense	5	(916,343)	(1,601,194)
Depreciation expense	13	(22,001)	(8,789)
Other operating expenses		(1,006,933)	(1,252,959)
Finance costs	6	(12,715)	(15,211)
Share of results of joint ventures, net of tax	10	(491,290)	(190,949)
Loss before income tax	7	(2,448,768)	(3,068,572)
Income tax expense	8	(436)	(6,164)
Loss for the financial year		(2,449,204)	(3,074,736)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange (loss)/gain arising on translation of foreign operations	10	(263,584)	57,051
Fair value gain on available-for-sale financial assets	11	–	4,604,478
Other comprehensive income for the financial year, net of tax		(263,584)	4,661,529
Total comprehensive income for the financial year		(2,712,788)	1,586,793
Loss attributable to:			
Owners of the parent		(2,420,931)	(3,049,533)
Non-controlling interests	14	(28,273)	(25,203)
		(2,449,204)	(3,074,736)
Total comprehensive income attributable to:			
Owners of the parent		(2,684,515)	77,170
Non-controlling interests	14	(28,273)	1,509,623
		(2,712,788)	1,586,793
Loss per share (cents)			
- Basic and diluted	9	(6.42)	(8.57)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

	Note	2019 US$	2018 US$
ASSETS			
Non-current assets			
Investments in joint ventures	10	3,717,909	3,347,783
Available-for-sale financial assets	11	–	36,000,000
Equity instrument at fair value through profit or loss	12	36,000,000	–
Plant and equipment	13	38,103	54,751
Total non-current assets		39,756,012	39,402,534
Current assets			
Other receivables	15	178,775	194,584
Cash and cash equivalents	16	3,720,521	6,282,330
Total current assets		3,899,296	6,476,914
Total assets		43,655,308	45,879,448
EQUITY AND LIABILITIES			
Equity			
Share capital	17	40,569,059	40,161,942
Share option reserve	18	1,337,005	1,220,549
Accumulated losses		(10,039,640)	(10,711,403)
Foreign exchange reserve		(475,874)	(212,290)
Fair value reserve	19	–	3,069,652
Equity attributable to owners of the parent		31,390,550	33,528,450
Non-controlling interests	14	11,875,458	11,903,731
Total equity		43,266,008	45,432,181
LIABILITIES			
Current liabilities			
Other payables	20	372,410	432,330
Income tax payable		16,890	14,937
Total current liabilities		389,300	447,267
Total equity and liabilities		43,655,308	45,879,448

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2019

	Note	Share capital US$	Share option reserve US$	Foreign exchange reserve US$	Fair value reserve US$	Accumulated losses US$	Equity attributable to owners of the parent US$	Non-controlling interests US$	Total US$
2019									
At 31 March 2018		40,161,942	1,220,549	(212,290)	3,069,652	(10,711,403)	33,528,450	11,903,731	45,432,181
Effect of adopting IFRS 9		–	–	–	(3,069,652)	3,069,652	–	–	–
At 1 April 2018		40,161,942	1,220,549	(212,290)	–	(7,641,751)	33,528,450	11,903,731	45,432,181
Loss for the financial year		–	–	–	–	(2,420,931)	(2,420,931)	(28,273)	(2,449,204)
Other comprehensive income for the financial year									
Exchange loss arising on translation of foreign operations	10	–	–	(263,584)	–	–	(263,584)	–	(263,584)
Total other comprehensive income for the financial year		–	–	(263,584)	–	–	(263,584)	–	(263,584)
Total comprehensive income for the financial year		–	–	(263,584)	–	(2,420,931)	(2,684,515)	(28,273)	(2,712,788)
Contributions by and distributions to owners									
Exercise of warrants	17	491,916	–	–	–	–	491,916	–	491,916
Share issue expenses	17	(84,799)	–	–	–	–	(84,799)	–	(84,799)
Share options expense	18	–	139,498	–	–	–	139,498	–	139,498
Cancellation of share options	18	–	(23,042)	–	–	23,042	–	–	–
Total contributions by and distributions to owners		407,117	116,456	–	–	23,042	546,615	–	546,615
At 31 March 2019		40,569,059	1,337,005	(475,874)	–	(10,039,640)	31,390,550	11,875,458	43,266,008

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2019

	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	17	7,293,725	–	–	–	–	7,293,725	–	7,293,725
Exercise of warrants	17	520,781	–	–	–	–	520,781	–	520,781
Share issue expenses	17	(309,558)	–	–	–	–	(309,558)	–	(309,558)
Share options expense	18	–	361,854	–	–	–	361,854	–	361,854
Cancellation of share options	18	–	(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 financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2019

	Note	2019 US$	2018 US$
Operating activities			
Loss before income tax		(2,448,768)	(3,068,572)
Adjustments for:			
Interest income	4	(514)	(530)
Finance costs	6	12,715	15,211
Depreciation of plant and equipment	13	22,001	8,789
Fixed assets written off	7	–	1,207
Share-based payment expense	18	139,498	361,854
Share of results of joint ventures, net of tax	10	491,290	190,949
Operating cash flows before working capital changes		(1,783,778)	(2,491,092)
Changes in working capital:			
Other receivables		15,809	3,920
Other payables		(59,920)	(200,408)
Cash used in operations		(1,827,889)	(2,687,580)
Interest received	4	514	530
Finance costs paid	6	(12,715)	(15,211)
Income tax refund/(paid)		1,517	(1,447)
Net cash flows used in operating activities		(1,838,573)	(2,703,708)
Investing activities			
Investments in joint ventures	10	(500,000)	(895,000)
Advances to joint ventures	10	(625,000)	(875,000)
Purchase of plant and equipment	13	(5,353)	(52,237)
Net cash flows used in investing activities		(1,130,353)	(1,822,237)
Financing activities			
Increase in short-term deposits pledged		(11,267)	–
Net proceeds from issuance of shares	17	407,117	7,504,948
Net cash flows generated from financing activities		395,850	7,504,948
Net change in cash and cash equivalents		(2,573,076)	2,979,003
Cash and cash equivalents at beginning of the year		6,246,186	3,267,183
Cash and cash equivalents at the end of financial year	16	3,673,110	6,246,186

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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 14 to the financial statements.

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.

Accordingly, the Directors have adopted the going concern basis in preparing the Group's financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation of the financial statements

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

The individual financial statements of each entity in the Group are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group are presented in United States dollar ("US$"), which is the functional currency of the Company and the presentation currency for the financial statements of the Group.

For the purpose of IFRS 8 Operating Segments, the Group has only one segment, being "Investments" which comprise investments in joint ventures and equity instrument at fair value through profit or loss as disclosed in Notes 10 and 12 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 financial statements (Continued)

The preparation of the 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 financial statements are disclosed in Note 3 to the financial statements.

In the current financial year, the Company has adopted all the new or revised IFRS that are relevant to its operations and effective for the current financial year. The adoption of the new or revised IFRS does not result in any substantial changes to the Company's accounting policies except for IFRS 9 Financial Instruments as disclosed in Note 2.9. The adoption of the new or revised IFRS has no material effect on the amounts reported for the current financial year.

The Company has also adopted IFRS 9 and designated its available-for sale financial assets (Note 11) as equity instruments carried at fair value through profit or loss (Note 12) in the current financial year. Accordingly, the Company has transferred the fair value reserve amounting to US$3,069,652 to accumulated losses on adoption of IFRS 9.

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 10, IAS 28 (Amendments)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[1]
IAS 28 (Amendments)	*Long-term Interests in Associates and Joint Venture*[2]
IAS 19 (Amendments)	*Plan Amendment, Curtailment or Settlement*[2]
IFRS 9 (Amendments)	*Prepayment Features with Negative Compensation*[2]
IFRS 16	*Leases*[2]
IFRS 17	*Insurance contracts*[3]
IFRIC 23	*Uncertainty over Income Tax Treatments*[2]
Annual Improvements 2015-2017 Cycle[2]	

[1] To be determined
[2] Effective for annual periods beginning on or after 1 January 2019
[3] Effective for annual periods beginning on or after 1 January 2021

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of the financial statements (Continued)

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

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

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 financial statements.

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 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.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

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.

2.3 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. Summary of significant accounting policies (Continued)

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.

For the purpose of presenting 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 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.

2. Summary of significant accounting policies (Continued)

2.6 Income tax (Continued)

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.

2.7 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 financial statements.

2. Summary of significant accounting policies (Continued)

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.

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. Summary of significant accounting policies (Continued)

2.9 Financial assets

The Group classifies its financial assets into one category, at amortised cost, depending on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. The Group shall reclassify its affected financial assets when and only when the Group changes its business model for managing these financial assets. The Group's accounting policy for financial assets at amortised cost is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. 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. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the provision matrix to determine the lifetime expected credit losses. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other receivables and cash and cash equivalents are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income (operating profit).

The Group's financial assets measured at amortised cost comprise other receivables (excluding prepayments) and cash and cash equivalents in the statement of financial position.

Equity instruments at fair value through profit or loss ("FVTPL")

For equity instruments that are either held for trading or irrevocable election to measure the fair value changes through other comprehensive income has not been made, the fair value changes are recognised in profit or loss.

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.

Accounting policy for financial assets prior to 1 April 2018

Financial assets are recognised on the statements of financial position when the Group becomes a party to the contractual provisions of the instrument.

All financial assets are recognised on a trade date where the purchase of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The Group classifies its financial assets as loans and receivables. The classification depends on the nature and purpose of these financial assets and is determined at the time of initial recognition.

Loans and receivables

Non-derivatives financial assets (other receivables (excluding prepayments) and cash and cash equivalents that have fixed or determinable payments) that are not quoted in active market are classified as “loans and receivables”. Loans and receivables are measured at amortised cost, where applicable, using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Available-for-sale financial assets (“AFS”)

Equity securities held by the Group are classified as AFS if they are not classified in any of the other categories. Subsequent to initial recognition, they are measured at fair value and changes therein, including any related foreign exchange component, are recognised in other comprehensive income and accumulated in the available-for-sale reserve, with the exception of impairment losses, interest calculated using the effective interest method which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale reserve is included in profit or loss for the period.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less any impairment loss.

2. Summary of significant accounting policies (Continued)

2.9 Financial assets (Continued)

Accounting policy for financial assets prior to 1 April 2018 (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment losses directly with the exception of trade receivables where the carrying amounts are reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, 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 through profit or loss to the extent the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity, except for impairment losses on equity instruments at cost which are not reversed.

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 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. Summary of significant accounting policies (Continued)

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.

2.13 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. Summary of significant accounting policies (Continued)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 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.

3.2 Key sources of estimation uncertainty

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

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

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

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

Information about the valuation techniques and inputs used in determining the fair value of the unquoted equity instrument at fair value through profit or loss are disclosed in Note 12 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.

3. Significant accounting judgements and estimates (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(iii) Employee share option plan

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

4. Finance income

	2019 US$	2018 US$
Interest income	514	530

5. Employee benefits expense

	2019 US$	2018 US$
Salaries, wages and other staff benefits	739,024	1,104,340
Bonuses	37,821	135,000
Share options expense (Note 18)	139,498	361,854
	916,343	1,601,194

The employee benefits expense includes the remuneration of Directors as disclosed in Note 21 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 financial statements, the above includes the following charges:

	2019 US$	2018 US$
Auditor's remuneration	61,278	54,815
Consultants fees	268,564	349,911
Fixed assets written off	–	1,207
Operating lease expenses	91,381	64,042
Professional fees	16,177	68,291
Travel and accommodation	59,769	156,875
Transaction costs	154,356	168,856

8. Income tax

	2019 US$	2018 US$
Current income tax		
- current financial year	1,574	6,164
- over-provision in prior financial year	(1,138)	–
	436	6,164

A reconciliation of income tax applicable to loss before income tax at the statutory income tax rate of 25% (2018: 25%) in Myanmar is as follows:

	2019 US$	2018 US$
Loss before income tax	(2,448,768)	(3,068,572)
Share of results of joint venture, net of tax (Note 10)	491,290	190,949
	(1,957,478)	(2,877,623)
Income tax at the applicable tax rates	(489,370)	(719,406)
Effects of different income tax rates in other countries	489,905	720,343
Over-provision in prior financial year	(1,138)	–
Tax effects of expenses not deductible for tax purposes	1,039	6,310
Income tax exemption	–	(1,083)
Income tax for the financial year	436	6,164

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:

	2019	2018
Loss for the financial year attributable to owners of the Company (US$)	(2,420,931)	(3,049,533)
Weighted average number of ordinary shares during the financial year applicable to basic loss per share	37,685,988	35,570,618
Loss per share		
Basic and diluted (cents)	(6.42)	(8.57)

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

	2019 US$	2018 US$
Investments in joint ventures		
Unquoted equity investments, at cost	4,190,000	2,815,000
Share of post-acquisition results of joint venture, net of tax	(621,217)	(129,927)
Share of post-acquisition foreign currency translation reserve	(475,874)	(212,290)
	3,092,909	2,472,783
Advances to joint ventures	625,000	875,000
	3,717,909	3,347,783

	2019 US$	2018 US$
Movement during the year		
At 1 April	3,347,783	1,711,681
Investments during the year	500,000	895,000
Share of results of joint ventures, net of tax	(491,290)	(190,949)
Share of foreign currency translation reserve	(263,584)	57,051
Advances during the year	625,000	875,000
At 31 March	3,717,909	3,347,783

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

10. Investments in joint ventures (Continued)

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

In the previous financial year, the Company's carrying amount of investment in its joint venture, Medicare International Health and Beauty Pte. Ltd. ("Medicare") amounted to US$895,000. The cost of investments included advances to the shareholders of Medicare's joint operator of US$100,000. During the financial year, Medicare issued 2,000,000 shares for a consideration of US$2,000,000 for which the Company subscribed for 1,000,000 shares via the cash consideration of US$500,000 and capitalisation of prior year's advance amounting to US$500,000.

The Company also provided advances of US$250,000 to Medicare during the financial year for which 250,000 shares in Medicare were issued subsequent to year end. 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 48.6% as at 31 March 2019 (31 March 2018: 48.1%).

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.

During the year, MFIL issued 1,000,000 shares for a consideration of US$1,000,000 for which the Group subscribed for 375,000 shares and MFIL capitalised the previous year's advance of US$375,000. As at 31 March 2019, the Group's equity interest in MFIL is 37.5%.

On 28 November 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 29 July 2019. 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.

10. Investments in joint ventures (Continued)

Myanmar Finance International Ltd. (Continued)

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

MFIL is deemed to be a joint venture of the 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 details of the joint ventures are as follows:

Name of joint ventures (Country of incorporation/place of business)	Principal activities	Effective equity interest held by the Company	
		2019 %	2018 %
Medicare International Health and Beauty Pte. Ltd.[(1)] (Singapore) ("Medicare")	Provider of beauty, health, and pharmaceutical products	48.6	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 2019 US$	Medicare International Health and Beauty Pte. Ltd. and its subsidiary 2019 US$	Total 2019 US$
Assets and liabilities			
Cash and cash equivalents	8,018,244	524,854	8,543,098
Trade receivables	14,267,838	–	14,267,838
Other current assets	431,547	17,562	449,109
Current assets	22,717,629	542,416	23,260,045
Non-current assets	185,859	1,857,808	2,043,667
Total assets	22,903,488	2,400,224	25,303,712
Current liabilities	16,549,637	20,893	16,570,530
Non-current liabilities	–	–	–
Total liabilities	16,549,637	20,893	16,570,530
Net assets	6,353,851	2,379,331	8,733,182
Advances	–	100,000	100,000
	6,353,851	2,479,331	8,833,182
Investments in joint ventures	37.5%	48.6%	
Share of net assets	2,382,852	1,215,057	3,597,909
Premium paid	120,000	–	120,000
	2,502,852	1,215,057	3,717,909
Income and expenses			
Revenue	3,802,329	185,072	3,987,401
Other income	213,565	–	213,565
Operating expense	(1,799,148)	(1,426,185)	(3,225,333)
Depreciation	(57,283)	–	(57,283)
Interest expense	(1,619,374)	–	(1,619,374)
Tax expense	(242,073)	–	(242,073)
Profit/(loss) after income tax	298,016	(1,241,113)	(943,097)
Share of results of joint ventures, net of tax	111,764	(603,054)	(491,290)

10. Investments in joint ventures (Continued)

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

11. Available-for-sale financial assets

	2019 US$	2018 US$
At 1 April	36,000,000	31,395,522
Fair value gain on available-for-sale financial assets	–	4,604,478
Reclassification at 1 April 2018 (Note 12)	(36,000,000)	–
At 31 March	–	36,000,000

As disclosed in Note 14 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 2019.

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 the Company’s shareholding was exchanged for shares in the new holding company, Apollo Towers Holdings Limited (“Apollo Towers”).

12. Equity instrument at fair value through profit or loss

	2019 US$	2018 US$
Investment in Apollo Towers, at fair value	36,000,000	–

Investment in Apollo Towers

Movement in the investment is as follows:

	2019 US$	2018 US$
Balance at beginning of financial year	–	–
Reclassification from available-for-sale financial asset (Note 11)	36,000,000	–
Balance at end of financial year	36,000,000	–

As at 31 March 2019, the equity instrument at fair value through profit or loss (previously classified as available-for-sale financial assets (“AFS assets”)) represents an effective 13.7% 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.

The investment is denominated in United States Dollars.

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

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

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

Financial assets	Valuation technique used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Unquoted equity investments	Comparable Company Analysis	- Earnings Before Interest, Tax, Depreciation and Amortization ("EBITDA") of US$32.2million - Enterprise Value ("EV") per EBITDA multiple of 15.4x	Increase EBITDA and EV/ EBITDA multiple will increase the fair value of the financial asset.

Management has revised the valuation methodology from the discounted cash flow ("DCF") methodology used previously. DCF relies on a number of forward looking assumptions and whilst is appropriate for a business in the early stages of its development as a business matures it is more appropriate to look to a present value rather than a discounted future value.

13. Plant and equipment

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

13. Plant and equipment (Continued)

	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

14. 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	
			2019 %	2018 %	2019 %	2018 %
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	–	–
MIL No. 3 Pte. Ltd.[(2)(3)]	Singapore	Dormant	100	100	–	–
MIL 4 Limited[(1)]	British Virgin Islands	Investment holding company	66.67	66.67	33.33	33.33

14. Investment in subsidiaries (Continued)

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	
			2019 %	2018 %	2019 %	2018 %
MIL Tower Ventures Limited[(2)(3)]	British Virgin Islands	Dormant	100	100	–	–
Held by MIL Management Pte. Ltd.						
MIL Management Co., Ltd[(4)]	Myanmar	Provision of management services to the Group	100	100	–	–

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

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	
	2019 US$	2018 US$
Assets and liabilities		
Non-current assets	36,000,000	36,000,000
Current assets	72,896	74,918
Current liabilities	(446,529)	(363,729)
Net assets	35,626,367	35,711,189
Accumulated non-controlling interests	11,875,458	11,903,731
Revenue	–	–
Administrative expenses	(84,822)	(75,610)
Loss for the financial year	(84,822)	(75,610)
Other comprehensive income for the financial year	–	4,604,478
Total comprehensive income for the financial year	(84,822)	4,528,868
Loss allocated to non-controlling interests	(28,273)	(25,203)
Other comprehensive income allocated to non-controlling interests	–	1,534,826
Total comprehensive income allocated to non-controlling interests	(28,273)	1,509,623
Net cash used in operating activities	(145,186)	(139)
Net cash used in investing activity	–	–
Net cash generated from financing activities	145,186	139
Net change in cash and cash equivalents	–	–

15. Other receivables

	2019 US$	2018 US$
Other receivables	123,099	121,433
Deposits	23,310	29,562
Prepayments	32,366	43,589
	178,775	194,584

Other receivables are denominated in United States dollar.

16. Cash and cash equivalents

	2019 US$	2018 US$
Cash and bank balances	3,673,110	6,246,186
Short-term deposit	47,411	36,144
	3,720,521	6,282,330

The short-term deposit bears interest at an average rate of 0.25% (2018: 0.25%) per annum, has a tenure of approximately 12 months (2018: 12 months) and is pledged to bank to secure credit facilities.

Cash and cash equivalents are denominated in the following currencies:

	2019 US$	2018 US$
United States dollar	3,562,238	6,139,626
Singapore dollar	148,419	132,048
Myanmar kyat	9,864	10,656
	3,720,521	6,282,330

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

	2019 US$	2018 US$
Bank balances	3,720,521	6,282,330
Less: short-term deposits pledged	(47,411)	(36,144)
	3,673,110	6,246,186

17. Share capital

	2019 US$	2018 US$
Issued and fully-paid share capital:		
Ordinary shares at the beginning of the financial year	40,161,942	32,656,994
Issuance of ordinary shares during the financial year	–	7,293,725
Exercise of warrants during the financial year	491,916	520,781
Share issuance expenses	(84,799)	(309,558)
	40,569,059	40,161,942

Equity Instruments in issue	2019 Ordinary shares	2019 Warrants	2018 Ordinary shares	2018 Warrants
At the beginning of the financial year	37,432,291	15,346,507	30,556,793	16,040,882
Issuance during the financial year	–	–	6,181,123	–
Exercise of warrants during the financial year	664,746	(1,218,120)	694,375	(694,375)
At the end of the financial year	38,097,037	14,128,387	37,432,291	15,346,507

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").

During the financial year, 202,905 and 377,486 (2018: 694,375 and Nil) warrants were exercised at a price of US$0.75 and US$0.90 respectively by the parties that held them for cash consideration of US$152,179 and US$339,737 (2018: US$520,781 and US$Nil). In addition, 637,729 warrants were exercised on a cashless basis at a ratio of 7.56 warrants for an ordinary share resulting in a new issue of 84,355 ordinary shares.

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).

17. Share capital (Continued)

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

a) the exercise period for the warrants was extended such that the warrants can be exercised until 31 December 2021, but at a higher exercise price of US$0.90; and

b) in the extended period, warrantholders will have the option to exercise their warrants on a cashless basis in certain circumstances.

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

18. Share option reserve

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

The Plan 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 2019, there were 3,622,740 (2018: 3,622,740) share options available for issue under the Plan of which 2,590,527 (2018: 2,640,862) had been granted. These granted share options have a weighted average exercise price of US$1.214 (2018: US$1.214) per share and a weighted average contractual life of 6.50 years (2018: 7.50 years).

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

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

18. 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	921,600	15 January 2016	14 January 2026	1.265	490,120
Series 3	180,000	28 June 2016	27 June 2026	1.265	125,863
Series 1	2,267	19 October 2016	18 October 2026	1.100	1,363
Series 2	2,000	19 October 2016	18 October 2026	1.155	1,149
Series 3	551,999	19 October 2016	18 October 2026	1.265	289,752
	2,590,527				1,357,848

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$142,753 (2018: US$361,854) related to equity-settled share-based payment transactions during the financial year.

18. 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.

	2019		2018	
	Number	Weighted average exercise price US$	Number	Weighted average exercise price US$
Balance at start of the financial year	2,640,862	1.214	2,673,028	1.214
Forfeited	(50,335)	1.265	(32,166)	1.226
Balance at end of financial year	2,590,527	1.213	2,640,862	1.214

No share options were exercised during the financial year.

Movement in share option reserve during the financial year

	2019 US$	2018 US$
Balance at start of the financial year	1,220,549	866,390
Share options expense	139,498	361,854
Cancellation of share options	(23,042)	(7,695)
Balance at end of financial year	1,337,005	1,220,549

19. Fair value reserve

Fair value reserve represents the cumulative fair value changes, net of tax, of equity instrument at fair value through profit or loss/available-for-sale financial assets until they are disposed of or impaired.

	2019 US$	2018 US$
Balance from previous financial year	3,069,652	–
Transfer to accumulated losses on adoption of IFRS 9	(3,069,652)	–
Fair value gain on available-for-sale financial assets (Note 11)	–	4,604,478
Less: Attributable to non-controlling interest (Note 14)	–	(1,534,826)
Balance at end of financial year	–	3,069,652

20. Other payables

	2019 US$	2018 US$
Accruals	287,262	395,577
Other payables	85,148	36,753
	372,410	432,330

Other payables are denominated in the following currencies:

	2019 US$	2018 US$
Singapore dollar	47,474	113,414
United States dollar	289,963	228,612
British pound	34,973	90,304
	372,410	432,330

21. Significant related party disclosures

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Compensation of key management personnel

For the financial year ended 31 March 2019, 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 2019 and 31 March 2018 was as follows:

	Directors' fee US$	Short term employee benefits[1] US$	Share option plan US$	Total US$
Financial year ended 31 March 2019				
Executive directors				
Maung Aung Htun	–	141,156	41,038	182,194
Anthony Michael Dean	–	284,008	38,984	322,992
Craig Robert Martin	7,500	58,250	8,629	74,379
Non-executive directors				
Christopher William Knight	24,375	–	8,629	33,004
Christopher David Appleton	12,333	–	5,752	18,085
Nicholas John Paris	2,500	–	–	2,500
Henrik Onne Bodenstab	20,000	–	3,736	23,736
	66,708	483,414	106,768	656,890

21. 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 2018				
Executive directors				
Maung Aung Htun	–	455,893	106,744	562,637
Anthony Michael Dean	–	458,610	100,967	559,577
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

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

22. 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.

23. Dividends

The Directors of the Company do not recommend any dividend in respect of the financial year ended 31 March 2019 (2018: Nil).

24. 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.

24. Financial risk management objectives and policies (Continued)

The Group's principal financial instruments consist of equity instrument at fair value through profit or loss, other receivables (excluding prepayments), 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.

24.1 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 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.

24.2 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	
	2019	**2018**	**2019**	**2018**
	US$	**US$**	**US$**	**US$**
Singapore dollar	148,419	132,048	47,474	113,414
Euro	–	–	–	–
Myanmar kyat	9,864	16,906	–	–
British pound	–	–	34,973	90,304
	158,283	148,954	82,447	203,718

Foreign currency sensitivity analysis

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

24. Financial risk management objectives and policies (Continued)

24.3 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 2019, the Group's principal financial assets consist mainly of cash and cash equivalents and equity instrument at fair value through profit or loss/available-for-sale financial assets.

24.4 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 12 to the financial statements.

24.5 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 2019 and 31 March 2018.

25. Authorisation of financial statements

The financial statements of the Group for the financial year ended 31 March 2019 were approved by the Board of Directors on 25 September 2019.

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 2019 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 24 October 2019 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 2019 together with the directors' report and auditors' report on those accounts.

2. 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.

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

4. To reappoint Christopher William Knight, who retires by rotation as required by Article 8.5 of the Articles of Association of the Company, as a non-executive director of the Company.

5. To reappoint Nicholas John Paris, who retires by rotation as required by Article 8.5 of the Articles of Association of the Company, as a non-executive director of the Company.

6. That the investment objectives and policies of the Company be amended in the manner detailed in the Annual Report of the Company dated 25 September 2019.

By Order of the Board

Estera Corporate Services (BVI) Limited
Secretary

25 September 2019

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 you wish 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 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 18 October 2019.

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. For holders of ordinary shares, 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 21 October 2019 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 21 October 2019, 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 38,097,037 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 38,097,037.

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 21 October 2019, 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 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 AGM 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, subject to the paragraph directly below, 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
Nicholas John Paris, Non-Independent Non-Executive Director

Registered Office
Jayla Place
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Nominated Adviser
Grant Thornton UK LLP
30 Finsbury Square
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United Kingdom

Broker
finnCap Ltd
60 New Broad Street
London EC2M 1JJ
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
British Virgin Islands

Company Secretary
Estera Corporate Services (BVI) Limited
Jayla Place
Wickhams Cay I
Road Town
Tortola
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: Ng Kian Hui
(Appointed since the financial period ended 31st March 2019)

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
The Registry
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Beckenham
Kent BR3 4TU
United Kingdom