

7 April, 2015

## **Myanmar Investments International Limited**

### **Application for securities licences for new stock exchange**

Myanmar Investments International Limited (the “Company”) today announces that, together with two other intended joint venture partners, it filed an application to the Securities and Exchange Commission of Myanmar (“SECM”) on 5<sup>th</sup> March, 2015 to acquire all of the four types of securities licences that are now being issued in preparation for the opening of the new Yangon stock exchange later this year.

Aung Htun, Managing Director of Myanmar Investments said “There is, and will be for decades to come, significant demand for long term financing in Myanmar. The acute shortfall in the present availability of long term funding means there are many significant business that could come to market seeking equity at attractive prices. Similarly because Myanmar citizens have had limited savings and investment opportunities for decades we believe that there is the potential for significant domestic funds to be channelled into the stock market. We and our partners believe that the opportunity to be an active participant in both the investment banking and stock broking business in this environment could prove to be very attractive.”

The Myanmar Finance Ministry has announced that the Yangon Stock Exchange will commence operations in October 2015 and to this end announced in January 2015 that interested parties should submit applications for securities licences by 6<sup>th</sup> March, 2015. The SECM will then vet these applications and determine which applicants will be awarded licences. At this stage it is not known how many have applied for these licences nor how many licences are expected to be issued. There are four licences available: underwriting, securities brokerage, securities dealing and investment advisory.

The Company’s intended joint venture partners are Tun Foundation Bank Ltd (“TFB”) and Finansia Syrus Securities Pcl (“FSS”). The intended name of the joint venture is Myanmar TF Securities Ltd. (“MTFS”). MTFS has applied for all four licences.

TFB is a respected Myanmar commercial bank affiliated to the Myanmar Golden Star Group of companies (“MGS”) whose businesses range from banking; manufacturing and distribution of beer and soft drinks (Pepsi, Carlsberg and MGS own brands); ownership of the Myanmar Times newspaper (the leading English language newspaper); hotels; and ownership of an airline.

FSS is a leading Thai securities company, listed on the Stock Exchange of Thailand, with 36 branches throughout Thailand. FSS has been ranked as one of the top five securities broking houses in Thailand for the past five years and has a growing stock broking presence in the Greater Mekong region.

Given the embryonic banking system in Myanmar there is significant potential for the capital market in Myanmar to play an important role in helping finance the country’s infrastructure upgrades as well as assist companies to raise long term expansion capital as they expand capacity. Similarly, because of the small banking system Myanmar citizens have limited choices in terms of savings (real estate and precious gems being the most popular alternatives) and the creation of a stock market is expected to provide a credible alternative.

It is expected that the names of the successful applicants for the securities licences will be announced sometime in April or May 2015. While the Company’s consortium comprises strong, experienced and well known members there can be no assurances that its application will be accepted.

If MTFS is successful in being awarded the four licences then it will need to be capitalised at US\$15 million before the licences will actually be issued. Whilst there is no binding agreement between the three parties at this stage, it is intended that this will be contributed by the three joint venture partners at the same price per share and that Myanmar Investments will invest US\$3.75 million for a 25% shareholding; TFB will invest US\$7.65 million for a 51% shareholding (it is a requirement that the majority of the applicant's shares are owned by a Myanmar company or citizen); and FSS will invest US\$3.6 million for a 24% shareholding.

This proposed joint venture is a continuation of the Company's Investment Strategy of building capital value over the long term by making investments in a diversified portfolio of Myanmar businesses that the Directors believe will benefit from Myanmar's re-emergence. At the same time it also fulfils the Company's intention to establish a corporate finance advisory business.

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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 TFB**

The Tun Foundation Bank Limited was established in 1994 by U Thein Tun, the chairman of Myanmar Golden Star Group of companies ("MGS"). From an initial branch in Yangon it has expanded across the country including the main cities of Mandalay and Naypyidaw and now has 19 branches and a further 6 are planned to open over the next three months.

MGS' businesses range from manufacturing and distribution of beer and soft drinks (Pepsi, Carlsberg and MGS' own brands); the ownership of the Myanmar Times newspaper (the leading English language newspaper); hotels; and ownership of an airline.

TFB's Chairman, U Thein Tun, is Chairman of the Myanmar Bankers Association and will be Chairman of MTFS.

**About FSS**

Finansia Syrus Securities PCL ("FSS") is one of the leading retail stock brokers in Thailand in both securities brokerage and investment banking activities. During the last 5 years it has been ranked among the top five brokers in terms of trading value (out of a total of 34 brokers in Thailand).

FSS is a member of the Stock Exchange of Thailand holding 4 securities licenses: securities brokerage, securities trading, investment advisory, and underwriting. FSS also holds a membership on the Market for Alternative Investment, the Thai Bond Market Association and the Thailand Futures Exchange.

The company has 36 branches throughout the country; 17 branches in Bangkok and 19 branches in other provinces serviced by more than 600 sales and dealers as at the end of January 2015

FSS has been active in ASEAN and the Greater Mekong Region for the past 5 years through strategic cooperation alliances with local partners such as SSI Securities in Vietnam, BCEL KT Securities in Laos, and recently SBI Royal Securities in Cambodia and is also a member of ASEAN LINK.

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