MYANMAR INVESTMENTS INTERNATIONAL LIMITED

ANNUAL REPORT 2020

MYANMAR
INVESTMENTS

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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.

The Directors therefore suggested in last year's AGM 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. The AGM voted in favour of this proposal on 24 October 2019.

Since then the Directors have taken action to implement this new strategy:

- We sold our investment in **Medicare International Health & Beauty ("Medicare")** for US$1 million to our main joint venture partner in November 2019. The transaction was completed in December 2019.
- We are in the advanced stages of selling our investment in **Myanmar Finance International Limited ("MFIL").**
- We have continued to streamline our operations and as a result reduced our overheads. As part of the cost reduction process, we closed our office in Yangon and laid-off our local staff as of 31 March 2020.

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

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The Myanmar Kyat exchange rate was MMK 1,300 to US$1.00 as at 30 September 2020
References to "today" are to 27 November 2020 being the date of printing of this document

The Company is currently invested in two businesses:

AP Towers / Apollo Towers

- The Company had invested US$21 million in Apollo Towers.
- The share exchange with AP Towers was completed in January 2020.
- Under the share exchange, the Company swapped its indirect interest of 9.1 per cent of Apollo Towers for an indirect interest of 4.1 per cent of AP Towers.
- The share exchange effectively brought Apollo Towers and Pan Asia Towers, another Myanmar independent tower company, under the common ownership of AP Towers.
- AP Towers has a portfolio of 3,245 towers hosting 6,658 tenants and a Lease-up-Rate of 2.05x.
- As of 30 September 2020, AP Towers annualised adjusted “run rate” revenue and EBITDA has increased to US$104.5 million and US$83.4m, respectively. This represents an increase of 2.6 per cent and 6.6 per cent, respectively over the same period last year.
- Future growth will be driven by some increase in the tower portfolio and also by an increase in tenancies as co-location rates rise together with the sale of more power services to existing tenants.

Myanmar Finance International Limited (“MFIL”)

- The Company invested US$2.7 million for a 37.5 per cent shareholding.
- MFIL is one of Myanmar’s leading microfinance companies.
- Strong growth in its borrower base and loan book at 30 September 2020 at 48,000 and US$17.5 million, respectively representing CAGR of 42 per cent and 115 per cent since investment.
- MFIL focuses on urban and semi-rural lending in Yangon, Bago, Ayewady and Mon State.
- The Company is in the process of selling this investment. On 1 April 2020, the Company announced that it has accepted an offer to sell its shareholding in MFIL subject to the purchaser’s AGM approving the purchase, lender’s consent, and Myanmar regulatory approval. Subsequent to that announcement, the purchaser’s AGM on 23 April 2020 has approved the transaction and the lenders have given their consent. However, because of Covid-19 which, inter alia, has stopped all commercial air travel between Myanmar and Thailand, little progress has been made in obtaining regulatory approval. Assuming a level of normalcy returns over the next few months we expect completion to take place within the next 4 to 6 months.

CHAIRMEN’S
LETTER

Dear fellow shareholder

MYANMAR: COVID-19 AND NOVEMBER ELECTIONS

Myanmar experienced its first Covid-19 case in late March 2020 and by early April the country went into its first lockdown. When we published of our interim results on 29 June 2020 there were 299 positive cases and 6 deaths. The situation remained under control and by mid-August the number of cases was only 374 with no increase in deaths. Whereas Thailand and Singapore had seen the number of cases increasing to over 3,500 and 55,000, respectively but starting to level off.

However, since then there has been a significant increase. As at 20 November, the number of positive cases is more than 77,750 with over 1,722 deaths. Yangon, accounts for three quarters of this increase.

A second, and more stringent, lockdown has been in effect since September. This has disrupted commerce and investments. International air travel, apart from relief flights, in and out of the country has been significantly reduced and border trade disrupted. This is likely to continue, at least, until the new year.

Against this backdrop, in September 2020, the Asian Development Bank has forecast that GDP growth in 2020 will reduce to 1.8 percent. This compares favourably to Thailand or Singapore which are forecast to shrink by 8.0 and 6.2 percent, respectively.

While the headline figure shows a level of resilience, primarily due to Myanmar being an exporter of much needed commodities such as gas, rice, beans and pulses to neighbouring countries, it masks the reality on the ground that many small businesses especially in the hospitality and manufacturing sector have been severely affected with layoffs and closures. In turn significantly impacting consumer spending power.

However, the Directors do not see a significant impact on our two investments. Contrary to other industries, the telecommunication sector has not suffered greatly due to the outbreak of Covid-19. Regarding MFIL there is no indicator of impairment on our investment, because the minimum consideration for selling this investment will be calculated based on a pre-agreed formula of 2 times the audited book value of MFIL at closing once conditions have been satisfied, according to the Binding Offer from the Purchaser.

In the middle of the pandemic, on 8 November 2020, Myanmar held a general election. The mood was subdued with few rallies and limited canvassing because of the lockdown.

The house of Representatives has 440 members of which 110 (25%) is appointed by the military. Out of 330 contested constituencies Daw Aung San Suu Kyi’s party, The National League for Democracy (“NLD”) won 258 seats giving it an outright majority of 38. This is an increase over the party’s 255 seats in the 2015 election. However, with its 25 percent, the military will continue to be able to veto changes that are not to its liking.

With the same popular mandate Daw Aung San Suu Kyi is unlikely to make significant changes to her policies.

A new government will be sworn in on 1 April 2021 and we wait to see the composition of the new cabinet. Will there be new faces in the line up? Will she be bolder? At 75 she is less likely to lead the party into the 2025 general election and therefore will she begin to broaden the party’s executive committee and bring in younger blood? Without her leadership will NLD hold together as one unified party? All these questions will dictate Myanmar’s progress over the next five years.

BOARD CHANGES

William Knight our former Chairman who had held this position since the Company’s launch in 2013, retired on 18 August 2020 having reached the Company’s compulsory retirement age.

The Board of Directors elected Henrik Bodenstab to become the new Chairman who has been an independent non-executive Director of the Company since 2016.

Also, our former Managing Director, Craig Martin stepped down as both Managing Director and a Director of the Company as of 31 October 2019 and Michael Dean, our former Finance Director, stepped down as both Finance Director and a Director of the Company as of 31 October 2019.

On behalf of the Board, we should like to thank William, Craig and Mike for their considerable contribution to the Company and its shareholders.

CHAIRMEN'S LETTER

“
We have implemented the changes to our strategy as mandated by the shareholders last year.
”

Nick Paris, formerly a non-independent non-executive Director, became Managing Director as of 1 November 2019 and Rudolf Gildemeister joined the Board of Directors as an independent non-executive Director as of 1 November 2019.

The Board of Directors would like to welcome Nick and Rudolf to their new roles.

REPORTING PERIOD

As announced on 2 September 2019, to conform with the need to change the Company's year-end to bring it in line with the new Myanmar government mandated year end of 30 September the Company issued 6-month interim accounts for the period to 30 September 2019 (announced on 28 November 2019) and 6-month interim accounts for the period to 31 March 2020 (announced on 29 June 2020). Both sets of interim accounts were reviewed by BDO LLP, the Company's statutory auditors. Therefore, this report with a full audited set of financial statements comprises the 18-month period from 1 April 2019 (the last full audited set of financial statements) to 30 September 2020.

CHANGE IN STRATEGY

At last year's Annual General Meeting ("**AGM**") shareholders approved a resolution to amend the investment objective and policies of the Company as follows:

"The Company will seek to realise the Company's investments in an orderly manner, such realisations to be effected at such times, on such terms and in such manner as the Directors (in their absolute discretion) may determine.

Following such realisations, the Company will make periodic returns of surplus capital to Shareholders on such terms and in such manner as the Directors (in their absolute discretion) may determine.
The Company shall not make any new investments in projects to which it is not already committed. However, this will not preclude the Directors (in their absolute discretion) from:

(a) authorising the expenditure of such capital as is necessary to: (i) complete arrangements pertaining to the Company's existing investments; or (ii) carry out any activities that the Directors (in their absolute discretion) deem appropriate to ensure the sale ability of any existing investment; or (b) entering into any contract or other arrangement with any third party to realise all or any part of the Company's existing investments.

Following the disposal of all of the Company's existing investments, the Directors intend to put a winding up proposal to the Shareholders."

Important steps have been made to implement this new strategy:

- We sold our investment in **Medicare International Health & Beauty ("Medicare")** for US$1 million to our main joint venture partner in November 2019. The transaction was completed in December 2019. This represented a loss of US$1.1 million on the cost of the investment which largely reflects our share of the operating losses from opening a chain of new stores in Myanmar.

CHAIRMEN'S **LETTER**

- We are in the advanced stages of selling our investment in **Myanmar Finance International Limited ("MFIL").** On 1 April 2020 we announced that we have accepted an offer to sell our shareholding in MFIL to a Thai based company subject to the purchaser's AGM approving the purchase, lender's consent, and Myanmar regulatory approval. The minimum consideration for this transaction will be calculated based on a pre-agreed formula of 2 times the audited book value of MFIL at closing once these conditions have been satisfied. Subsequent to that announcement, the purchaser's AGM on 23 April 2020 approved the transaction and the lenders to MFIL have given their consent. However, because of Covid-19 which, inter alia, has stopped all commercial air travel between Myanmar and Thailand, obtaining regulatory approval for the transaction has been delayed. We have agreed an extension to the transaction closing with the buyer and expect to complete the transaction within the next 4 to 6 months.
- We have continued to streamline our operations and as a result reduced our overheads with most of the reductions coming towards the end of this reporting period. As part of the cost reduction process, we closed our office in Yangon and laid-off our local staff as of 31 March 2020. The annualised core cash-based overheads for the 6-month period from 1 April 2020 to 30 September 2020 are 43 % lower than for the 12-month period from 1 April 2019 to 31 March 2020 and even 55 % lower than for the 12-month period from 1 April 2018 to 31 March 2019.

We are now holding around US$2.4 million of cash and when the sale of MFIL completes we will seek to return surplus capital to our shareholders. We will also be able to streamline our operations further as by then we will only have one investment left. We will thereby continue to reduce our operating expenses.

Our investment in Apollo Towers was swapped for an interest in AP Towers Holdings Pte Ltd ("AP Towers") in January 2020. Under this share exchange, MIL's 66.6 per cent subsidiary, MIL 4 Limited ("MIL4"), exchanged its existing 13.7 per cent shareholding in Apollo Towers for a shareholding of 6.2 per cent in AP Towers, of which 4.1 per cent is attributable to MIL. The share exchange effectively brought Apollo Towers and Pan Asia Towers, another Myanmar ITC, under the common ownership of AP Towers which now manages one of the largest network of towers in Myanmar. This investment should not require additional funding. We also believe that in due course the resultant investment in AP Towers can be exited by way of a sale to a strategic investor or a listing on one of the region's stock exchanges.

CORPORATE GOVERNANCE

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

On behalf of the Board, we should like to take this opportunity to thank a number of our key stakeholders: our staff for their professionalism and commitment; our business partners for all of their advice and contributions; and our shareholders for their continued support.

HENRIK BODENSTAB
Chairman
27 November 2020

AUNG HTUN
Deputy Chairman
27 November 2020

EXECUTIVE DIRECTOR'S **REVIEW**

Business Review

During the past 18 months our net asset value ("NAV") has increased by 6.0 per cent and was US$35.3 million as at 30 September 2020. This change is mainly attributable to the increase in the assessed value of the Company's investments in AP Towers (up US$4.3 million to US$28.3 million) which is offset by the loss on disposing of our investment in Medicare (US$215,000) and the operating expenses for the reporting period (US$2.1 million).

During the past 18 months we drastically reduced our operating "run rate" costs from US$1.3 million per annum to the equivalent of US$0.7 million per annum by the period-end.

Overall, our businesses have performed well despite disruption in Myanmar from the impact of the Covid-19 virus during 2020:

- AP Towers: the Company swapped its interest in Apollo Towers for an interest in AP Towers in January 2020. The share exchange effectively brought Apollo Towers and Pan Asia Towers, another ITC under the common ownership of AP Towers which now manages one of the largest network of towers in Myanmar; and
- MFIL: 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 non-performing loans which, pre-Covid-19, had risen to around 1.9% due to borrower over-indebtedness and excessive competition. In April 2020, we announced the agreement by ourselves and our partners to sell 100% of this business to a Thai based company but the completion of this transaction has been delayed by the suspension of international flights to and from Myanmar which has prevented the completion of our application for regulatory approval. Covid-19 has led to two lockdowns but MFIL, having taken quick action, emerged at the end of September with PAR 30+ at 3.1 per cent. However, it is too early to forecast how the industry will emerge in January 2021 from the FRD's collection suspension directive.

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

> "We have reduced our operating "run-rate" costs from US$1.3 million p.a. to US$0.7 million p.a."

Financial Review

NET ASSET VALUE

The Directors assess the Group's NAV attributable to the shareholders of the Company as at 30 September 2020 to be US$35.3 million, an increase of 6.0 per cent compared with the Group's NAV as at 31 March 2019. This represents US$0.93 per share, based on the number of shares in issue at the year-end. This change principally reflects the net changes in the Directors' assessment of the values of the Company's investments, described in more detail below, less the Group's running costs for the year.

As at 30 September 2020 the Group's NAV consisted of:

- an investment in AP Towers, the telecommunication tower business, of US$28.3 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; and
- cash and other net assets/liabilities of US$2.6 million.

AP TOWERS / APOLLO TOWERS

As at 31 March 2019 the Directors had assessed that if the share exchange had been completed by 31 March 2019, the Company's attributable shareholding in AP Towers, excluding the non-controlling interests attributable to the minority shareholders of MIL 4, would have been worth US$30 million as at that date, using a comparable EBITDA multiple methodology.

The share exchange was completed in January 2020.

Using the same methodology as at 30 September 2020 the Directors have assessed the value of this investment to be US$28.3 million. The downward revision in valuation of US$1.7 million compared with the in-principle valuation of the AP Towers investments done in 31 March 2019, is mainly attributable to the increase in EBITDA over the period being offset by a decrease in the valuation multiple.

This value of AP Towers represents an unrealised gain of US$7.5 million over the cost of the investment and an IRR since the initial investment in July 2015 of 6.2 per cent.

MFIL

As at 31 March 2019 the Directors had assessed the value of the Group's investment in MFIL to be US$4.4 million, using the price to book value methodology.

However, unlike in previous reports, given that we have received a firm offer for the company we have applied the offer's multiple but with a discount to reflect trading conditions for the valuation as at 30 September 2020.

Therefore, the Directors have assessed the value of this investment to still be US$4.4 million as at 30 September 2020.

This value of MFIL represents an unrealised gain of US$1.7 million over the cost of the investment. This equates to an IRR since the initial investment in September 2014 of 10.7 per cent.

MEDICARE

Given the Company's strategy of looking to realise its investments, coupled with Medicare's continued operating losses that needed funding as well as the capex needed to get Medicare to achieve critical mass, the Directors concluded that it was preferable to exit from this investment sooner rather than later.

As a result, the Company agreed with the owners of Medicare Vietnam, its main joint venture partner, to sell this investment for US$1 million in November 2019. This represented a loss of US$1.1 million on the cost of the investment which largely reflects MIL's share of the operating losses to date. The Company had booked US$1.5 million as its share of results of this joint venture (equity method). Therefore, the sales price of US$1 million represents a gain on the disposal of this investment of US$0.4 million.

As at 31 March 2019 this investment had been valued by the Directors at US$1.2 million.

SUMMARY OF NAV

In the attached audited financial statements, the NAV attributable to shareholders differs from the above stated value of US$35.3 million due to the following adjustment:

	US$
NAV per the audited financial statements	33.4
MFIL (Note 1)	1.9
NAV per the Directors' valuation	35.3

Note 1: In accordance with IFRS 11 Joint Arrangements, the investment in MFIL was accounted for as an investment in a joint venture (as the result of the ongoing transaction to sell the Group's 37.5% equity interest in MFIL, the entire carrying amount of the Group's investment in MFIL has been reclassified as non-current asset held for sale as at 30 September 2020) using the equity method. Whereas in accordance with the Group's Valuation Policy the Directors' valuation for MFIL is determined by reference to the International Private Equity and Venture Capital Guidelines.

EXECUTIVE DIRECTOR'S **REVIEW**

FINANCIAL RESULTS

For the 18-month period to 30 September 2020 the Group's audited profit after tax was US$1.6 million. Compared with the 12-month period to 31 March 2019 the Group's audited loss after tax was US$2.4 million.

This is a significant improvement on last year's result. The profit per share is US cents 4.24 compared with a loss per share of US cents 6.42 for the 12-month period to 31 March 2019.

We have continued to streamline our operations and as a result reduced our overheads with most of the reductions coming towards the end of this reporting period. As part of the cost reduction process, we closed our office in Yangon and laid-off our local staff as of 31 March 2020. The annualised core cash-based overheads (including the costs of being a quoted company but excluding discretionary compensation, share option expenses and transaction costs) for the 6-month period from 1 April 2020 to 30 September 2020 (US$0.7 million) are 43 % lower than for the 12-month period from 1 April 2019 to 31 March 2020 (US$1.3 million) and even 55 % lower than for the 12-month period from 1 April 2018 to 31 March 2019 (US$1.6 million).

Outside of our overheads the most significant items were:

- our share of Medicare's losses up to the date that we sold it which were US$576,000 compared to last year's US$603,000;
- our share of MFIL's losses which were US$350,000 compared to last year's profits of US$112,000;
- costs for sale of our investments and the legal fees for the share swap from Apollo Towers to AP Towers.

CHANGE OF YEAR END

The Myanmar Government had announced that all Myanmar companies must change their financial year end to 30 September of each year, commencing in 2019. As such all of the Company's investee companies changed their year end and therefore the Company did the same.
Therefore, the Company issued interim accounts for the six months to 30 September 2019 (announced on 28 November 2019) and also for the six months to 31 March 2020 (announced on 29 June 2020). The two sets of interim accounts were reviewed by BDO LLP, the Company's statutory auditors.

As a consequence, this report with a full audited set of financial statements comprises the 18-month period from 1 April 2019 (the last full audited set of financial statements) to 30 September 2020.

DIVIDENDS

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

WORKING CAPITAL

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

NICK PARIS
Managing Director
27 November 2020

BUSINESS REVIEW
AP TOWERS HOLDINGS PTE LTD (“AP TOWERS”) / APOLLO TOWERS HOLDINGS LIMITED (“APOLLO TOWERS”)

BACKGROUND

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

The Company swapped its interest in Apollo Towers for an interest in AP Towers in January 2020.

Under this share exchange, MIL’s 66.6 per cent subsidiary, MIL 4 Limited (“MIL4”), exchanged its existing 13.7 per cent shareholding in Apollo Towers for a shareholding of 6.2 per cent in AP Towers, of which 4.1 per cent is attributable to MIL.

The share exchange effectively brings Apollo Towers and Pan Asia Towers, another Myanmar ITC, under the common ownership of AP Towers which now manages one of the largest network of towers in Myanmar. Apollo Towers and Pan Asia Towers provide tower and power services to all of Myanmar’s mobile network operators (“MNOs”) being Telenor, Ooredoo, MPT and 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$83 billion.

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

AP TOWERS HOLDINGS PTE LTD ("AP TOWERS") / APOLLO TOWERS HOLDINGS LIMITED ("APOLLO TOWERS")

Update

- The Myanmar telecoms sector generally continues to grow. Myanmar's mobile penetration rate continues to grow with estimates currently as high as 107 per cent though this is based on SIM cards and not unique subscribers. Coupled with this is the prevalence of data enabled devices. Smartphones are estimated to account for approximately 80 per cent of the mobile phones in use in the country and data demand drives the need for connectivity. Connectivity requires an extensive network of telecom towers with reliable power. Myanmar currently has 20,000 towers, of which 11,000 are owned by ITCs, and is expected to reach 22,000 towers within the next few years.
- Apollo Towers and Pan Asian Towers have both built strong reputations in the market for their valuable site locations, operational excellence and strong customer focus. AP Towers will look to leverage the best practices of both companies in providing a full suite of services that are commercially attractive to the customers of both businesses.
- However, although the broader Myanmar telecom market continues to grow, the Myanmar telecom tower sector, following a period of rapid growth, has continued to slow in the last 12 months in terms of both new towers and new co-locations. This follows the entry of Myanmar's fourth mobile operator, MyTel, into the market who have pursued a policy of undercutting their competitors. As a result, the other MNOs have taken a more cautious approach to extending their networks and at the same time are focussing more on cost management.
- As a result, whilst there has still been growth in the demand for both new towers and new tenancies the market has seen a reduction in the rate of growth whilst the other MNOs re-assess their strategies in light of this evolution.
- Contrary to other industries, the telecoms sector has not suffered greatly due to the outbreak of Covid-19.
- As at 30 September 2020, Apollo Towers and Pan Asia Towers together had an aggregated portfolio of 3,245 towers, 6,658 tenants and a co-location ratio ("Lease-up-Rate" or "LUR") of 2.05x. This compares to an LUR of 2.04x at 30 September 2019 and 2.05x at 31 March 2020.
- By adding additional tenants to existing towers, the yield on invested capital can significantly improve, making each additional tenant highly accretive in terms of EBITDA and eventually enterprise value. Market analysis for Myanmar points to an expected LUR of 2.2x or higher over the next few years.
- As of 30 September 2020, AP Towers annualised adjusted "run rate" revenue and EBITDA has increased to US$104.5 million and US$83.4m, respectively. This represents an increase of 2.6 per cent and 6.6 per cent, respectively over the same period last year.
- Going forward, AP Towers will be looking to increase the number of tenancies either from new "Build to Suit" towers or from adding co-locations to its existing towers. Given its existing undrawn debt facilities, coupled with cash flows from operations, there will be available capital to build further towers over the next few years without the need to seek additional funding.
- AP Towers' net debt was US$429.3 million as at the end of September 2020, an increase of US$ 57.7 million since 31 March 2020. The application of IFRS 16 caused an increase of net debt by US$62.0 million. Excluding the effect of IFRS 16, net debt decreased by US$ 4.3 million since 31 March 2020.
- On 7 April 2020 APTH refinanced approximately $140m of mezzanine debt that had originally been raised by Apollo. That has resulted in a significant reduction in the cost of that borrowing that will benefit shareholders going forward.

BUSINESS REVIEW
MYANMAR FINANCE INTERNATIONAL LIMITED (“MFIL”)

BACKGROUND

MFIL is one of the leading microfinance operators in Myanmar and provides loans of between US$ 150 and US$5,000 to individuals and small-scale business operators in rural and semi-urban areas in Yangon, Bago, Ayeyawady and Mon.

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

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

MYANMAR FINANCE INTERNATIONAL LIMITED ("MFIL")

Update

- MFIL is a well-established microfinance company that has a positive impact on the lives and economic well-being of its clients.
- In our last update we reported that in the six months to 31 March 2020 MFIL had incurred a loss of MMK449 million primarily due to having maintained high liquidity and therefore having negative net interest margin. Although toward the end of the period MFIL had started to increase its loan book and operating profits on a monthly basis.

  However, in the subsequent 6 months we had to contend with the first Covid-19 lockdown in April and May and now a second lockdown which, as at the time of writing, is still in effect. Arguably the second lockdown has been more challenging.

  Consequently, for the full year to 30 September 2020 (12 months) MFIL made a net loss of MMK735 million (US$565 K). Our shareholders funds at yearend was MMK8.4 billion (US$6.5 million) and the loan book was MMK22.8 billion (US$17.5 million) with PAR 30+ of 3.1%.

  MFIL is a strong and liquid microfinance company, with cash of MMK16.8 Billion (US$12.9 million). This will allow it to navigate its way through the current downturn and to start selectively expanding again when appropriate.
- MFIL currently has over 48,000 borrowers in three product lines; SME loans (53% of loan book), Ordinary Group loans (34%) and General Staff loans (13%). Loans are made from 15 branches; Yangon (5 branches), Bago (7), Mon (2) and Ayawaddy (1).

  In October 2020, the Financial Regulatory Department (FRD), the microfinance industry's regulatory body awarded MFIL a license to open branches in Mandalay, Myanmar's second most populous region.
- Over the last 2 years MFIL has been increasing its focus on SME loans and now has over 6,200 clients averaging MMK1.9 million (US$1,430) per borrower. Clients operate in a wide range of businesses from trading to teashops.
- Ordinary Group loans are loans to individual borrowers that are organized into groups of 8 to 13 clients who cross guarantee each other. The average loan size is MMK230,000 (US$174) per borrower.
- General Staff loans are predominantly lent to civil servants typically around MMK300,000 (US$227) per borrower.
- At the time or our last report of 31 March 2020 Covid-19 had just reached Myanmar with the first positive case reported on 23 March. By early April Myanmar went into its first lockdown with both the land borders and airports closed to international travel and domestic travel and activities curtailed. This had a major and direct impact on our clients.

  MFIL immediately gave all clients a three-months principal-only holiday while we undertook an evaluation of all of our SME clients to assess the impact on their businesses. We also reviewed the capacity of our Ordinary Group loan clients. Following the evaluation, we were able to categorize clients into different groups and provide appropriate solutions.

  By working closely and quickly with clients during the three months period when the first lockdown eased in July, we were able to resume normal operations with PAR 30+ of around 2%.
- Between March and mid-August Myanmar had managed to keep the number of positive Covid-19 cases to 370 and deaths to 6, compared to Thailand which had over 3,500 positive cases and 55 deaths.

  However, from mid-August to 20 November the number of positive cases in Myanmar has risen sharply to over 77,750 with 1,722 deaths.
- Consequently, in mid-September the country started to go into a second lockdown. The immediate effect on MFIL was to severely reduce our ability to meet clients and make collections. We ended the year with a PAR 30+ of 3.1 percent.
- The two regions most affected by Covid-19 are Yangon and Bago, where MFIL has 12 branches and accounts for over 90 percent of our loan book.

  FRD has instructed all microfinance companies operating in these two regions to suspend collection of repayments for the months of November and December and only to resume normal operations in January 2021. Interest and principal due in those 2 months are to be collected in 6 instalments from May 2021. In return for this the government is providing microfinance companies with an interest free loan for 12 months.
- The immediate impact of the collection suspension is that it will make a closing audit, a condition precedent, in the sale and purchase agreement for the sale of MFIL difficult to complete efficiently. The purchaser has therefore agreed to extend the offer to early 2021 and we have also extended the exclusivity period.

  We intend to complete the sale as soon as it is practical to conduct the closing audit.

BOARD OF DIRECTORS

HENRIK ONNE BODENSTAB

Independent Non-Executive Chairman

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.

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.

BOARD OF DIRECTORS

NICHOLAS JOHN PARIS

Managing Director

Over the past 30 years, Mr Paris has gained extensive experience as a stockbroker 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 because of his association with LIM, Mr Paris is considered a non-independent director.

RUDOLF GILDEMEISTER

Independent Non-executive Director

Mr Gildemeister was appointed to the Board of Directors on 1 November 2019 and is co-founder and Managing Partner of All Myanmar Advisors, a Myanmar focused corporate finance and strategy advisory boutique.

He has over 20 years' leadership experience in successfully building, growing and restructuring businesses across industries, mostly in Asia. Before working in Myanmar, he was Managing Director and Asia-Pacific lead of CS Solution Partners for Credit Suisse, based in Hong Kong. He started his career at Nestlé where he held various brand management and business development functions in Hong Kong and South-East Asia, which included establishing Nestlé's sales and marketing activities in Myanmar.

Mr Gildemeister is on the Harvard Business School Global Advisory Board and a Director of several private companies in Hong Kong and Myanmar. He holds a BSc in Economics from Bristol University and an MBA from the Harvard Business School.

DIRECTORS' REPORT

The Directors present their annual report and audited consolidated financial statements of the Group for the financial period from 1 April 2019 to 30 September 2020.

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 30 September 2020, the Company held:

- a 66.7 per cent shareholding in **MIL 4 Limited** ("MIL4") a BVI company which in turn holds a 6.2 per cent shareholding in AP Towers Holdings Pte Ltd ("AP Towers") a Singapore incorporated telecom tower company; and
- 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.

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

As the Company closed its office in Yangon as at 31 March 2020, the process of voluntary liquidation of the management company in Myanmar, **MIL Management Co., Ltd.,** has been initiated.

Fund raisings

During the 18 months to 30 September 2020 no ordinary shares were issued, and no warrants were converted into ordinary shares.

Investment Policy

At the Company's Annual General Meeting (AGM) held at The British Club, Yangon, Myanmar on 24 October 2019 the shareholders approved a resolution to amend the investment objective and policies of the Company as set out below:

> "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 sale ability of any existing investment; or (b) entering into any contract or other arrangement with any third party to realise all or any part of the Company's existing investments.
>
> Following the disposal of all of the Company's existing investments, the Directors intend to put a winding up proposal to the Shareholders."

The Directors proposed 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.

Results and dividends

The Directors assess the Group's net asset value attributable to the shareholders of the Company as at 30 September 2020 to be US$35.3 million (31 March 2019: US$33.3million), a 6.0 per cent increase over the reporting period of 18 months. The net asset value per share as of 30 September 2020 was US$0.93 per share (31 March 2019: US$0.87 per share) based on the shares in issue at that time. This change is mainly attributable to the increase in the assessed value of the Company's investments in AP Towers (up US$4.3 million to US$28.3 million) which is offset by the loss on disposing the investment in Medicare (US$215,000) and the operating expenses for the reporting period (US$ 2.1 million).

For the 18 months to 30 September 2020 the Group's audited profit after tax was US$1.6 million. The Group's audited loss after tax for the 12 months to 31 March 2019 was US$2.4 million.

The results for the 18 months to 30 September 2020 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 period ended 30 September 2020.

Review of the Company's Business and Future Outlook

The Chairmen's Letter and the Executive Director's Report provide further details as to the development of the business in the period 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 18-month financial period under review:

- Aung Htun served as Deputy Chairman;
- Craig Martin served as Managing Director until his retirement on 31 October 2019;
- Michael Dean served as Finance Director until his retirement on 31 October 2019;
- William Knight served as independent Non-Executive Chairman until his retirement on 18 August 2020;
- Henrik Bodenstab served as an independent Non-Executive Director. He became independent Non-Executive Chairman on 18 August 2020;
- Nicholas Paris became Managing Director on 1 November 2019 having previously been a non-independent Non-Executive Director;
- Rudolf Gildemeister was appointed as an independent Non-Executive Director on 1 November 2019.

In accordance with the Company's articles of association, Rudolf Gildemeister retires by rotation and offers himself 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
Aung Htun	677,000	123,000	899,626
Henrik Bodenstab	585,849	181,159	35,000
Nicholas Paris [1]	-	-	-
Rudolf Gildemeister	-	-	-

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.

Until 10 November 2020 the Share Option Plan was administered by the Remuneration Committee. It is now administered by the Board of Directors.

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 Board of Directors (since 10 November 2020) 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 30 September 2020	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 was 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.
- 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 and since 10 November by the Board of Directors as the Remuneration Committee was dissolved on that date in order to streamline operations.

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%
Metage Funds Limited	3,252,693	8.5%
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.

DIRECTORS' REPORT

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 counterparties 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.

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 virtual Annual General Meeting and ask further questions ahead of the meeting which will be answered in the Annual General Meeting.

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

Henrik Bodenstab
Chairman
27 November 2020

Nick Paris
Managing Director
27 November 2020

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 Chairman
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

At the Company's Annual General Meeting (AGM) held at The British Club, Yangon, Myanmar on 24 October 2019 the shareholders approved a resolution to amend the investment objective and policies of the Company as set out below:

"The Company will seek to realise the Company's investments in an orderly manner, such realisations to be effected at such times, on such terms and in such manner as the Directors (in their absolute discretion) may determine.

Following such realisations, the Company will make periodic returns of surplus capital to Shareholders on such terms and in such manner as the Directors (in their absolute discretion) may determine.

The Company shall not make any new investments in projects to which it is not already committed. However, this will not preclude the Directors (in their absolute discretion) from: (a) authorising the expenditure of such capital as is necessary to: (i) complete arrangements pertaining to the Company's existing investments; or (ii) carry out any activities that the Directors (in their absolute discretion) deem appropriate to ensure the sale ability of any existing investment; or (b) entering into any contract or other arrangement with any third party to realise all or any part of the Company's existing investments.

Following the disposal of all of the Company's existing investments, the Directors intend to put a winding up proposal to the Shareholders."

CHAIRMAN'S STATEMENT
ON CORPORATE GOVERNANCE

The Company's strategy until 24 October 2019 was to establish a business development and investment platform that seeks to make sensible investments in Myanmar, to capitalise on the growth opportunities there.

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

The key challenges were those that derive from:

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

The Board sought 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. Due to the Shareholders' resolution on 24. October 2019 the Company is not hiring any new staff;
- Maintaining and developing an active presence on the ground in Yangon. Due to the Shareholders' resolution on 24. October 2019 the Company closed its office in Yangon on 31 March 2020;
- 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. Due to the Shareholders' resolution on 24. October 2019 no new investments will be made;
- 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. Due to the Shareholders' resolution on 24. October 2019 all staff was laid-off as of 31 March 2020; and
- Proactively looking for opportunities to add value to each of the investee companies. Due to the Shareholders' resolution on 24. October 2019 the Company will seek to realise the Company's investments in an orderly manner.

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;
- 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). Due to the Shareholders' resolution on 24. October 2019, the Company has now terminated its social media presence.

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 directly contact Michael Rudolf, the CFO on michaelrudolf@myanmarinvestments.com.

or

Henrik Bodenstab (Chairman)	henrik@bodenstab.de
Aung Htun (Deputy Chairman)	aunghtun@myanmarinvestments.com
Nick Paris (Managing Director)	nickparis@myanmarinvestments.com

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board sought 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 sought to engage with include:

- Employees – the Company sought 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 provided extensive training for its staff, including on the job training that was supplemented by more formal training courses that are run in-house or by external trainers, including on-line training schemes;
    - the Company considered itself to be 'gender blind' in its approach to its employees: it did 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 were 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 sought 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:
    - AP 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 (the Company is in the process of selling this investment); 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. The Company sold this investment for US$ 1 million in December 2019.
- 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 maintains the Audit Committee whose members comprise of independent Directors.

Investment Committee

During the financial period under review the following served on the Investment Committee: Craig Martin (until 31 October 2019), Henrik Bodenstab (who became Chairman from 1 June 2018), Aung Htun, Michael Dean (until 31 October 2019) and Rudolf Gildemeister (from 1 November 2019). On 10 November 2020, the Board of Directors dissolved this committee in order to streamline operations and now reviews the investments directly.

During the period under review there were 26 meetings of the Investment Committee and all members of the committee attended all of the meetings.

The Investment Committee was the principal manager of the Company's exposure to risk that might arise from within the Company's core investing activities. The Investment Committee had 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 period under review, the Investment Committee carried out regular evaluations of each of the investments. The Investment Committee made recommendations to the Board regarding making investments and was responsible for computing the Company's net asset value for the Board's consideration.

Audit Committee

During the financial period under review the following served on the Audit Committee: Craig Martin (until 31 October 2019), William Knight (who was Chairman until 18 August 2020), Henrik Bodenstab, Nicholas Paris (until 31 October 2019) and Rudolf Gildemeister (from 1 November 2019 and who became Chairman from 18 August 2020).

During the period under review there were two 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 was no longer subject to monitoring by the FATF.

In September 2018 Myanmar completed its MER (mutual evaluation report). Since then Mynamar has proactively made progress on a number of its MER recommended actions to improve technical compliance and effectiveness.

On 21 February 2020, the FATF put Myanmar on its list of jurisdictions under increased monitoring (grey list). Myanmar made a high-level political commitment to work with the FATF and APG to strengthen the effectiveness of its AML/CFT regime.

5. Maintain the board as a well-functioning, balanced team led by the Chairman

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 four directors, the Board comprises of one executive director (Nick Paris as the Managing Director), one non-executive non-independent director (Aung Htun) and two non-executive independent directors (Henrik Bodenstab and Rudolf Gildemeister). 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 Executive Director. 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.

The Board was supported by the Investment Committee, the Audit Committee, the Remuneration Committee and the Nomination and Corporate Governance Committee until 10 November 2020 when all bar the Audit Committee were dissolved by the Board in order to streamline operations. Since Admission, these committees have been established with clear terms of reference and they regularly reviewed 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 6 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 26 meetings; the Audit Committee held two meetings; the Remuneration Committee held four meetings; and the Nomination and Corporate Governance Committee ("**NCGC**") held one meeting. 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.

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.

Henrik Onne Bodenstab, *Independent Non-Executive Chairman*
Mr Bodenstab has over 25 years of relevant professional experiences which he brings to the Company in his role as an Independent Non-executive Chairman.

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.

After Mr Knight's retirement as a Director and Chairman on 18 August 2020 the Board of Directors elected Mr Bodenstab to be the new Chairman of the Company.

Nicholas John Paris, *Managing 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 AP 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.

Mr Paris changed his role from Non-independent Non-executive Director to become the Managing Director of the Company on 1 November 2019.

Rudolf Gildemeister, *Independent Non-executive Director*
Mr Gildemeister was appointed to the Board of Directors on 1 November 2019 and is co-founder and Managing Partner of All Myanmar Advisors, a Myanmar focused corporate finance and strategy advisory boutique.

He has over 20 years' leadership experience in successfully building, growing and restructuring businesses across industries, mostly in Asia. Before working in Myanmar, he was Managing Director and Asia-Pacific lead of CS Solution Partners for Credit Suisse, based in Hong Kong. He started his career at Nestlé where he held various brand management and business development functions in Hong Kong and South-East Asia, which included establishing Nestlé's sales and marketing activities in Myanmar.

Mr Gildemeister is on the Harvard Business School Global Advisory Board and a Director of several private companies in Hong Kong and Myanmar. He holds a BSc in Economics from Bristol University and an MBA from the Harvard Business School.

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 and can 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 (until 10 November 2020) has retained the services of external advisers to assist it in the formulation of compensation arrangements for the Executive Directors.

The NCGC (until 10 November 2020) 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: Henrik Bodenstab (who became Chairman from 1 November 2018), William Knight (until 18 August 2020), Aung Htun and Craig Martin (until 31 October 2019). On 10 November 2020, this committee was dissolved by the Board to streamline operations.

During the year under review, there was one meeting of the NCGC and all members of the committee attended the meeting.

The NCGC was 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 assessed 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 included 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 had confirmed that their Committees are adequately staffed to discharge their duties. The NCGC 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 considered 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 three independent directors. To date all independent directors have been affirmed as being independent.

As of the date of this report the Board consists of four Directors.

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 had 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 was 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 Director. 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 Director who is 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.

He is also 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. He is supported regarding these tasks by the CFO.

In discharging this responsibility, the Board had 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 (who was Chairman until 18 August 2020), Henrik Bodenstab , Nicholas Paris (until 31. October 2019) and Rudolf Gildemeister (from 1 November 2019).

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 was responsible for establishing a formal and transparent procedure for developing policy on executive remuneration and to set the remuneration packages of individual Directors. This included agreeing with the Board the framework for remuneration of the Managing Director and such other members of the executive management of the Company as it is designated to consider. This included 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 was 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 Directors' Report on Remuneration Issues (after the Remuneration Committee was dissolved on 10 November 2020) for the year is included within this Annual Report.

Given the fact that the Board consists of only 4 members after the retirement of William Knight, the Board decided on 10 November 2020 to dissolve the Investment Committee, the Nomination and Corporate Governance Committee and the Remuneration Committee. The tasks of these committees will be handled directly by the Board from 10 November 2020 onwards.

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-committee and the Executive Director;
- 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 (henrik@bodenstab.de) or the Executive Director at his email address listed above in Section 2.

Yours faithfully

Henrik Bodenstab
Chairman of the Board
27 November 2020

Remuneration Policy

The Remuneration Committee was responsible for determining the Remuneration Policy of the Company until 10 November 2020 when it was dissolved by the Board of Directors who now manages this area directly.

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 financial periods ended 30 September 2020 and 31 March 2019 respectively was (all amounts in US dollars):

	2020		**2019**	
Director	**Directors' fees**	**Short term employee benefits** [1,2]	**Directors' fees**	**Short term employee benefits** [1,2]
William Knight	24,789		24,375	
Aung Htun		192,823		141,156
Michael Dean		267,209		284,008
Craig Martin [3]		26,333	7,500	58,250
Christopher Appleton			12,333	
Henrik Bodenstab	22,793		20,000	
Nicholas Paris [3]	10,000	73,333	2,500	
Rudolf Gildemeister	13,167			
	70,749	559,698	66,708	483,414

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$50,000. No bonuses were paid for 2019.*
3 *During the financial year ended 31 March 2019 Craig Martin was the Managing Director and Nick Paris was a non-executive director. On 31 October 2019 Craig Martin stepped down as both Managing Director and a Director of the Company and Nick Paris became Managing Director as of 1 November 2019.*

The remuneration of the Executive Directors was determined by the Remuneration Committee. The remuneration of the Non-Executive Directors was determined by the Remuneration Committee, but no director may vote on his own compensation arrangements. From 10 November 2020 onwards, these tasks will be handled by the Board of Directors.

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 (this year for the 18-month period from 1 April 2019 to 30 September 2020) 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 (this year for the 18-month period from 1 April 2019 to 30 September 2020) 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 our website 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

Henrik Bodenstab
Chairman of the Board
27 November 2020

During the year, the Audit Committee ("AC") received semi-annually, 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 (this year for the 18-month period from 1 April 2019 to 30 September 2020) financial statements for the financial period from 1 April 2019 to 30 September 2020.

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

As at 30 September 2020 the Group held an equity instrument at fair value through profit or loss, being its investment in AP Towers and this is reflected at its fair value as at that date.

The AC considered the fair value for AP 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 MIL management team and is satisfied that these are appropriate.

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

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

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 period from 1 April 2019 to 30 September 2020, 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 period from 1 April 2019 to 30 September 2020. The Group and the Company changed the reporting period end to 30 September during the current financial period.

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 consolidated financial position of the Group as at 30 September 2020 and consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial period from 1 April 2019 to 30 September 2020; and

(b) at the date of this statement, there are reasonable grounds to believe that the Group and 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:

Maung Aung Htun
Henrik Onne Bodenstab
Nicholas John Paris
Rudolf Gildemeister (Appointed on 1 November 2019)

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 period 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 period, 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 2019	At 30 September 2020
<u>Company</u>		
Myanmar Investments International Limited		
Number of ordinary shares		
Maung Aung Htun	677,000	677,000
Henrik Onne Bodenstab	585,849	585,849
Number of warrants to subscribe for ordinary shares of the Company		
Maung Aung Htun	123,000	123,000
Henrik Onne Bodenstab	181,159	181,159
Number of share options to subscribe for ordinary shares of the Company		
Maung Aung Htun	899,626	899,626
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 period were:

- Christopher William Knight (Retired on 18 August 2020)
- Henrik Onne Bodenstab
- Nicholas John Paris

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 period, 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 period.

There were no shares issued during the financial period 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 period	Aggregate options granted since commencement of the Plan to the end of financial period	Aggregate options exercised since commencement of the Plan to the end of financial period	Aggregate options lapsed since commencement of the Plan to the end of financial period	Aggregate options outstanding as at end of the financial period
Maung Aung Htun	–	899,626	–	–	899,626
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

Nicholas John Paris
Director

Maung Aung Htun
Director

27 November 2020

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 30 September 2020;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group for the financial period from 1 April 2019 to 30 September 2020; 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 30 September 2020, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial period from 1 April 2019 to 30 September 2020.

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 | **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 6.2% equity interest in AP Towers Holdings Pte. Ltd. ("AP Towers"). AP Towers owns and operates a telecommunication tower business in Myanmar, through its subsidiaries, Apollo Towers Myanmar Limited and Pan Asia Majestic Eagle Limited.

As at 30 September 2020, the carrying amount of the Group's investment in equity instrument at FVTPL was US$42.5million, which represented 89.1% of the total assets of the Group.

A market-based valuation methodology is used in the valuation of AP Towers.

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 11 to the financial statements.

Our procedures on the valuation of the equity instruments at FVTPL included, amongst others, the following:

- Discussed with management the assumptions used in the valuation process;
- Reviewed and analysed reasonableness of the EBITDA of AP Towers used by comparing to the latest available audited financial statements of Apollo Towers Myanmar Limited and Pan Asia Majestic Eagle Limited;
- 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
- 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.

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

- 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
27 November 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Financial Period from 1 April 2019 to 30 September 2020

	Note	Financial period from 1 April 2019 to 30 September 2020	Financial year ended 31 March 2019
		US$	US$
Revenue		–	–
Other item of income			
Finance income	4	491	514
Gain on disposal of a joint venture	10	361,248	–
Fair value gain on investment at fair value through profit or loss	11	6,500,000	–
Items of expense			
Employee benefits expense	5	(898,323)	(916,343)
Depreciation expense	12	(20,719)	(22,001)
Other operating expenses		(1,325,262)	(1,006,933)
Finance costs	6	(13,857)	(12,715)
Share of results of joint ventures, net of tax	10	(926,004)	(491,290)
Profit/(Loss) before income tax	7	3,677,574	(2,448,768)
Income tax expense	8	(1,306)	(436)
Profit/(Loss) for the financial period/year		3,676,268	(2,449,204)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange gain/(loss) arising on translation of foreign operations	10	399,314	(263,584)
Other comprehensive income for the financial period/year, net of tax		399,314	(263,584)
Total comprehensive income/(loss) for the financial period/year		4,075,582	(2,712,788)
Profit/(Loss) attributable to:			
Owners of the parent		1,616,159	(2,420,931)
Non-controlling interests	13	2,060,109	(28,273)
		3,676,268	(2,449,204)
Total comprehensive income/(loss) attributable to:			
Owners of the parent		2,015,473	(2,684,515)
Non-controlling interests	13	2,060,109	(28,273)
		4,075,582	(2,712,788)
Earnings/(Loss) per share (cents)			
- Basic and diluted	9	4.24	(6.42)

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

CONSOLIDATED STATEMENT OF **FINANCIAL POSITION**

As at 30 September 2020

	Note	30 September 2020 US$	31 March 2019 US$
ASSETS			
Non-current assets			
Investments in joint ventures	10	–	3,717,909
Equity instrument at fair value through profit or loss	11	42,500,000	36,000,000
Plant and equipment	12	–	38,103
Total non-current assets		42,500,000	39,756,012
Current assets			
Other receivables	14	268,834	178,775
Cash and cash equivalents	15	2,364,166	3,720,521
Non-current asset classified as held for sale	16	2,552,467	–
Total current assets		5,185,467	3,899,296
Total assets		47,685,467	43,655,308
EQUITY AND LIABILITIES			
Equity			
Share capital	17	40,569,059	40,569,059
Share option reserve	18	1,358,913	1,337,005
Accumulated losses		(8,423,481)	(10,039,640)
Foreign exchange reserve		(76,560)	(475,874)
Equity attributable to owners of the parent		33,427,931	31,390,550
Non-controlling interests	13	13,935,567	11,875,458
Total equity		47,363,498	43,266,008
LIABILITIES			
Current liabilities			
Other payables	19	304,053	372,410
Income tax payable		17,916	16,890
Total current liabilities		321,969	389,300
Total equity and liabilities		47,685,467	43,655,308

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

For the Financial Period from 1 April 2019 to 30 September 2020

	Note	Share capital US$	Share option reserve US$	Foreign exchange reserve US$	Accumulated losses US$	Equity attributable to owners of the parent US$	Non-controlling interests US$	Total US$
2020								
At 1 April 2019		40,569,059	1,337,005	(475,874)	(10,039,640)	31,390,550	11,875,458	43,266,008
Profit for the financial period		–	–	–	1,616,159	1,616,159	2,060,109	3,676,268
Other comprehensive income for the financial period								
Exchange loss arising on translation of foreign operations	10	–	–	399,314	–	399,314	–	399,314
Total other comprehensive income for the financial period		–	–	399,314	–	399,314	–	399,314
Total comprehensive income for the financial period		–	–	399,314	1,616,159	2,015,473	2,060,109	4,075,582
Contributions by and distributions to owners								
Share options expense	18	–	21,908	–	–	21,908	–	21,908
Total contributions by and distributions to owners		–	21,908	–	–	21,908	–	21,908
At 30 September 2020		40,569,059	1,358,913	(76,560)	(8,423,481)	33,427,931	13,935,567	47,363,498

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

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the Financial Period from 1 April 2019 to 30 September 2020

	Note	Share capital US$	Share option reserve US$	Foreign exchange reserve US$	Accumulated losses US$	Equity attributable to owners of the parent US$	Non-controlling interests US$	Total US$
2019								
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 loss for the financial year								
Exchange loss arising on translation of foreign operations	10	–	–	(263,584)	–	(263,584)	–	(263,584)
Total other comprehensive loss for the financial year		–	–	(263,584)	–	(263,584)	–	(263,584)
Total comprehensive loss 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 CASH FLOWS

For the Financial Period from 1 April 2019 to 30 September 2020

	Note	Financial period from 1 April 2019 to 30 September 2020 US$	Financial year ended 31 March 2019 US$
Operating activities			
Profit/(Loss) before income tax		3,677,574	(2,448,768)
Adjustments for:			
Interest income	4	(491)	(514)
Finance costs	6	13,857	12,715
Depreciation of plant and equipment	12	20,719	22,001
Gain on disposal of a joint venture	10	(361,248)	–
Fixed assets written off	7	17,384	–
Fair value gain on investment at fair value through profit or loss	11	(6,500,000)	–
Share options expense	18	21,908	139,498
Share of results of joint ventures, net of tax	10	926,004	491,290
Operating cash flows before working capital changes		(2,184,293)	(1,783,778)
Changes in working capital:			
Other receivables		(90,059)	15,809
Other payables		(68,357)	(59,920)
Cash used in operations		(2,342,709)	(1,827,889)
Interest received	4	491	514
Finance costs paid	6	(13,857)	(12,715)
Income tax (paid)/refund		(280)	1,517
Net cash flows used in operating activities		(2,356,355)	(1,838,573)
Investing activities			
Proceeds from disposal of investments	10	1,000,000	–
Investments in joint ventures	10	–	(500,000)
Advances to joint ventures	10	–	(625,000)
Purchase of plant and equipment	12	–	(5,353)
Net cash flows generated from/(used in) investing activities		1,000,000	(1,130,353)
Financing activities			
Increase in short-term deposits pledged		(216)	(11,267)
Net proceeds from issuance of shares	17	–	407,117
Net cash flows (used in)/generated from financing activities		(216)	395,850
Net change in cash and cash equivalents		(1,356,571)	(2,573,076)
Cash and cash equivalents at beginning of the period/year		3,673,110	6,246,186
Cash and cash equivalents at the end of financial period/year	15	2,316,539	3,673,110

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

1. General corporate information

Myanmar Investments International Limited (“the Company”) is a limited liability company incorporated and domiciled in the British Virgin Islands (“BVI”). The Company’s registered office is at Jayla Place, Wickhams Cay I, Road Town, Tortola, British Virgin Islands.

The Company’s ordinary shares and warrants are traded on the AIM market of the London Stock Exchange under the ticker symbols MIL and MILW respectively.

The Company was established for the purpose of identifying and investing in, and disposing of, businesses operating in or with business exposure to Myanmar. The Company’s focus was to target businesses operating in sectors that the Directors believed had strong growth potential and thereby could be expected to provide attractive yields, capital gains or both. At the Annual General Meeting held on 24 October 2019, the Company’s shareholders approved a resolution to begin an orderly disposal of the Company’s investments and in due course look to return surplus capital to shareholders.

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

The Group and the Company changed its reporting period end from 31 March to 30 September during the current financial period.

1.1 Going concern

After due and careful enquiries, the Directors have a reasonable expectation that the Group has adequate financial resources to continue in operational existence for the foreseeable future. This expectation is based on a review of the Group’s existing financial resources, its present and expected future commitments in terms of its overheads and running costs; and its commitments to its existing investments. Accordingly, the Directors have adopted the going concern basis in preparing the Group’s financial statements.

2. Summary of significant accounting policies

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 11 to the financial statements respectively. No further operating segment financial information is therefore disclosed.

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 period/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.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of the financial statements (Continued)

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

<u>Changes in accounting policies</u>

New standards, amendments and interpretations effective from 1 April 2019

The standards, amendments to standards, and interpretations, issued by International Accounting Standards Board ("IASB") that will apply for the first time by the Group are not expected to impact the Group as they are either not relevant to the Group's business activities or require accounting which is consistent with the Group's current accounting policies, except as detailed below.

IFRS 16 *Leases*

IFRS 16 supersedes IAS 17 *Leases* and IFRIC 4 *Determining whether an Arrangement Contains a Lease*. IFRS 16 provides a single lessee accounting model which eliminates the distinction between operating and finance leases for lessees. IFRS 16 requires lessee to capitalise all leases on the consolidated statement of financial position by recognising a 'right-of-use' asset and a corresponding lease liability for the present value of the obligation to make lease payments, except for certain short-term leases and leases of low-value assets. Subsequently, the right-of-use assets will be amortised and the lease liabilities will be measured at amortised cost. From the perspective of a lessor, the classification and accounting for operating and finance leases remains substantially unchanged under IFRS 16.

The Group applied IFRS 16 retrospectively with the cumulative effect of initially applying this standard as an adjustment to the opening retained earnings as at 1 April 2019 (the "date of initial application"). The Group elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. The definition of lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 April 2019.

In applying the modified retrospective approach, the Group has taken advantage of the following practical expedient:

- Leases with a remaining term of twelve months from the date of initial application have been accounted for as short-term leases (i.e. not recognised on statement of financial position) even though the initial term of the leases from lease commencement date may have been more than twelve months;

As the date of initial application, all of the Group's existing lease contracts were accounted for as short-term leases as the remaining lease terms from the date of initial application were less than 12 months. In addition, there was no additional lease contracts entered into during the current financial period. As such, there is no material impact to the Group's financial statements upon adoption of IFRS 16.

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation of the financial statements (Continued)

<u>Changes in accounting policies</u> (Continued)

New standards, amendments and interpretations issued but 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:

		Effective date (annual periods beginning on or after)
IFRS 10, IAS 28 (Amendments)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined
IFRS 3	*Definition of a Business*	1 January 2020
IAS 1, IAS 8	*Definition of Material*	1 January 2020
IFRS 9, IAS 39, IFRS 7 (Amendments)	*Interest Rates Benchmark Reform*	1 January 2020
Various Amendments	*References to the Conceptual Framework in IFRS Standards*	1 January 2020
IFRS 16 (Amendments)	*Covid-19-Related Rent Concessions*	1 June 2020
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments)	*Interest Rates Benchmark Reform – Phase 2*	1 January 2021
IFRS 3 (Amendments)	*References to the Conceptual Framework*	1 January 2022
IAS 16 (Amendments)	*Property, Plant and Equipment - Proceeds before Intended Use*	1 January 2022
IAS 37 (Amendments)	*Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Various	*Annual Improvements to IFRSs 2018-2020*	1 January 2022
IAS 1 (Amendments)	*Classification of Liabilities as Current or Non-current*	1 January 2023
IFRS 17 and amendments to IFRS 17	*Insurance Contracts*	1 January 2023

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

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from its involvement with the investee, and the ability 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.

Subsidiaries are consolidated from the date on which the Group obtains control over the investee and cease from consolidation when the control is lost. Control is reassessed whenever the facts and circumstances indicate that they may be a change in the elements of control.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

All intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides an impairment indicator of the transferred asset.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

<u>Non-controlling interests</u>

Non-controlling interests represents the equity in subsidiaries which is not attributable directly or indirectly to the equity owners of the parent. They are shown separately in the consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners). 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, it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. 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 retained earnings) 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 IFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

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 (Note 2.2). 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.

2. Summary of significant accounting policies (Continued)

2.3 Joint arrangements (Continued)

Where there have been a change recognised directly to equity of the joint ventures, the Group recognises its share of such changes. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the joint ventures.

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

2.4 Revenue recognition

Interest income

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

2.5 Foreign currency translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in 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. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in United States dollars using exchange rates prevailing at the end of the financial period/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.

2.6 Income tax

Income tax expense comprise current tax expense and deferred tax expense.

<u>Current income tax</u>

Current income tax expense is the amount of income tax payable in respect of the taxable profit for a period. Current income tax liabilities for the current and prior periods shall be measured at the amount expected to be paid to the taxation authorities, using the tax rates and interpretation to applicable tax laws in the countries where the Group operates, that have been enacted or substantively enacted by the end of the reporting period. Management evaluates its income tax provisions on periodical basis.

Current income tax expenses are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

2. Summary of significant accounting policies (Continued)

2.6 Income tax (Continued)

Deferred tax

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 of asset and liabilities, except when the temporary difference arises from the initial recognition of goodwill or other assets and liabilities that is not a business combination and affects neither the accounting profit nor taxable profit.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates expected to apply for the period when the asset is realised or the liability is settled, based on tax rate and tax law that have been enacted or substantially enacted by the end of reporting period. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle its assets and liabilities, except for investment properties at fair value which are presumed to be recovered through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is recognised in profit or loss, except when it relates to items recognised outside profit or loss, in which case the tax is also recognised either in other comprehensive income or directly in equity, or where it arises from the initial accounting for a business combination. Deferred tax arising from a business combination, is taken into account in calculating goodwill on acquisition.

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.

2. Summary of significant accounting policies (Continued)

2.7 Plant and equipment (Continued)

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 period/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.

2.8 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2. Summary of significant accounting policies (Continued)

2.9 Non-current assets held-for-sale

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of the asset's previous carrying amount and fair value less costs to sell. The assets are not depreciated or amortised while classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

2.10 Financial Instruments

The Group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument.

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.

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.

2. Summary of significant accounting policies (Continued)

2.10 Financial Instruments (Continued)

Financial assets (Continued)

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.

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.

Financial liabilities and equity instruments

Financial liabilities

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.

2.11 Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash and bank balances and short-term deposit which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

2.12 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.

2. Summary of significant accounting policies (Continued)

2.12 Share-based payments (Continued)

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.

3. Significant accounting judgements and estimates

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

3.1 Critical judgements made in applying the entity's accounting policies

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 11 to the financial statements.

3. Significant accounting judgements and estimates (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(ii) Impairment of investments in joint ventures

The Group follows the guidance of IAS 36 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 before classification as non-current asset held for sale are disclosed in Note 10 to the financial statements.

(iii) Employee share option plan

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

4. Finance income

	Financial period from 1 April 2019 to 30 September 2020	Financial year ended 31 March 2019
	US$	US$
Interest income	491	514

5. Employee benefits expense

	Financial period from 1 April 2019 to 30 September 2020	Financial year ended 31 March 2019
	US$	US$
Salaries, wages and other staff benefits	826,415	739,024
Bonuses	50,000	37,821
Share options expense (Note 18)	21,908	139,498
	898,323	916,343

The employee benefits expense includes the remuneration of Directors as disclosed in Note 20 to the financial statements.

6. Finance costs

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

7. Profit/(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:

	Financial period from 1 April 2019 to 30 September 2020 US$	Financial year ended 31 March 2019 US$
Auditor's remuneration	103,397	61,278
Consultants fees	218,999	268,564
Fixed assets written off	17,384	–
Operating lease expenses	–	91,381
Short term leases	84,206	–
Professional fees	599,324	287,288
Travel and accommodation	54,572	59,769

8. Income tax expense

	Financial period from 1 April 2019 to 30 September 2020 US$	Financial year ended 31 March 2019 US$
Current income tax		
- current financial period/year	3,703	1,574
- over-provision in prior financial year	(2,397)	(1,138)
	1,306	436

A reconciliation of income tax applicable to profit/(loss) before income tax at the statutory income tax rate of 25% (2019: 25%) in Myanmar is as follows:

	Financial period from 1 April 2019 to 30 September 2020 US$	Financial year ended 31 March 2019 US$
Profit/(Loss) before income tax	3,677,574	(2,448,768)
Share of results of joint venture, net of tax (Note 10)	926,004	491,290
	4,603,578	(1,957,478)

8. Income tax expense (Continued)

	Financial period from 1 April 2019 to 30 September 2020	Financial year ended 31 March 2019
Income tax at the applicable tax rates	1,150,895	(489,370)
Effects of different income tax rates in other countries	(1,151,928)	489,905
Over-provision in prior financial year	(2,397)	(1,138)
Tax effects of expenses not deductible for tax purposes	5,741	1,039
Income tax exemption	(1,005)	–
Income tax for the financial period/year	1,306	436

9. Earnings/(Loss) per share

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

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

	Financial period from 1 April 2019 to 30 September 2020	Financial year ended 31 March 2019
Profit/(Loss) for the financial period/year attributable to owners of the Company (US$)	1,616,159	(2,420,931)
Weighted average number of ordinary shares during the financial period/year applicable to basic profit or loss per share	38,097,037	37,685,988
Earnings/(Loss) per share		
Basic and diluted (cents)	4.24	(6.42)

Diluted earnings or loss per share is the same as the basic earnings or loss per share because the potential ordinary shares to be converted arising from share options and warrants are anti-dilutive.

10. Investments in joint ventures

	30 September 2020 US$	31 March 2019 US$
Investments in joint ventures		
Unquoted equity investments, at cost	4,815,000	4,190,000
Share of post-acquisition results of joint venture, net of tax	(1,547,221)	(621,217)
Share of post-acquisition foreign currency translation reserve	(76,560)	(475,874)
	3,191,219	3,092,909
Disposal of joint venture during the financial period/year	(638,752)	–
Advances to joint ventures	–	625,000
Reclassified to non-current asset held-for-sale	(2,552,467)	–
	–	3,717,909
Movement during the period/year		
Balance at beginning of financial period/year	3,717,909	3,347,783
Investments during the financial period/year	–	500,000
Share of results of joint ventures, net of tax	(926,004)	(491,290)
Share of foreign currency translation reserve	399,314	(263,584)
Advances during the financial period/year	–	625,000
Disposal of joint venture during the financial period/year	(638,752)	–
Reclassified to non-current asset held-for-sale	(2,552,467)	–
Balance at end of financial period/year	–	3,717,909

Medicare International Health and Beauty Pte. Ltd. and its subsidiary ("MIHB Group")

On 28 November 2019, the Group disposed its entire investment in MIHB Group for US$1,000,000. For the period from 1 April 2019 to 28 November 2019 (date of disposal), the Group recorded share of losses from its investment in MIHB Group amounting to US$576,305. The carrying amount of the Group's investment in MIHB Group as at the date of disposal was US$638,752. As a result, the Group recognised a gain on disposal of US$361,248.

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.

10. Investments in joint ventures (Continued)

Myanmar Finance International Ltd. (Continued)

In the previous financial 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.

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 Group 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 Group 2020 %	2019 %
Medicare International Health and Beauty Pte. Ltd. (Singapore)	Provider of beauty, health, and pharmaceutical products	–	48.6
Myanmar Finance International Limited (Myanmar)	Provider of microfinance loans	–	37.5

On 26 February 2020, MIL together with each of the other shareholders of MFIL, have received a Binding Offer ("BO") to sell the entire share capital of MFIL to Thitikorn Plc ("TK") (the "Purchaser"), a consumer finance company incorporated in Thailand and listed on the Stock Exchange of Thailand.

The original BO was executed on 17 March 2020 with the intention of agreeing and executing the Sale and Purchase Agreement ("SPA") within a month. However, due to the outbreak of Covid-19, the regulatory approval could not be obtained in time. Therefore, the BO has been extended for several times and the latest BO has been extended to 5 December 2020. Management expects it to further extend to early 2021.

In accordance with the BO, the minimum consideration for this transaction will be calculated based on a pre-agreed formula of 2 times the audited book value of MFIL at closing once conditions above have been satisfied.

As the result of the ongoing transaction above, the entire carrying amount of the Group's investment in MFIL has been reclassified as non-current asset held for sale as at 30 September 2020 (Note 16).

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 Group's share of those amounts), adjusted for differences in accounting policies between the Group 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)

11. Equity instrument at fair value through profit or loss

	30 September 2020 US$	31 March 2019 US$
Investment in unquoted equity instrument, at fair value	42,500,000	36,000,000

The Group, through its 66.67% subsidiary, MIL 4 Limited ("MIL 4") invested in a 6.2% equity interest in unquoted share capital of AP Towers Holdings Pte. Ltd. ("AP Towers") (31 March 2019: 13.7% equity interest in Apollo Towers Holdings Limited ("Apollo Towers")).

On 23 January 2020, MIL 4 exchanged its investment in Apollo Towers for shares in AP Towers which owns Pan Asia Majestic Eagle Limited ("Pan Asia Towers"), another Myanmar independent tower company. Under the share swap, MIL 4 has exchanged its existing 13.7 per cent shareholding in Apollo Towers for a shareholding of 6.2 per cent in AP Towers. The share swap effectively brings Apollo Towers and Pan Asia Towers under common ownership of AP Towers.

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

	30 September 2020 US$	31 March 2019 US$
Balance at beginning of financial period/year	36,000,000	36,000,000
Fair value gain during the financial period/year	6,500,000	–
Balance at end of financial period/year	42,500,000	36,000,000

The Group intends to hold these investments for long-term appreciation in value as well as strategic investment purposes.

Management engaged their internal valuation specialists to perform a valuation on the investment. The valuation of the unquoted investment is categorised into Level 3 (2019: 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
30 September 2020			
Unquoted equity investments	Comparable company analysis	- Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") of US$83.4million - Enterprise Value ("EV") per EBITDA multiple of 13.1x	Increase EBITDA and EV/ EBITDA multiple will increase the fair value of the financial asset.
31 March 2019			
Unquoted equity investments	Comparable company analysis	- Earnings Before Interest, Tax, Depreciation and Amortisation ("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.

12. Plant and equipment

	Computer equipment US$	Office equipment US$	Furniture and fittings US$	Total US$
2020				
Cost				
Balance at 1 April 2019	10,852	1,118	56,469	68,439
Written off	(10,852)	(1,118)	(56,469)	(68,439)
Balance at 30 September 2020	–	–	–	–
Accumulated depreciation				
Balance at 1 April 2019	6,865	1,118	22,353	30,336
Depreciation for the financial period	2,326	–	18,393	20,719
Written off	(9,191)	(1,118)	(40,746)	(51,055)
Balance at 30 September 2020	–	–	–	–
Carrying amount				
Balance at 30 September 2020	–	–	–	–
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. 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 2020 %	2019 %	Proportion of ownership interest held by non-control interests 2020 %	2019 %
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 4 Limited[(1)]	British Virgin Islands	Investment holding company	66.67	66.67	33.33	33.33
Held by MIL Management Pte. Ltd.						
MIL Management Co., Ltd[(2)]	Myanmar	Provtision of management services to the Group	100	100	–	–

(1) Audited by BDO LLP, Singapore.

(2) In the process of striking off.

Non-controlling interests

The summarised financial information before intra-group elimination of the subsidiary that has material non-controlling interests as at the end of each reporting period is as follows:

	MIL 4 Limited 30 September 2020 US$	31 March 2019 US$
Assets and liabilities		
Non-current assets	42,500,000	36,000,000
Current assets	71,067	72,896
Current liabilities	(764,373)	(446,529)
Net assets	41,806,694	35,626,367
Accumulated non-controlling interests	13,935,567	11,875,458
Revenue	–	–
Other income	6,500,000	–
Administrative expenses	(319,673)	(84,822)
Profit/(Loss) and total comprehensive income/(loss) for the financial period/year	6,180,327	(84,822)
Profit/(Loss) and total comprehensive income/(loss) allocated to non-controlling interests	2,060,109	(28,273)
Operating cash flows before working capital changes	(319,673)	(84,822)
Working capital changes	319,673	84,822
Net cash used in operating activities	–	–
Net change in cash and cash equivalents	–	–

14. Other receivables

	30 September 2020 US$	31 March 2019 US$
Other receivables	211,962	123,099
Deposits	9,061	23,310
Prepayments	47,811	32,366
	268,834	178,775

Other receivables are denominated in United States dollar.

15. Cash and cash equivalents

	30 September 2020 US$	31 March 2019 US$
Cash and bank balances	2,316,539	3,673,110
Short-term deposit	47,627	47,411
	2,364,166	3,720,521

The short-term deposit bears interest at an average rate of between 0.95% to 1.40% (31 March 2019: 0.35% to 0.95%) per annum, has a tenure of approximately 12 months (31 March 2019: 12 months) and is pledged to bank to secure credit facilities.

Cash and cash equivalents are denominated in the following currencies:

	30 September 2020 US$	31 March 2019 US$
United States dollar	2,232,114	3,562,238
Singapore dollar	129,031	148,419
Myanmar kyat	3,021	9,864
	2,364,166	3,720,521

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

	30 September 2020 US$	31 March 2019 US$
Bank balances	2,364,166	3,720,521
Less: short-term deposits pledged	(47,627)	(47,411)
	2,316,539	3,673,110

16. Non-current asset classified as held for sale

As the result of the ongoing transaction to sell the Group's 37.5% equity interest in MFIL (Note 10), the entire carrying amount of the Group's investment in MFIL has been reclassified as non-current asset held for sale as at 30 September 2020.

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

	At 30 September 2020 US$
Investment in joint venture – 37.5% equity interest in Myanmar Finance International Limited	2,552,467

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

	Myanmar Finance International Limited At 30 September 2020 US$
Assets and liabilities	
Cash and cash equivalents	12,906,791
Trade receivables	17,469,857
Other current assets	671,005
Current assets	31,047,653
Non-current assets	324,734
Total assets	31,372,387
Current liabilities	18,228,173
Non-current liabilities	6,657,692
Total liabilities	24,885,865
Net assets	6,486,522
	6,486,522
The Group's equity interest in MFIL	37.5%
Share of net assets	2,432,467
Premium paid	120,000
	2,552,467

16. Non-current asset classified as held for sale (Continued)

	Myanmar Finance International Limited Financial period from 1 April 2019 to 30 September 2020 US$
Income and expenses	
Revenue	7,582,599
Other income	744,308
Operating expense	(4,446,815)
Depreciation	(133,743)
Interest expense	(4,680,419)
Tax credit	1,539
Loss after income tax	(932,531)
Share of results of MFIL, net of tax, before classifying as non-current asset held for sale	(349,699)

17. Share capital

	30 September 2020 US$	31 March 2019 US$
Issued and fully-paid share capital:		
Ordinary shares at the beginning of the financial period/ year	40,569,059	40,161,942
Exercise of warrants during the financial period/year	–	491,916
Share issuance expenses	–	*(84,799)*
	40,569,059	40,569,059

	2020		2019	
Equity Instruments in issue	**Ordinary shares**	**Warrants**	**Ordinary shares**	**Warrants**
At the beginning of the financial period/year	38,097,037	14,128,387	37,432,291	15,346,507
Exercise of warrants during the financial period/year	–	–	664,746	(1,218,120)
At the end of the financial period/year	38,097,037	14,128,387	38,097,037	14,128,387

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

17. Share capital (Continued)

In the previous financial year, 202,905 and 377,486 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. 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 84,356 ordinary shares.

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

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

Warrants

No new warrants were issued during the period.

On 16 September 2016, the Company allotted 811,368 warrants pursuant to the Fourth Subscription. The Company had agreed that for every four Ordinary Shares subscribed for by a subscriber they would receive one warrant at nil cost.

The warrants entitle the holder to subscribe for an Ordinary share at an exercise price of US$0.75. The warrants may be exercised during each 15 Business Day period commencing on the first day of each Quarter during the Subscription Period (from 21 June 2015 to 21 June 2018).

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

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

b) in the extended period, 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.

18. Share option reserve (Continued)

As at 30 September 2020, there were 3,622,740 (2019: 3,622,740) share options available for issue under the Plan of which 2,590,527 (2019: 2,590,527) had been granted. These granted share options have a weighted average exercise price of US$1.214 (2019: US$1.214) per share and a weighted average contractual life of 5 years (2019: 6.5 years).

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

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

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

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

No share options were granted during the financial period.

The weighted average fair value of the share options granted in the previous financial year was US$0.569. Share options were priced using Black-Scholes option pricing model. Where relevant, the expected life used in the model was adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility was based on historical share price volatility from the date of grant of the share options.

18. Share option reserve (Continued)

Fair value of share options granted in the financial period (Continued)

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$21,908 (2019: US$139,498) related to equity-settled share-based payment transactions during the financial period/year.

Movement in share option during the financial period/year

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

	2020		2019	
	Number	Weighted average exercise price US$	Number	Weighted average exercise price US$
Balance at start of the financial period/year	2,590,527	1.213	2,640,862	1.214
Forfeited	–	–	(50,335)	1.265
Balance at end of financial period/year	2,590,527	1.213	2,590,527	1.213

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

Movement in share option reserve during the financial period/year

	30 September 2020 US$	31 March 2019 US$
Balance at start of the financial period/year	1,337,005	1,220,549
Share options expense	21,908	139,498
Cancellation of share options	–	(23,042)
Balance at end of financial period/year	1,358,913	1,337,005

19. Other payables

	30 September 2020 US$	31 March 2019 US$
Accruals	113,294	287,262
Other payables	190,759	85,148
	304,053	372,410

Other payables are denominated in the following currencies:

	30 September 2020 US$	31 March 2019 US$
Singapore dollar	58,793	47,474
United States dollar	224,553	289,963
British pound	3,119	34,973
Euro	11,199	–
Myanmar Kyat	6,389	–
	304,053	372,410

20. Significant related party disclosures

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. During the current financial period, in addition to the information disclosed elsewhere in these financial statements, there was no other significant transactions with related parties.

Compensation of key management personnel

During the current financial period, 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.

20. Significant related party disclosures (Continued)

Compensation of key management personnel (Continued)

The remuneration of Directors for the financial period/year were as follows:

	Directors' fee	Short term employee benefits	Share option plan	Total
	US$	US$	US$	US$
<u>**Financial period from 1 April 2019 to 30 September 2020**</u>				
Executive directors				
Maung Aung Htun	–	192,823	5,115	197,938
Anthony Michael Dean	–	267,209	5,115	272,324
Craig Robert Martin	–	26,333	1,201	27,534
Nicholas John Paris	10,000	73,333	–	83,333
Non-executive directors				
Christopher William Knight	24,789	–	1,201	25,990
Henrik Onne Bodenstab	22,793	–	1,136	23,929
Rudolf Gildemeister	13,167	–	–	13,167
	70,749	559,698	13,768	644,215
<u>**Financial year ended 31 March 2019**</u>				
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. Dividends

The Directors of the Company do not recommend any dividend in respect of the financial period from 1 April 2019 to 30 September 2020 (31 March 2019: Nil).

22. 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.

22. 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 Group's financial instruments and the policies for managing each of these risks are summarised below.

22.1 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 Group 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.

22.2 Market risks

Foreign currency risk

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 United States dollar. The main currencies giving rise to this risk are the Singapore Dollar, Euro, 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.

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	
	2020 US$	2019 US$	2020 US$	2019 US$
Singapore Dollar	129,031	148,419	58,793	47,474
Euro	–	–	11,199	–
Myanmar Kyat	3,021	9,864	6,389	–
British Pound	–	–	3,119	34,973
	132,052	158,283	79,500	82,447

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.

22.3 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.

The Group's exposure to liquidity risk is represented by its other payables, which are payable within one year from the reporting date.

22. Financial risk management objectives and policies (Continued)

22.4 Fair value of financial assets and financial liabilities

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

22.5 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 period from 1 April 2019 to 30 September 2020 and the financial year ended 31 March 2019.

23. Impact of novel coronavirus ("Covid-19") on the Group's operations

On 31 January 2020, the World Health Organisation ("WHO") announced that the novel coronavirus ("Covid-19") outbreak as a global health emergency.

The outbreak of Covid-19, coupled with the prolonged global trade tension, had led to the deterioration of the global economic conditions. The pandemic had already caused many industries to shut down and trade and travel worldwide were seriously disrupted.

Although the situation continues to evolve with significant level of uncertainty, the Group does not foresee a huge impact on its own operation.

Regarding its investment in MFIL, the Group is of the view that the microfinance industry has been impacted by Covid-19. Depending on the speed of recovery from Covid-19, MFIL's book value at closing of the on-going transaction to sell (Note 10) may decrease. Shareholders of the Purchaser's has approved the transaction during the annual general meeting held on 23 April 2020. However, because of the outbreak of Covid-19 which, inter alia, has stopped all commercial air travel between Myanmar and Thailand, little progress has been made in obtaining regulatory approval. Assuming a level of normalcy returns over the next few months, the completion of the transaction is expected to take place within the next 4 to 6 months. Nonetheless, the Group is of the view that there is no indicator of impairment on its investment in MFIL, because the minimum consideration for this transaction will be calculated based on a pre-agreed formula of 2 times the audited book value of MFIL at closing once conditions above have been satisfied, according to the Binding Offer from the Purchaser.

Regarding the Group's other investment in AP Towers, the Group is of the view that contrary to other industries, the telecommunication sector has not suffered greatly due to the outbreak of Covid-19.

24. Authorisation of financial statements

The financial statements of the Group for the financial period from 1 April 2019 to 30 September 2020 were approved by the Board of Directors on 27 November 2020.

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.

Due to current restrictions on the way in which we all conduct business and in particular on public gatherings related to the Covid-19 outbreak, the Directors have decided to facilitate holding the AGM remotely, while still endeavouring to create a forum for the conduct of the formal business set out in the notice of the Annual General Meeting and providing an opportunity for shareholders to raise questions of the Directors. As such, notice is hereby given that the 2020 Annual General Meeting of Myanmar Investments International Limited (the "**Company**") will be held as a virtual meeting at 2.30 p.m. (Myanmar time) on 12 January 2021 for the purpose of considering and if thought fit, passing the resolutions below (the "**AGM**").

The Company will offer shareholders the option to participate in the meeting remotely via a Zoom webinar that can be accessed from any computer with internet access. This facility will be used to respond to questions and for the formal business as set out in the notice of the AGM to be conducted. Questions should be submitted via email to 'enquiries@myanmarinvestments.com' before 4 January 2021. Any questions submitted will be answered during the AGM. Shareholders will not be able to ask additional questions during the meeting.

Shareholders will not be able to vote at the meeting if they attend via the Zoom conference call. The Board therefore encourages shareholders to submit proxy forms to appoint the Chairman of the meeting as their proxy with their voting instructions. As such, please fill in the proxy form sent to you with this document and return it to our registrars as soon as possible. Members who want to attend the virtual AGM by Zoom conference have to mark this on the proxy form and are requested to provide an email address which the company can use to circulate the dial in information for the Zoom conference.

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 period from 1 April 2019 to 30 September 2020 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 Rudolf Gildemeister, 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.

By Order of the Board

OCORIAN Corporate Services (BVI) Limited
Secretary

27 November 2020

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 4 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. Due to restrictions related to the Covid-19 outbreak, the meeting will be held remotely via a Zoom conference call. If you wish to use this facility, please note your intention on the proxy form and you will be provided with the necessary dial in details in due course. Please note that shareholders will not be able to use this facility to actively participate in the meeting by voting on the resolutions or asking questions. All proxy appointments should be received by no later than 17:30 BST on 07 January 2021. CREST members are strongly recommended to vote electronically through the CREST electronic proxy appointment service as your vote will automatically be counted.

3. Shareholders are encouraged to submit any question that you would like to be answered at the meeting by emailing such questions to enquiries@myanmarinvestments.com, so that it is received by no later than 12 midnight on 03 January 2020. The Company will endeavour to respond to all questions received from shareholders at the AGM or within seven days following the AGM.

4. Voting at the meeting will be conducted by means of a poll on all resolutions, with each shareholder having one vote for each share held, thereby allowing all those proxy votes submitted and received prior to the meeting to be counted.

5. 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. 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.

6. 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 05 January 2021.

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 07 January 2021 with the Company's registrars, Link Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF.

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 08 January 2021, 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. 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.

10. CREST members who wish to appoint the Chairman of the AGM 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 07 January 2021, 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). Members can only cast their votes by appointing the Chairman of the AGM to act as their proxy. If a shareholder appoints someone else as their proxy, that proxy will not be able to attend the AGM in person or cast the shareholder's vote.

11. 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. 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
Henrik Onne Bodenstab, Independent Non-Executive Chairman
Maung Aung Htun, Deputy Chairman
Nicholas John Paris, Managing Director
Rudolf Gildemeister, Independent Non-Executive Director

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Legal Advisers to the Company (as to Myanmar Law)
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Bahan Township
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Legal Advisers to the Company (as to British Virgin Islands law)
Appleby
Jayla Place
Wickhams Cay I
Road TownTortola
British Virgin Islands

Company Secretary
OCORIAN Corporate Services (BVI) Limited
Jayla Place
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Tortola
British Virgin Islands

Independent Auditor
BDO LLP Public Accountants and Chartered Accountants
600 North Bridge Road
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Singapore 188778
Partner-in-charge: Ng Kian Hui
(Appointed since the financial period ended 30th September 2020)

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