

27 January, 2015

## **Myanmar Investments International Limited**

### **Option relating to the microfinance joint venture agreement**

On 26 August, 2014 Myanmar Investments International Limited (the “Company”) announced that its wholly owned subsidiary Myanmar Investments Limited (“Myanmar Investments”), had signed a joint venture agreement (“JVA”) for the development of a microfinance business in Myanmar with Myanmar Finance Company Limited (“MFC”). The joint venture company is called Myanmar Finance International Ltd. (“MFIL”).

The Company is pleased to announce that today Myanmar Investments and MFC have entered into an option agreement (the “Option”) with The Norwegian Investment Fund for Developing Countries (“Norfund”) whereby Norfund has the option to subscribe for up to a 25% stake in MFIL.

Norfund is the Norwegian development finance institution, established and owned by the Norwegian Government to combat poverty in selected countries through private sector development. One of the areas that it specialises in is microfinance and as a result brings significant experience to MFIL.

Additionally, in line with MFC’s business expansion plans, Myanmar Investments and MFC have agreed to contribute the third tranche of US\$750,000 in February 2015. This will be contributed 55% by Myanmar Investments and 45% by MFC. The fourth tranche will be for US\$2,050,000 and barring unforeseen events is expected to be called in 2015.

If Norfund exercises its Option it will do so at the same time as the fourth tranche is called and will pay the same weighted average price per share paid by Myanmar Investments plus a premium if it is exercised after 3 September 2015. If the Option is exercised it will reduce the total funds contributed by Myanmar Investments and MFC and will reduce their respective shareholdings in MFIL to 37.5% each. Myanmar Investments will therefore only be required to have invested US\$1,920,000 for its 37.5% shareholding, down from the original agreement to invest US\$2,750,000 for a 55% shareholding. The Option is valid until the fourth tranche is called with a longstop expiry date of 3 September, 2016.

Aung Htun, the Company’s Managing Director said “Norfund is an experienced investor in microfinance businesses in developing countries where they provide equity and debt financing. We welcome their experience to help build MFIL into a leading Myanmar microfinance company”.

U Htet Nyi, Managing Director of MFC added “We are honoured to have such a globally respected institution as Norfund look to become an investor in MFIL. Their extensive experience in microfinance in other frontier economies will be invaluable as we continue to grow our business”.

Kjell Roland, Norfund’s Managing Director, said “Myanmar represents a very important market to Norfund, and we are confident that MFIL will contribute to the development of the microfinance sector in the country”.

Further details can be found in MIL’s announcements on 26 August and 1 September, 2014.

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**Notes to Editors:**

Myanmar Investments International Limited is the first Myanmar focused investment company to be admitted to trading on the AIM market in London and has been established for the purpose of investing in businesses operating in or with business exposure to Myanmar. The Company will target businesses operating in sectors that the Directors believe have strong growth potential and thereby can be expected to provide attractive yields, capital gains or both. In addition to investing into local businesses the Company will also partner with foreign companies investing in Myanmar.

Myanmar, a country of approximately 51.4 million people and roughly the size of France, has been diplomatically isolated for much of the last 50 years. Once one of the more prosperous countries in Southeast Asia as it has an abundance of natural resources (oil, natural gas, arable land, tourist attractions and a long coastline), it is now one of the least developed countries in the world and has been the subject of sanctions imposed on it by the EU and the US, amongst others.

The Company's primary objective is to build capital value over the long term by making investments in a diversified portfolio of Myanmar businesses that will benefit from Myanmar's re-emergence.

The Company closed an additional equity fund raising of US\$3.8 million in December 2014.

**About Myanmar Finance Company Limited**

Myanmar Finance Company Limited was formed in 2012 in Myanmar by U Htet Nyi to provide microfinance products to local communities in Yangon and later Bago. By mid-2014, MFC had nearly 10,000 clients and an outstanding loan portfolio of around Kyat 800 million (about US\$833,000).

**About U Htet Nyi**

U Htet Nyi, a Myanmar citizen, is a serial entrepreneur with nearly two decades of experience managing general trading and services businesses in Myanmar.

U Htet Nyi is the president of the Myanmar Shooting Sport Federation and honorary consul for Norway and Finland.

**About Norfund**

The Norwegian Investment Fund for Developing Countries was established by the Norwegian Parliament in 1997. The organisation is the Norwegian government's main instrument for

combatting poverty through private sector development and Norfund's objective is to contribute to sustainable commercial businesses in developing countries. Norfund provides equity, other risk capital and loans to companies in selected countries and sectors where businesses lack access to sufficient capital to develop and grow.

The sectors in which Norfund invests are clean energy, financial institutions and agribusiness, in addition to small and medium sized companies through investment funds. Norfund has substantial experience in investing in the microfinance sector within the Asian region. Norfund always invests jointly with partners, both Norwegian and non-Norwegian.

Its main investment regions are Southern and Eastern Africa, with offices in Nairobi, Johannesburg and Maputo. Norfund also invests in selected countries in South-East Asia and Central America via its regional offices in Bangkok and San José.

All of Norfund's activities are conducted in accordance with the core principles of Norway's development cooperation policy.

Norfund is a state-owned company with limited liability, established by a special Act of the Norwegian Parliament. Norfund is owned on behalf of the Norwegian government by the Ministry of Foreign Affairs. The Minister of Foreign Affairs has constitutional responsibility for the organisation and Norfund's Board of Directors is appointed by the King in Council.

At the end of 2013, Norfund had a portfolio of about US\$1.6 billion and 54 employees.

*1,005 Kyat = US\$1 (as of 27 January, 2015)*

**For more information about MIL, please visit [www.myanmarinvestments.com](http://www.myanmarinvestments.com)**