

DIRECTORS' STATEMENT

The Directors of Myanmar Investments International Limited (the “Company”) present their statement to the members together with the audited financial statements of the Company and its subsidiaries (the “Group”) for the financial year ended 31 March 2017.

1. Opinion of the Directors

In the opinion of the Board of Directors,

- (a) the consolidated financial statements of the Group together with notes thereon are properly drawn up in accordance with International Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group as at 31 March 2017 and consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

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

Christopher William Knight
Maung Aung Htun
Anthony Michael Dean
Craig Robert Martin
Christopher David Appleton
Henrik Onne Bodenstab (Appointed on 17 May 2016)

3. Arrangements to enable directors to acquire shares and debentures

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

DIRECTORS' STATEMENT

4. Directors' interests in shares or debentures

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

Name of directors and companies in which interests are held	Shareholdings registered in name of director or nominee	
	At 1 April 2016, or date of appointment, if later	At 31 March 2017
Company		
Myanmar Investments International Limited		
Number of ordinary shares		
Christopher William Knight	28,000	28,000
Maung Aung Htun	373,000	373,000
Anthony Michael Dean	223,000	223,000
Craig Robert Martin	195,000	195,000
Christopher David Appleton	148,000	148,000
Henrik Onne Bodenstab	543,477	543,477
Number of warrants to subscribe for ordinary shares of the Company		
Christopher William Knight	3,000	3,000
Maung Aung Htun	123,000	123,000
Anthony Michael Dean	98,000	98,000
Craig Robert Martin	145,000	145,000
Christopher David Appleton	98,000	98,000
Henrik Onne Bodenstab	181,159	181,159
Number of share options to subscribe for ordinary shares of the Company		
Christopher William Knight	120,000	157,005
Maung Aung Htun	742,000	899,626
Anthony Michael Dean	658,000	815,626
Craig Robert Martin	130,000	167,005
Christopher David Appleton	140,000	177,005
Henrik Onne Bodenstab	–	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 are:

- Christopher William Knight (Chairman)
- Craig Robert Martin
- Christopher David Appleton
- Henrik Bodenstab (with effect from 13 June 2016)

5. Share option plan (Continued)

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

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

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

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

Share options can be exercised at any time after the first anniversary and before the tenth anniversary of the grant (as may be determined by the remuneration committee in its absolute discretion) of the respective share options.

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

At the end of the financial year, there were 3,004,628 share options available for issue. Of these 783,267 share options were granted to Directors and employees during the financial year as follows:

Option series	Date of grant	Granted	Exercise price per share	Exercisable period
Series 3	28 June 2016	195,000	US\$1.265	To 27 June 2026
Series 1	19 October 2016	6,800	US\$1.100	To 18 October 2026
Series 2	19 October 2016	6,000	US\$1.155	To 18 October 2026
Series 3	19 October 2016	575,467	US\$1.265	To 18 October 2026

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

DIRECTORS' STATEMENT

5. Share option plan (Continued)

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

Name of Director	Options granted during the financial year	Aggregate options granted since commencement of the Plan to the end of financial year	Aggregate options exercised since commencement of the Plan to the end of financial year	Aggregate options lapsed since commencement of the Plan to the end of financial year	Aggregate options outstanding as at end of the financial year
Christopher William Knight	37,005	157,005	–	–	157,005
Maung Aung Htun	157,626	899,626	–	–	899,626
Anthony Michael Dean	157,626	815,626	–	–	815,626
Craig Robert Martin	37,005	167,005	–	–	167,005
Christopher David Appleton	37,005	177,005	–	–	177,005
Henrik Onne Bodenstab	35,000	35,000	–	–	35,000

6. Independent auditor

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

On behalf of the Board of Directors

Anthony Michael Dean

Director

22 September 2017

Maung Aung Htun

Director

INDEPENDENT AUDITOR'S REPORT

To the Members of Myanmar Investments International Limited

Report on the Audit of the Financial Statements

Opinion

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

- the consolidated statement of financial position of the Group as at 31 March 2017;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows of the Group for the financial year then ended; and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group are properly drawn up in accordance with International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group as at 31 March 2017, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Myanmar Investments International Limited

KEY AUDIT MATTER	AUDIT RESPONSE
1 Impairment Assessment of Investment in Joint Venture and Available-for-sale Financial Asset	
<p>As at 31 March 2017, the carrying amounts of the Group's investment in available-for-sale financial assets and investment in joint venture are US\$31.4 million and US\$1.7 million respectively, which represents 90.4% of the total assets of the Group.</p> <p>The investment in available-for-sale financial assets represents a 13.48% equity interest in a telecommunication towers business in Myanmar and the investment in joint venture represents a 37.5% equity interest in a microfinance joint venture company in Myanmar.</p> <p>As part of the Group's investment review as at the end of the financial year, management has carried out an impairment assessment by estimating the discounted future cash flows expected to be derived from these investments.</p> <p>We focused on the impairment assessment of these investments due to the significance of the carrying amounts to the consolidated statement of financial position of the Group. In addition, management's estimation of the discounted future cash flows involves significant judgements about key assumptions such as projected revenue growth rates, operating expenses, discount rates and terminal growth rates which are affected by expected future market and economic conditions.</p> <hr/> <p>Refer to Notes 3.2, 10 and 11 to the financial statements.</p>	<p>Our procedures on the impairment assessment of these investments included, amongst others, the following:</p> <ul style="list-style-type: none">■ We discussed with management and evaluated management's processes in estimating the expected discounted future cash flows of the investments, and checked the computation of the models applied.■ With respect to the investment in available-for-sale financial assets, we assessed and reviewed the reasonableness of the key assumptions and estimates used by management, including comparing the future revenue growth rate and operating expenses to the total number of towers expected to be built and against historical performance. We also compared the discount rate and terminal growth rate against market data.■ With respect to the investment in joint venture, we assessed and reviewed the reasonableness of the key assumptions and estimates used by management, including comparing the future revenue growth rate to external borrowings obtained to expand the loan portfolio and comparing the operating expenses against historical performance. We also compared the discount rate and terminal growth rate against market data.■ We performed a sensitivity analysis by assessing the impact on the future cash flows from changes in growth rates and discount rates which were within a reasonably foreseeable range.

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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Myanmar Investments International Limited

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' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

To the Members of Myanmar Investments International Limited

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

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

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

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

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

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
22 September 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2017

	Note	2017 US\$	2016 US\$
Revenue		–	–
Other item of income			
Other income	4	174	21,598
Items of expense			
Employee benefits expense	5	(1,867,297)	(1,384,666)
Depreciation expense	12	(12,941)	(14,996)
Other operating expenses		(1,016,672)	(840,653)
Finance costs	6	(13,887)	(14,413)
Share of results of joint venture, net of tax	10	85,933	16,485
Loss before income tax	7	(2,824,690)	(2,216,645)
Income tax expense	8	(8,390)	(19,009)
Loss for the financial year		(2,833,080)	(2,235,654)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange loss arising on translation of foreign operations		(188,209)	(188,435)
Exchange differences arising from dilution of interest in joint ventures		–	107,303
Other comprehensive income for the financial year, net of tax	10	(188,209)	(81,132)
Total comprehensive income for the financial year		(3,021,289)	(2,316,786)
Loss attributable to:			
Owners of the parent		(2,828,540)	(2,233,369)
Non-controlling interests	13	(4,540)	(2,285)
		(2,833,080)	(2,235,654)
Total comprehensive income attributable to:			
Owners of the parent		(3,016,749)	(2,314,501)
Non-controlling interests		(4,540)	(2,285)
		(3,021,289)	(2,316,786)
Loss per share (cents)			
- Basic and diluted	9	(9.74)	(10.21)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Note	2017 US\$	2016 US\$
ASSETS			
Non-current assets			
Investment in joint venture	10	1,711,681	1,813,957
Available-for-sale financial assets	11	31,395,522	31,385,522
Plant and equipment	12	12,510	16,887
Total non-current assets		33,119,713	33,216,366
Current assets			
Other receivables	14	198,504	91,750
Cash and cash equivalents	15	3,303,327	1,386,059
Total current assets		3,501,831	1,477,809
Total assets		36,621,544	34,694,175
EQUITY AND LIABILITIES			
Equity			
Share capital	16	32,656,994	28,765,805
Share option reserve	17	866,390	313,561
Accumulated losses		(7,669,565)	(4,843,655)
Foreign exchange reserve		(269,341)	(81,132)
Equity attributable to owners of the parent		25,584,478	24,154,579
Non-controlling interests	13	10,394,108	10,398,648
Total equity		35,978,586	34,553,227
LIABILITIES			
Current liabilities			
Other payables	18	632,738	131,421
Income tax payable		10,220	9,527
Total current liabilities		642,958	140,948
Total equity and liabilities		36,621,544	34,694,175

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2017

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2017

	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\$
2016								
At 1 April 2015		8,996,282	160,113	–	(2,610,286)	6,546,109	–	6,546,109
Loss for the financial year		–	–	–	(2,233,369)	(2,233,369)	(2,285)	(2,235,654)
Other comprehensive income for the financial year								
Exchange gains arising on translation of foreign operations		–	–	(188,435)	–	(188,435)	–	(188,435)
Exchange differences arising from dilution of interest in joint ventures		–	–	107,303	–	107,303	–	107,303
Total other comprehensive income for the financial year	10	–	–	(81,132)	–	(81,132)	–	(81,132)
Total comprehensive income for the financial year		–	–	(81,132)	(2,233,369)	(2,314,501)	(2,285)	(2,316,786)
Transactions with non-controlling interests:								
Contribution from non-controlling interests to a subsidiary	13	–	–	–	–	–	10,400,933	10,400,933
Total transactions with non-controlling interests		–	–	–	–	–	10,400,933	10,400,933
Contributions by and distributions to owners								
Issue of shares	16	19,942,397	–	–	–	19,942,397	–	19,942,397
Share issue expenses	16	(172,874)	–	–	–	(172,874)	–	(172,874)
Share options expense	17	–	153,448	–	–	153,448	–	153,448
Total contributions by and distributions to owners		19,769,523	153,448	–	–	19,922,971	–	19,922,971
At 31 March 2016		28,765,805	313,561	(81,132)	(4,843,655)	24,154,579	10,398,648	34,553,227

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2017

	Note	2017 US\$	2016 US\$
Operating activities			
Loss before income tax		(2,824,690)	(2,216,645)
Adjustments for:			
Interest income	4	(174)	(181)
Finance costs	6	13,887	14,413
Depreciation of plant and equipment	12	12,941	14,996
Share-based payment expense	17	555,459	153,448
Share of results of joint venture, net of tax	10	(85,933)	(16,485)
Gain on dilution of interest in joint venture	4	–	(20,909)
Operating cash flows before working capital changes		(2,328,510)	(2,071,363)
Changes in working capital:			
Other receivables		(106,754)	(2,896)
Other payables		501,317	66,226
Cash used in operations		(1,933,947)	(2,008,033)
Interest received	4	174	181
Finance costs paid	6	(13,887)	(14,413)
Income tax paid		(7,697)	(10,747)
Net cash flows used in operating activities		(1,955,357)	(2,033,012)
Investing activities			
Investment in available-for-sale financial assets	11	(10,000)	(31,385,522)
Investment in joint venture	10	–	(407,500)
Purchase of plant and equipment	12	(8,564)	(7,631)
Net cash flows used in investing activities		(18,564)	(31,800,653)
Financing activities			
Contribution from non-controlling interests to a subsidiary	13	–	10,400,933
Net proceeds from issuance of shares	16	3,891,189	19,769,523
Increase in short-term deposits pledged		–	(163)
Net cash flows generated from financing activities		3,891,189	30,170,293
Net change in cash and cash equivalents		1,917,268	(3,663,372)
Cash and cash equivalents at beginning of the year		1,349,915	5,013,287
Cash and cash equivalents at the end of financial year	15	3,267,183	1,349,915

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

1. General corporate information

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

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

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

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

The consolidated financial statements of the Company and its subsidiaries (the “Group”) for the financial year ended 31 March 2017 were approved by the Board of Directors on 22 September 2017.

1.1 Going concern

After due and careful enquiries, the Directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future.

This expectation is based on a review of the Company’s existing financial resources, and the equity funds raised amounting to US\$7,293,725 as disclosed in Note 23 to the financial statements, 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 consolidated financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation of the consolidated financial statements

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Summary of significant accounting policies (Continued)

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

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

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

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

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

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

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

IFRS 2 (Amendments)	Clarification of Classification and Measurement of Share-based Payment Transactions ³
IFRS 9	Financial Instruments ³
IFRS 10 and IAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
IFRS 12	Disclosure of Interests in Other Entities ²
IFRIC 22	Foreign Currency Transactions and Advance Consideration issued ³
IAS 7 (Amendments)	Disclosure Initiative ²
IAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses ²
Annual Improvements 2014-2016 Cycle ³	

¹ To be determined

² Effective for annual periods beginning on or after 1 January 2017

³ Effective for annual periods beginning on or after 1 January 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Summary of significant accounting policies (Continued)

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

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

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 consolidated financial statements, except as discussed below.

IAS 7 Statement of Cash Flows (Disclosure Initiative Amendments)

The amendments to IAS 7 require companies to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

The amendments will be applied from 1 April 2017 and the Company will include the additional disclosures in its financial statements for that year.

IFRS 9 Financial Instruments

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Summary of significant accounting policies (Continued)

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

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

IFRS 9 Financial Instruments (Continued)

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

The Group plans to adopt IFRS 9 in the financial year beginning on 1 April 2018 with retrospective effect in accordance with the transitional provisions. There may be a potentially significant impact on the accounting for financial instruments on initial adoption. The Group has reassessed the classification and measurement of its financial assets, and anticipates that there may be a material impact for the investment currently classified as available-for-sale which the Group will measure at fair value through other comprehensive income and its corresponding deferred tax impact on adoption of IFRS 9.

The Group currently accounts for its investment in unquoted equity securities at cost less impairment loss, if any, as disclosed in Note 11 to the financial statements. On adoption of IFRS 9, the Group will be required to measure such investment in unquoted equity securities at fair value, with the difference between the previous carrying value and the fair value recognised in the opening balance of retained earnings.

2.2 Basis of consolidation

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

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

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

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

2.3 Joint arrangements

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

The Group classifies its interests in joint arrangements as either:

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Summary of significant accounting policies (Continued)

2.3 Joint arrangements (Continued)

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

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

2.4 Revenue recognition

Interest income

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

2.5 Foreign currency translation

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Summary of significant accounting policies (Continued)

2.6 Income tax

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

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

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

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

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

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

2.7 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

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

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

2.8 Impairment of non-financial assets

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Summary of significant accounting policies (Continued)

2.8 Impairment of non-financial assets (Continued)

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

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

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

2.9 Financial assets

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

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

Loans and receivables

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Summary of significant accounting policies (Continued)

2.9 Financial assets (Continued)

Loans and receivables (Continued)

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

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

Available-for-sale financial assets

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

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

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

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

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

Derecognition of financial assets

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Summary of significant accounting policies (Continued)

2.10 Financial liabilities

Financial liabilities are classified as other financial liabilities.

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

Other payables

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

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

Financial liabilities are derecognised when the contractual obligation has been discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.12 Cash and cash equivalents

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

2.13 Equity instruments

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Summary of significant accounting policies (Continued)

2.14 Share-based payments

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

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

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

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

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

2.15 Operating leases

When the Group is the lessee of operating leases

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

2. Summary of significant accounting policies (Continued)

2.16 Provisions

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

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

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

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

2.17 Contingent liabilities

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

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

3. Significant accounting judgements and estimates

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

3.1 Judgements made in applying accounting policies

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

3. Significant accounting judgements and estimates (Continued)

3.2 Key sources of estimation uncertainty

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

(i) Impairment of investment in joint venture

In determining whether the investment in a joint venture is impaired requires an estimation of the recoverable amount of the investment in the joint venture as at the end of the financial year. Management has assessed the value in use using the future cash flows expected to arise from the joint venture over a period of five years and assumed a terminal growth rate of 0% using a weighted average cost of capital discount rate of 11.3% (2016: 11.1%) per annum. Estimates of future cash flows are based on the external borrowings obtained to expand the loans portfolio. The carrying amount of the Group's investment in the joint venture as at 31 March 2017 was US\$1,711,681 (2016: US\$1,813,957) as disclosed in Note 10 to the financial statements.

(ii) Impairment of investment in available-for-sale financial assets

At the end of each financial year, an assessment is made on whether there is objective evidence that the available-for-sale equity instrument is impaired. In this respect, the Group evaluates among other factors the financial health and near term business outlook of the company that issued this equity instrument including industry and sector performance, changes in technology and operational and financing cash flows. In addition to the above objective evidence, the Group also assessed the present value of future cashflows expected to arise from the investment in this financial asset over a period of five years using the current market rate of return for a similar financial asset of 10.4% (2016: 8.8%) per annum and assumed a terminal value using discounted enterprise value and 0% terminal growth rate. The estimates of future cash flows are based on a forecasted business plan which assumes revenue growth between 7.5% to 40.0% (2016: 0.1% to 82.6%). The amount of impairment loss is measured as the difference between the carrying amount of the available-for-sale equity instrument and the present value of estimated future cash flows as mentioned above. The carrying amount of the Group's investment in the available-for-sale financial assets as at 31 March 2017 was \$31,395,522 (2016: \$31,385,522) as disclosed in Note 11 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 assumptions and model for estimating fair value for share-based payment transactions are set out in Note 17 to the financial statements. The carrying amount of the Group's share option reserve at 31 March 2017 is US\$866,390 (2016: US\$313,561).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

4. Other income

	2017 US\$	2016 US\$
Interest income	174	181
Gain on dilution of interest in joint venture	–	20,909
Other	–	508
	174	21,598

5. Employee benefits expense

	2017 US\$	2016 US\$
Salaries, wages and other staff benefits	1,061,838	1,030,710
Bonuses	250,000	200,000
Share options expense	555,459	153,956
	1,867,297	1,384,666

The employee benefits expense includes the remuneration of Directors as disclosed in Note 19 to the financial statements.

6. Finance costs

Finance costs represent bank charges for the financial year.

7. Loss before income tax

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

	2017 US\$	2016 US\$
Auditor's remuneration	52,071	48,791
Consultants fees	377,240	264,591
Foreign exchange loss, net	–	1,242
Operating lease expenses	74,273	83,460
Professional fees	59,098	16,076
Travel and accommodation	63,779	84,998
Transaction costs	30,447	9,098

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

8. Income tax

	2017 US\$	2016 US\$
Current income tax		
- current financial year	9,631	9,779
- (over)/under-provision in prior financial year	(1,241)	9,230
	8,390	19,009

A reconciliation of income tax applicable to loss before income tax at the statutory income tax rate of 25% (2016: 25%) in Myanmar is as follows:

	2017 US\$	2016 US\$
Loss before income tax	(2,824,690)	(2,216,645)
Share of results of joint venture, net of tax	(85,933)	(16,485)
	(2,910,623)	(2,233,130)
Income tax at the applicable tax rates	(727,655)	(558,283)
Effects of different income tax rates in other countries	732,756	571,480
Under-provision in prior financial year	(1,241)	9,230
Tax effects of expenses not deductible for tax purposes	4,530	4,168
Others	-	(7,586)
Income tax for the financial year	8,390	19,009

9. Loss per share

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

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

	2017	2016
Loss for the financial year attributable to owners of the Company (US\$)	(2,828,540)	(2,233,369)
Weighted average number of ordinary shares during the financial year applicable to basic loss per share	29,049,372	21,884,673
Loss per share		
Basic and diluted (cents)	(9.74)	(10.21)

Diluted loss per share is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive as the effect of the shares conversion would be to decrease the loss per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

10. Investment in joint venture

	2017 US\$	2016 US\$
Investment in joint venture		
At 1 April	1,813,957	1,450,195
Investments during the year	–	407,500
Share of results of joint venture, net of tax	85,933	16,485
Foreign exchange adjustment	(188,209)	(81,132)
Gain on dilution of interest in joint venture	–	20,909
At 31 March	1,711,681	1,813,957

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 per cent of the new company and MFC holding the remaining 45 per cent.

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 to date of US\$1,920,000. Following Norfund's investment and the final capital contributions by MIL and MFC, MIL's and MFC's shareholdings in MFIL were each reduced to 37.5%, while Norfund now has a 25% shareholding in MFIL. Arising from the dilution of equity interest in MFIL, a gain of US\$20,909 was recognised to the consolidated statement of comprehensive income.

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

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

The detail of the joint venture is as follows:

Name of joint venture (Country of incorporation/place of business)	Principal activities	Effective equity interest held by the Company	
		2017 %	2016 %
Myanmar Finance International Limited ⁽¹⁾ (Myanmar)	Provider of microfinance loans	37.5	37.5

⁽¹⁾ Audited by JF Group Audit Firm, Yangon, Myanmar.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

10. Investment in joint venture (Continued)

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

	2017 US\$	2016 US\$
Assets and liabilities		
Cash and cash equivalents	504,649	1,259,004
Trade receivables	5,898,757	4,037,562
Other current assets	192,680	93,403
Current assets	6,596,086	5,389,969
Non-current assets	119,763	150,182
Total assets	6,715,849	5,540,151
Current liabilities	1,998,898	1,022,933
Non-current liabilities	472,468	–
Total liabilities	2,471,366	1,022,933
Net assets	4,244,483	4,517,218
Investment in joint venture	37.5%	37.5%
Share of net assets	1,591,681	1,693,957
Premium paid	120,000	120,000
	1,711,681	1,813,957
Included in the current liabilities are:		
Current financial liabilities (excluding trade and other payables and provision)	1,677,700	828,327
Non-current financial liabilities (excluding trade and other payables and provision)	472,468	–
	Year ended 31 March 2017 US\$	Period from 9 July 2015 (Date of incorporation) to 31 March 2016 US\$
Income and expenses		
Revenue	1,557,162	819,948
Other income	77,692	142,255
Operating expense	(1,063,140)	(786,888)
Depreciation	(54,429)	(34,406)
Interest expense	(198,359)	(75,415)
Tax expense	(89,770)	(16,373)
Profit after income tax	229,156	49,121

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

11. Available-for-sale financial assets

	2017 US\$	2016 US\$
Available-for-sale financial assets		
Unquoted equity, at cost	31,395,522	31,385,522

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

On 29 July 2015, MIL 4 acquired a 14.18% stake in Apollo Towers Pte. Ltd. ("Apollo"), an unquoted Singapore incorporated company, for a purchase consideration of US\$30,182,725.

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

On 16 June 2016, MIL4 purchased a warrant for a total consideration of US\$10,000, allowing MIL4 to purchase for a nominal amount 1.56% of Apollo's total capital stock on a fully diluted basis. The warrant has not been exercised by MIL4 as of 31 March 2017.

Apollo owns and operates a leading telecommunication towers business in Myanmar through its subsidiary Apollo Towers Myanmar Limited.

The investment in unquoted equity securities is stated at cost, including transaction costs, less impairment loss, if any. The investment is denominated in United States Dollars.

12. Plant and equipment

	Computer equipment US\$	Office equipment US\$	Furniture and fittings US\$	Total US\$
2017				
Cost				
Balance at 1 April 2016	13,739	4,580	30,155	48,474
Additions	3,671	315	4,578	8,564
Balance at 31 March 2017	17,410	4,895	34,733	57,038
Accumulated depreciation				
Balance at 1 April 2016	7,649	1,599	22,339	31,587
Depreciation for the financial year	4,104	1,413	7,424	12,941
Balance at 31 March 2017	11,753	3,012	29,763	44,528
Carrying amount				
Balance at 31 March 2017	5,657	1,883	4,970	12,510

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

12. Plant and equipment (Continued)

	Computer equipment US\$	Office equipment US\$	Furniture and fittings US\$	Total US\$
2016				
Cost				
Balance at 1 April 2015	10,749	2,297	27,797	40,843
Additions	2,990	2,283	2,358	7,631
Balance at 31 March 2016	13,739	4,580	30,155	48,474
Accumulated depreciation				
Balance at 1 April 2015	3,604	752	12,235	16,591
Depreciation for the financial year	4,045	847	10,104	14,996
Balance at 31 March 2016	7,649	1,599	22,339	31,587
Carrying amount				
Balance at 31 March 2016	6,090	2,981	7,816	16,887

13. Investment in subsidiaries

Details of the investments in which the Group has a controlling interest are as follows:

Name of subsidiaries	Country of incorporation/ principal place of business	Principal activities	Proportion of ownership interest held by the Group		Proportion of ownership interest held by non-control interests	
			2017	2016	2017	2016
			%	%	%	%
Myanmar Investments Limited ⁽¹⁾	Singapore	Investment holding company	100	100	–	–
MIL Management Pte. Ltd. ⁽¹⁾	Singapore	Provision of management services to the Group	100	100	–	–
MIL No. 2 Pte. Ltd. ⁽²⁾	Singapore	Dormant	100	100	–	–
MIL No. 3 Pte. Ltd. ⁽²⁾	Singapore	Dormant	100	100	–	–
MIL 4 Limited ⁽¹⁾	British Virgin Islands	Investment holding company	66.67	66.67	33.33	33.33
Held by MIL Management Pte. Ltd.						
MIL Management Co., Ltd. ⁽³⁾	Myanmar	Provision of management services to the Group	100	100	–	–

⁽¹⁾ Audited by BDO LLP, Singapore.

⁽²⁾ Not required to be audited as the subsidiary is dormant since the date of its incorporation.

⁽³⁾ Audited by JF Group Audit Firm, Yangon, Myanmar.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

13. Investment in subsidiaries (Continued)

Incorporation of a subsidiary

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

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

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

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	
	2017	2016
	US\$	US\$
Assets and liabilities		
Non-current assets	31,395,522	31,385,522
Current assets	89,778	32,289
Current liabilities	(302,977)	(221,869)
Net assets	31,182,323	31,195,942
Accumulated non-controlling interests	10,394,108	10,398,648
		Period from
		9 July 2015
		(Date of
	Year to	incorporation)
	31 March	to 31 March
	2017	2016
	US\$	US\$
Revenue	–	–
Administrative expenses	(13,620)	(6,855)
Loss for the financial year/period, representing total comprehensive income for the financial year/period	(13,620)	(6,855)
Loss allocated to non-controlling interests, representing total comprehensive income allocated to non-controlling interests	(4,540)	(2,285)
Net cash used in operating activities	(96,567)	(1,838)
Net cash used in investing activity	(10,000)	(31,385,522)
Net cash generated from financing activities	106,567	31,387,360
Net change in cash and cash equivalents	–	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

14. Other receivables

	2017 US\$	2016 US\$
Other receivables	136,974	29,591
Deposits	12,502	14,605
Prepayments	49,028	47,554
	198,504	91,750

Other receivables are denominated in the following currencies:

	2017 US\$	2016 US\$
United States dollar	192,254	88,732
Singapore dollar	–	2,105
Myanmar kyat	6,250	913
	198,504	91,750

15. Cash and cash equivalents

	2017 US\$	2016 US\$
Cash and bank balances	3,267,183	1,349,915
Short-term deposit	36,144	36,144
	3,303,327	1,386,059

The short-term deposit bears interest at an average rate of 0.25% (2016: 0.25%) per annum and is for a tenure of approximately 12 months (2016: 12 months).

The short-term deposit of the Company amounting to US\$36,144 (2016: US\$36,144) is pledged to bank to secure credit facilities.

Cash and cash equivalents are denominated in the following currencies:

	2017 US\$	2016 US\$
United States dollar	3,164,896	1,233,692
Singapore dollar	134,075	146,834
Myanmar kyat	4,356	5,533
	3,303,327	1,386,059

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

15. Cash and cash equivalents (Continued)

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

	2017 US\$	2016 US\$
Bank balances	3,303,327	1,386,059
Less: short-term deposits pledged	(36,144)	(36,144)
	3,267,183	1,349,915

16. Share capital

	2017 US\$	2016 US\$
Issued and fully-paid share capital:		
Ordinary shares at the beginning of the financial year	28,765,805	8,996,282
Issuance of ordinary shares during the financial year	4,219,081	19,942,397
Exercise of warrants during the financial year	7,885	–
Share issuance expenses	(335,777)	(172,874)
	32,656,994	28,765,805

Equity Instruments in issue	2017		2016	
	Ordinary Shares	Warrants	Ordinary Shares	Warrants
At the beginning of the financial year	27,300,833	15,240,027	9,959,619	9,459,619
Issuance during the financial year	3,245,447	811,368	17,341,214	5,780,408
Exercise of warrants during the financial year	10,513	(10,513)	–	–
At the end of the financial year	30,556,793	16,040,882	27,300,833	15,240,027

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.

On 21 July 2015, the Company allotted 17,341,214 Ordinary Shares at US\$1.15 per share (total of US\$19,942,397) pursuant to a subscription for new shares (the “Third Subscription”).

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

During the financial year, a total of 10,513 warrants were exercised at a price of US\$0.75 by the parties that held them for cash consideration of US\$7,885.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

16. Share capital (Continued)

Warrants

On 21 July 2015, the Company allotted 5,780,408 Warrants pursuant to the Third Subscription. The Company had agreed that for every three Ordinary Shares subscribed for by a subscriber they would receive one Warrant at nil cost.

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).

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

17. Share option reserve

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

The Plan allows for the total number of shares issuable under share options to constitute a maximum of one tenth of the number of the total number of ordinary shares in issue (excluding shares held by the Company as treasury shares and shares issued to the Founders prior to Admission).

Any future issuance of shares will give rise to the ability of the Remuneration Committee to award additional share options. Such share options will be granted with an exercise price set at a 10 percent premium to the subscription price paid by shareholders on the relevant issue of shares that gave rise to the availability of each tranche of share options.

Share options can be exercised any time after the first anniversary and before the tenth anniversary of the grant (as may be determined by the Remuneration Committee in its absolute discretion) of the respective share options.

Share options are not admitted to trading on AIM but application will be made for shares that are issued upon the exercise of the share options to be admitted to trading on AIM.

As at 31 March 2017, there were 3,004,628 (2016: 2,680,082) share options available for issue under the Plan of which 2,673,028 (2016: 1,894,661) had been granted. These granted share options have a weighted average exercise price of US\$1.214 (2016: US\$1.194) per share and a weighted average contractual life of 8.51 years (2016: 9.11 years).

The 3,004,628 share options available were created under the following series:

Series/Date	Occasion	Number	Exercise price (USD)
Series 1	Admission Placing and Subscription	584,261	1.100
Series 2	Second Subscription	361,700	1.155
Series 3	Third Subscription	1,734,121	1.265
Series 4	Fourth Subscription	324,546	1.430
		3,004,628	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

17. Share option reserve (Continued)

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

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

Option series	Number of share options	Grant date	Expiry date	Exercise price (USD)	Fair value at grant date
Series 1	410,000	27 June 2013	26 June 2023	1.100	153,495
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	24,000	2 June 2015	1 June 2025	1.155	14,671
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	956,600	15 January 2016	14 January 2026	1.265	508,734
Series 3	195,000	28 June 2016	27 June 2026	1.265	136,351
Series 1	6,800	19 October 2016	18 October 2026	1.100	4,088
Series 2	6,000	19 October 2016	18 October 2026	1.155	3,447
Series 3	575,467	19 October 2016	18 October 2026	1.265	302,071
	2,673,028				1,404,606

Share options that are allocated to a Participant are subject to a three year vesting period during which the rights to the share options will be transferred to the Participant in three equal annual instalments provided, save in certain circumstances, that they are still in employment with or engaged by the Company.

Fair value of share options granted in the financial year

The weighted average fair value of the share options granted during the financial year is US\$0.569 (2016: US\$0.547). Share options were priced using Black-Scholes option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on historical share price volatility from the date of grant of the share options.

The Black-Scholes option pricing model uses the following assumptions:

	Grant date			
	28 June 2016	19 October 2016	19 October 2016	19 October 2016
Grant date share price (US\$)	1.628	1.388	1.388	1.388
Exercise price (US\$)	1.265	1.100	1.155	1.265
Expected volatility	22.47%	22.25%	22.25%	22.25%
Option life	10 years	10 years	10 years	10 years
Risk-free annual interest rates	1.46%	1.76%	1.76%	1.76%

The Group recognised a net expense of US\$555,459 (2016: US\$153,448) related to equity-settled share-based payment transactions during the financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

17. Share option reserve (Continued)

Movement in share option during the financial year

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

	2017		2016	
	Number	Weighted average exercise price US\$	Number	Weighted average exercise price US\$
Balance at start of the financial year	1,894,661	1.194	574,061	1.100
Granted	783,267	1.263	1,324,000	1.234
Forfeited	(4,900)	1.117	(3,400)	1.100
Balance at end of financial year	2,673,028	1.214	1,894,661	1.194

No share options were exercised during the financial year.

Movement in share option reserve during the financial year

	2017 US\$	2016 US\$
Balance at start of the financial year	313,561	160,113
Share options expense	555,459	153,448
Cancellation of share options	(2,630)	–
Balance at end of financial year	866,390	313,561

18. Other payables

	2017 US\$	2016 US\$
Accruals	596,032	130,237
Other payables	36,706	1,184
	632,738	131,421

Other payables are denominated in the following currencies:

	2017 US\$	2016 US\$
Singapore dollar	47,179	50,613
United States dollar	523,791	57,348
British pound	50,976	20,678
Euro	2,667	2,782
Myanmar Kyat	8,125	–
	632,738	131,421

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

19. Significant related party disclosures

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

Compensation of key management personnel

For the financial year ended 31 March 2017, no emoluments were paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

The remuneration of Directors for the financial years ended 31 March 2017 and 31 March 2016 was as follows:

	Directors' fee US\$	Short term employee benefits ⁽¹⁾ US\$	Share option plan US\$	Total US\$
Financial year ended 31 March 2017				
Executive directors				
Maung Aung Htun	–	456,747	179,327	636,074
Anthony Michael Dean	–	434,784	165,913	600,697
Independent non-executive directors				
Christopher William Knight	40,000	–	34,352	74,352
Craig Robert Martin	30,000	–	34,453	64,453
Christopher David Appleton	30,000	–	34,554	64,554
Henrik Onne Bodenstab	26,200	–	5,051	31,251
	126,200	891,531	453,650	1,471,381
Financial year ended 31 March 2016				
Executive directors				
Maung Aung Htun	–	447,208 ⁽²⁾	58,193	505,401
Anthony Michael Dean	–	429,909 ⁽²⁾	52,119	482,028
Independent non-executive directors				
Christopher William Knight	35,000	–	7,896	42,896
Craig Robert Martin	27,500	–	8,461	35,961
Christopher David Appleton	27,500	–	9,027	36,527
	90,000	877,117	135,696	1,102,813

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

⁽²⁾ The short term employee benefits include bonuses totalling US\$150,000 for the Executive Directors that relate to the financial year ended 31 March 2015 as determined by the Remuneration Committee.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

20. Commitments

Operating lease commitments - as lessee

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

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

Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

	2017 US\$	2016 US\$
Within one financial year	–	39,000
	–	39,000

21. Dividends

The Directors of the Company do not recommend any dividend in respect of the financial year ended 31 March 2017 (2016: 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.

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

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 consolidated statement of financial position. The Group has a nominal level of debtors and as such the Company believes that the credit risk to these is minimal. The Group holds available cash with licensed established banks. The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

22. Financial risk management objectives and policies (Continued)

22.2 Market risks

Foreign currency risks

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

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

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

	Assets		Liabilities	
	2017 US\$	2016 US\$	2017 US\$	2016 US\$
Singapore dollar	134,075	148,939	47,179	50,613
Euro	–	–	2,667	2,782
Myanmar kyat	10,606	6,446	8,125	–
British pound	–	–	50,976	20,678
	144,681	155,385	108,947	74,073

Foreign currency sensitivity analysis

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

Interest rate risk

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

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.

As at 31 March 2017, the Group's principal financial assets consist mainly of cash and cash equivalents and available-for-sale financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

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 years ended 31 March 2017 and 31 March 2016.

23. Subsequent events

Equity fund raising

On 27 June 2017, the Company raised US\$7,293,725 through the issuance of 6,181,123 new ordinary shares.

Investment into pharmacy joint venture

On 4 May 2017, the Company paid the subscription price of US\$491,400 for 490,000 ordinary shares of a new pharmacy joint venture, Medicare International Health and Beauty Pte. Ltd ("MIHB"). The shares represent 45% equity interest of the total ordinary shares of MIHB.

NOTICE OF ANNUAL GENERAL MEETING

Myanmar Investments International Limited (Company Number 1774652)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

Notice is hereby given that the 2017 Annual General Meeting of Myanmar Investments International Limited (the “**Company**”) will be held at the British Club, Yangon, Myanmar at 9.00 a.m. (Myanmar time) on Wednesday, 18 October 2017 for the purpose of considering and if thought fit, passing the following resolutions:

Ordinary Resolutions

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

1. To receive and adopt the Company’s annual accounts for the financial year ended 31 March 2017 together with the directors’ report and auditors’ report on those accounts.
2. To reappoint Anthony Michael Dean, 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.
3. 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.
4. To authorise the directors to determine the remuneration of BDO LLP as auditors of the Company.

By Order of the Board

Estera Corporate Services (BVI) Limited

Secretary

22 September 2017

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 1-4 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. A Member entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to attend and, on a poll, vote in his place. A proxy need not be a member of the Company, but must attend the meeting to represent the relevant Member.
3. A Member may appoint one or more proxies in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Member. A Member may not appoint more than one proxy to exercise rights attached to any one existing ordinary share. If a Member wishes to appoint more than one proxy, please contact the Company's Share Registrars, Capita Registrars (Guernsey) Limited at +44 371 664 0300. Lines are open from 09:00 to 17:30 Monday to Friday, excluding public holidays. Alternatively you may write to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF for additional proxy forms and for assistance.
4. The form of proxy must be signed by the appointor or his attorney duly authorised in writing. In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy. However, if more than one holder is present at the meeting, the vote of the first named on the register of members of the Company will be accepted to the exclusion of other joint holders. If the appointor is a corporation, the form of proxy should be signed on its behalf by an attorney or duly authorised officer or executed as a deed or executed under common seal.
5. Forms of Direction from holders of depositary interests must be deposited at the office of the Depositary, Capita Asset Services, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF, United Kingdom not later than 22.00 MYR/ 16:30 BST on 12 October 2017.
6. Any corporation which is a Member of the Company can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Member provided that they do not do so in relation to the same existing ordinary share.
7. To appoint a proxy you may use the form of proxy enclosed with this notice of AGM. Please carefully read the instructions on how to complete the form of proxy. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of the same, must be deposited by 22.00 MYR/ 16:30 BST on 13 October 2017 with the Company's registrars, Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF. The completion and return of a form of proxy will not preclude a Member from attending the AGM and voting in person if he or she so wishes. If a Member has appointed a proxy and attends the AGM in person, such proxy appointment will automatically be terminated.
8. The Company, pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company by close of business on 13 October 2017, or, if the meeting is adjourned, 48 hours before the time fixed for the adjourned meeting (excluding any part of a day that is not a business day), shall be entitled to attend or vote at the meeting in respect of the number of ordinary shares registered in their name at that time. Changes in entries on the relevant register of members after such time and date shall be disregarded in determining the rights of any person to attend or vote at this meeting.
9. Any Member may insert the full name of a proxy or the full names of two alternative proxies of the Member's choice in the space provided with or without deleting "the Chairman of the meeting". The person whose name appears first on the form of proxy and has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow. If this proxy form is signed and returned with no name inserted in the space provided for that purpose, the Chairman of the meeting will be deemed to be the appointed proxy. Where a Member appoints as his/her proxy someone other than the Chairman, the relevant Member is responsible for ensuring that the proxy attends the meeting and is aware of the Member's voting intentions. Any alteration, deletion or correction made in the form of proxy must be initialled by the signatory/ies.
10. As at the close of business on the date immediately preceding this notice the Company's issued share capital comprised 36,752,916 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 36,752,916.
11. CREST members who wish to appoint a proxy or proxies through the CREST Electronic Proxy Appointment Service may do so for the AGM and any adjournment(s) thereof by following the procedures described in the CREST manual. All messages relating to the appointment of a proxy or an instruction to a previously-appointed proxy, which are to be transmitted through CREST, must be received by Capita Registrars (Guernsey) Limited (Crest ID RA10) no later than 23:00 MYR / 16:30 BST on 13 October 2017, 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).

NOTICE OF ANNUAL GENERAL MEETING

Myanmar Investments International Limited (Company Number 1774652)

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

DIRECTORS AND ADVISERS

Company data

Website: www.myanmarinvestments.com

Email: enquiries@myanmarinvestments.com

Listed on the AIM market of the London Stock Exchange:

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

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

Directors

Christopher William Knight, Independent Non-Executive Chairman

Maung Aung Htun, Managing Director

Anthony Michael Dean, Finance Director

Craig Robert Martin, Independent Non-Executive Director

Christopher David Appleton, Independent Non-Executive Director

Henrik Onne Bodenstab, Independent Non-Executive Director

Registered Office

Jayla Place
Wickhams Cay I
Road Town
Tortola VG1110
British Virgin Islands

Myanmar Office

Suite 11-B Pansodan Business Tower
123/133 Anawrahta Road
PO Box 817
Kyauktada Township
Yangon, Myanmar
Telephone: +95 1 391 804

Nominated Adviser

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU
United Kingdom

Broker

Investec Bank plc
2 Gresham Street
London EC2V 7QP
United Kingdom

Legal Advisers to the Company (as to English Law)

Reed Smith LLP
The Broadgate Tower
20 Primrose Street
London EC2A 2RS
United Kingdom

Legal Advisers to the Company (as to Myanmar Law)

DFDL Legal & Tax
134A Thanlwin Road
Golden Valley Ward (1)
Bahan Township
Yangon
Myanmar

Legal Advisers to the Company (as to British Virgin Islands law)

Appleby
Jayla Place
Wickhams Cay I
Road Town
Tortola
British Virgin Islands

Company Secretary

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

Independent Auditor

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

Registrars

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

Warrant Registrar

Capita Registrars Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

Depository

Capita IRG Trustees Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

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