

20 September 2016

This announcement contains inside information

Myanmar Investments International Limited

Audited financial results for the year to 31 March 2016

Myanmar Investments International Limited (AIM:MIL) (“Myanmar Investments”, “MIL” or the “Company”), the AIM-quoted Myanmar focused investment company, today announces its audited financial results for the year to 31 March 2016.

Highlights

Myanmar update

- First free elections in over 50 years held in November 2015;
- Daw Aung San Suu Kyi’s National League for Democracy (“NLD”) was elected by a landslide and now controls both the Upper and Lower Houses of Parliament;
- The new Government, led by U Htin Kyaw of the NLD, took over on 1 April 2016 with Daw Aung San Suu Kyi appointed as State Counsellor; and
- US is to lift the last remaining sanctions and re-admit Myanmar to its preferential tariff program for developing countries.

Myanmar Investments International Limited update

- MIL has raised US\$34 million since Admission;
- Led a US\$31.2 million investment into Apollo Towers, one of Myanmar’s leading telecommunication tower companies:
 - Strong growth in tower construction – Apollo Towers now has 1,800 towers with plans to build over 2,000 more;
 - US\$250 million loan secured from US Government’s OPIC; and
 - Favourable tailwinds as Myanmar’s mobile penetration rate is expanding rapidly, from 5% in 2013 to more than 75% today;
- Made a US\$2 million investment into Myanmar Finance International Limited (“MFIL”), a microfinance joint venture:
 - Norfund became a 25% shareholder in MFIL, contributing decades of successful experience investing in microfinance companies in emerging economies;
 - Strong growth in borrower base from 10,000 to over 32,000 – a Compound Annual Growth Rate (“CAGR”) of 108% since MIL’s investment;
 - Loan book has grown from US\$800,000 to US\$4 million, a CAGR of 178% since MIL’s investment; and
 - Now profitable despite significant investment in upgraded overheads and systems;
- A strong pipeline of potential investment opportunities, especially consumer-related and capacity-constrained situations;
- Continued development of proprietary dealflow through our extensive local and regional networks; and
- MIL is considering seeking an additional stock exchange listing in Asia.

Aung Htun, MIL’s Managing Director commented, “With a new democratically-elected administration, led by Daw Aung San Suu Kyi’s NLD party that is focused on continuing the landmark reform process initiated by the previous administration, we have never been more confident in our investment thesis that Myanmar is one of the most attractive emerging market growth plays of our time. President

Obama’s recent decision to lift the last remaining sanctions against Myanmar and to grant Myanmar access to the United States’ preferred tariff system will accelerate this process.”

The information contained within this announcement is considered to be inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 prior to its release.

For further information please contact:

Aung Htun
Managing Director
Myanmar Investments International Ltd
+66 81 836 5104
+95 94 0160 0501
aunghtun@myanmarinvestments.com

Michael Dean
Finance Director
Myanmar Investments International Ltd
+65 82 99 98 98
+95 94 2006 4957
mikedean@myanmarinvestments.com

Nominated Adviser

Philip Secrett / Jamie Barklem/
Carolyn Sansom
Grant Thornton UK LLP
+44 20 7383 5100

Broker

Andrew Pinder / David Herring
Alistair Roberts (Hong Kong)
Investec Bank plc
+44 (0) 20 7597 4000

Copies of the Company’s annual report and accounts will be sent to shareholders and warrant holders shortly and will also be available to download from the Company’s website www.myanmarinvestments.com.

CHAIRMAN’S LETTER

Dear fellow shareholder

The past year has been an important period for both Myanmar and Myanmar Investments International Limited (“MIL”). While the pace of investment into the country and some of the structural changes appear to have slowed as investors and policy makers waited for the election, the daily lives of Myanmar citizens is improving and economic progress is being made.

Your Company has continued to establish itself as a leading investor in Myanmar. This has included:

- leading a US\$31.2 million investment into Apollo Towers, one of Myanmar’s leading telecommunication tower companies, into which the Company has invested US\$20.8 million;
- overseeing solid growth at Myanmar Finance International, our joint venture micro-finance company;
- completion of two successful equity fund raisings which raised a total of US\$24.2 million;
- making significant progress in developing and sourcing a growing pipeline of exciting investment opportunities;
- broadening further our network of contacts both within Myanmar and in neighbouring countries; and
- developing our human resources.

MYANMAR COUNTRY UPDATE

In November 2015 Myanmar held its first free election in over 50 years. This landmark event cemented the reforms that were started by President U Thein Sein. The peaceful and undramatic transfer of

power understates the historic nature of the changes that were implemented and illustrates the buy-in from all segments of society. This bodes well for the future.

Daw Aung San Suu Kyi's National League for Democracy Party ("NLD") was elected by a landslide majority and now controls both the Upper and Lower Houses of Parliament. This result was immediately accepted by the army and already these two erstwhile opponents have forged a working alliance that is expected to continue to propel the country forward. However, implementing that progress is something that will undoubtedly take time.

Myanmar has been significantly de-risked following the peaceful transition and broad based reform movement begun by U Thein Sein's administration:

- 2010**
 - Aung San Suu Kyi released from house arrest
 - Freedom to establish political parties (there are now over 90 such parties)
- 2011**
 - Thousands of prisoners freed under amnesty
 - Peaceful demonstrations legalised
 - Hundreds of prominent political prisoners released
 - Media and communications liberalised by abolishing pre-publication media censorship and allowing private newspapers to operate for the first time in almost 50 years
- 2012**
 - New Foreign Investment Law enacted
 - Central Bank of Myanmar ("CBM") introduced a managed float of the Kyat. The CBM was later separated from the Ministry of Finance and declared an autonomous body in mid-2013
 - Myanmar formally acceded to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards
- 2013**
 - Anti-Corruption Law enacted
 - Signed up to UN Convention against Corruption
 - The telecom and banking industries were opened to foreign participation
- 2014**
 - Significant advances were made on a draft national ceasefire agreement signed by a number of ethnic militias and the Government
 - Signed agreement with U.N.'s Office on Drugs and Crime
- 2015**
 - Anti-Money Laundering Law enacted

As a result of these widespread reforms, sanctions have been eased or lifted by all the main western countries.

A number of investment-related legal reforms are also set to bear fruit in the early days of the new administration:

- a revamped **Foreign Investment Law**, is expected to extend the benefits of the existing law to a wider group of Foreign Direct Investment ("FDI") projects;
- a complete overhaul of the **Companies Act** of 1914 is planned, which is expected to drastically reduce the bureaucratic process of investing in Myanmar; and
- a **Condominium Law**, which grants foreigners the right to purchase certain condominium apartments.

Assuming power in April 2016, the NLD has now started a period of intense reflection and consultation on establishing the objectives and priorities for the new government. This is new territory for a party that has only been in power for a few months and has few administrators amongst its ranks. The Civil Service is also woefully undermanned and so planning for, let alone implementing, significant change will take time. This has led to a sense of delay and a slowdown, certainly amongst the business

community that had been hoping for some “quick fixes”. The fixes will undoubtedly come and when they do they will hopefully be thoughtful and long lasting.

As a further illustration of the NLD’s long term vision, they have prioritised the ongoing conflicts that have ravaged the border regions of the country for decades. Daw Aung San Suu Kyi has re-initiated the Panglong Peace Conference where all of Myanmar’s ethnic militias are invited to participate regardless of whether they have already signed the nationwide ceasefire agreement.

Daw Aung San Suu Kyi has also indicated that rural development will be among her top priorities.

At this time, therefore, there is a high level of optimism amongst the Myanmar people. They have already seen a significant number of improvements (particularly in the cities) and believe that the NLD will continue to improve their lives. Their expectations may be unrealistic given the scale of the work to be done but for now there is a strong sense of optimism for the future. This, however, contrasts with the more sober mood among business leaders who had, probably unrealistic, expectations that Daw Aung San Suu Kyi’s government would announce more granular measures to reform the economy and help businesses.

President Obama’s recent decision to lift all the remaining sanctions against Myanmar and re-admit the country into the United States’ preferred tariff system is both an endorsement of the progress made to date as well as a catalyst for further economic growth ahead.

With a new administration, an 8% per annum average growth rate, plenty of natural resources and excellent geographic positioning we believe Myanmar has the opportunity to realise its true potential.

STRATEGY

“Our vision is to build a diversified portfolio of investments that will benefit from Myanmar’s emergence”

Your Company has recently celebrated its third anniversary. The management team is reviewing the Company’s strategy as stated at the time of our AIM admission in light of on-the-ground conditions and experiences. Our strategy to make either “core” or “financial” investments is unchanged although we are refining the *modus operandi*.

First and foremost, we still consider quality of management and their integrity the key driver in any business. However, in Myanmar there is a shortage of experienced local executives and there is often a need to bring in foreign expertise to augment a team. This is where MIL has a distinct advantage through its network in the region.

From our experience of being on-the-ground for the past three years and having reviewed over 180 opportunities we are now focussing on two themes:

- businesses that will grow strongly because of people’s desire for a better way of life, and supported by what we expect to be, a fast and sustainable increase in disposable income. Typically these will be consumer related; and
- businesses that address a severe shortage in the country, including areas such as education, logistics and energy.

We also target companies that are, or have the potential to be, one of the top three players in their sector where a strong and sustainable franchise value can be built.

In some of these businesses, where we believe that there will be substantial growth based on experiences elsewhere in ASEAN but as yet there is no clear leader, we may get involved in the earlier stages to help them build the right platform. These will be more akin to early stage venture-like investments. Our initial capital at risk will be smaller and our stake higher, often these will be control deals. In these companies we will be significantly more involved in management.

In essence, our strategy is to build net asset value per share as well as to generate dividends when it becomes commercially appropriate. Over time this should allow us to generate an attractive total return to our shareholders.

Whilst we are building our portfolio of investments, we will need to continually raise capital as our strategy is not to over-capitalise the Company. To this end we will, in accordance with the strategy set out in the Company's AIM admission document, consider raising additional equity to fund further investments as well as syndicating some investments with like-minded co-investors. The latter will also generate fee income for the Company.

To date we have made two investments and have a strong pipeline, which, whilst it has been slow to close during this election year, we believe will bear fruit in due course. Details of the two investments that have been made to date are set out in the Executive Directors' Review.

FINANCIAL PERFORMANCE

The Directors have assessed the Group's net asset value as at 31 March 2016 to be US\$24.3 million, representing a year on year increase of 268%. This is equivalent to US\$0.89 per share, based on the shares in issue at that time. Further details are provided in the Executive Directors' Review.

For the year to 31 March 2016, the Company's loss after tax was US\$2.2 million. This loss principally represents the overheads associated with running the Company's business.

In this context, given the significant work that has been done over the past year, in building both our portfolio and our pipeline, I am pleased to commend the Executive Directors for their excellent work in keeping our costs to a minimum.

Subsequent to the year-end the Company successfully closed a further equity issue, raising US\$4.2 million before costs.

SHAREHOLDER MATTERS

INVESTOR DAY

We were pleased to host our inaugural Investor Day conference on 12 October 2015. The event attracted an esteemed group of institutional and high net worth investors from Europe and Asia, who joined us in Yangon to review and discuss the economic and political situation in Myanmar. The conference was very well received, and we look forward to hosting this year's Investor Day on 17 October 2016 in Yangon. We hope that you will be able to join us for this signature event.

BOARD APPOINTMENT

We are pleased to welcome Henrik Bodenstab to the Board. Henrik joined us as a non-executive director on 17 May 2016. Henrik contributes a diverse range of business skills and contacts to the Company.

CORPORATE BROKER

We were pleased to appoint Investec Bank plc (“Investec”) as our corporate broker in February 2016. As a global financial services group Investec is well placed to provide us with in-depth advice on the development of the Company’s funding strategy.

SECONDARY LISTING

From our discussions with investors through this past year it has become clear that there is interest in the Company pursuing a stock exchange listing on a market geographically closer to our operations in Myanmar. Our discussions have indicated that shareholders consider that such a listing would be of great benefit in attracting regional investors to the Company and equally importantly in building up liquidity in the trading of the Company’s shares and warrants. The Board has commissioned the Executive Directors to investigate the prospects for establishing an additional listing for the Company in Asia.

ANNUAL GENERAL MEETING

This year's Annual General Meeting will be held at The British Club, Yangon, Myanmar at 9.00a.m. (Myanmar time) on Monday 31 October 2016. All shareholders, but particularly those who are unable to attend the Annual General Meeting in person, are encouraged to use their proxy votes. Shareholders who hold their shares through CREST are able to lodge their votes electronically.

CORPORATE AND SOCIAL RESPONSIBILITY

The Company continuously seeks opportunities to positively impact Myanmar during the country’s unprecedented period of re-emergence. We have designed our investment programme to target sustainable investee companies, evaluated from economic, social and environmental perspectives. We carefully consider both the positive and negative impacts of any investment we make.

At the corporate level we support worthwhile causes, such as the educational and environmental development of the country or humanitarian relief efforts, while at the portfolio company level we strongly encourage our partners to identify and adopt practices that will help to develop the workforce in their local communities.

GENERAL OUTLOOK

The past year has been a busy time for the executive management team and the staff of the Company, with:

- a significant investment in Apollo Towers coupled with a US\$250 million loan to the tower company from the US Government’s Overseas Private Investment Corporation (“OPIC”);
- solid growth in the development of our microfinance joint venture’s customer base, loan book and product offerings;
- a significant investment of time and effort in our dealflow pipeline; and
- two successful equity fund raisings.

I would like to express my appreciation to each and every member of the team for all for their hard work and efforts in assisting the Company to reach this stage.

After the unprecedented reforms undertaken by President U Thein Sein which paved the way for the election, the future for Myanmar is more positive today than it has been for a very long time. The future is not without its possible pitfalls and detours but the will of the Myanmar people, the military and its newly elected government is clearly for peace and economic progress.

Against this backdrop I see MIL's strong portfolio of investments, its burgeoning pipeline of investment opportunities and the prospect of a secondary listing in Asia as positive steps forward and I am excited at the opportunities that lie ahead.

Finally, to my fellow shareholders: I would like to extend my thanks to you all for your continued support and encouragement during the course of this year and look forward to continuing to work with you to build on the success of our Company going forward.

William Knight

Chairman

19 September 2016

EXECUTIVE DIRECTORS' REVIEW

Dear Shareholders

We are pleased to provide an update on the Company's operations.

INVESTMENTS

As at the date of this announcement we have made two investments.

Apollo Towers Pte Ltd ("Apollo")

On 31 July 2015, MIL led a US\$30 million investment into Apollo in return for a 14.18% interest. Of this MIL contributed US\$20 million (for a 9.46% indirect shareholding) with LIM Asia Special Situations Master Fund Limited, one of our substantial shareholders, contributing US\$9.8 million (for a 4.63% indirect shareholding). The remaining 0.09% was contributed by an unconnected third-party. All three investors made the investment in Apollo through a special purpose vehicle, MIL 4 Limited. During the financial year ending 31 March 2016 MIL has invested a further US\$0.8 million and currently holds an indirect interest in Apollo of 9.3%.

Apollo was founded in 2013 by Sanjiv Ahuja and TPG Growth, the middle market and growth equity investment platform of TPG (formerly Texas Pacific Group), the leading global private investment firm with approximately US\$70 billion of assets under management. Mr Ahuja, a global telecom veteran and the former CEO of Orange S.A., has founded several successful telecommunications infrastructure businesses around the world.

Myanmar's telecommunication sector continues to be a case study to illustrate what can be achieved with a well-planned strategy and the reforms since 2011 have rapidly changed the country's economic and social landscape. Apollo plays a critical part in this providing telecommunication towers to Myanmar's three largest Mobile Network Operators ("MNOs"): Telenor, Myanmar Posts and Telecommunication ("MPT") and Ooredoo. Together they have played a leading role in driving Myanmar's mobile penetration rate from one of the world's lowest at 5% in 2013 to more than 75%

today. Apollo's towers provide essential voice and data coverage to many areas of the country for the first time bringing with it greater liberalisation in the availability of communication and information.

Since MIL's investment was made in July 2015, Apollo has made great strides forward and has almost doubled its telecommunication tower portfolio, currently owning and operating approximately 1,800 towers across Myanmar. Apollo has plans to build more than 2,000 additional towers in its next phase of development. In this regard, Apollo reached a major milestone in June 2016 when it secured financing for its business through a US\$250 million debt facility made available by the United States' Overseas Private Investment Corporation ("OPIC") - the organisation's first investment in the country.

Apollo's extensive tower portfolio has endowed it with a high quality EBITDA stream (most of its customers are Grade A international telecom companies) that grows as new tenants are added to its towers. The portfolio was built with Telenor as the anchor tenant but given that co-location is a major profitability driver for Apollo, the coming year should be very exciting as both of the other MNO's, Ooredoo and MPT, expand their networks. Co-location will get an additional boost with the expected launch of a fourth MNO, a collaboration between Vietnam's Viettel and a consortium of local companies. Apollo is uniquely positioned to benefit from and support the entry of this new fourth MNO with its high-quality towers designed for multiple tenants.

MIL classifies Apollo as a "financial investment" since an exit is likely once Apollo has completed the rollout of its tower portfolio – a strategy that is aligned with that of its fellow shareholders. With a strong management team of experienced telecommunication professionals, Apollo stands as a prime example of a Myanmar company run to international standards and fit for a listing on one of the region's major stock exchanges or as an entry acquisition for one of the global tower companies.

Myanmar Finance International Co. Ltd ("MFIL")

During the financial year, MIL invested US\$407,500 into MFIL, bringing the total (and final) investment by MIL to US\$1.92 million (up from a total investment of US\$1.51 million in 2015). More significantly, in December 2015, the Norwegian government's Investment Fund for Developing Countries ("Norfund") invested US\$1.43 million for a 25% shareholding in MFIL. Norfund's investment validates the platform that has been built by MFIL, and brings to the shareholder group decades of successful experience investing in microfinance companies in emerging economies.

With a fully drawn down capital base of US\$4.95 million, MFIL opened another branch in Yangon during the financial year, bringing its branch network to six in total (four in Yangon and two in Bago). As of 31 March 2016, MFIL had over 32,000 borrowers (up from a total of 15,000 in 2015) with a loan portfolio of over US\$4.04 million (up from US\$1.92 million in 2015). For the first time since the Company's investment, MFIL also reported full-year net profits for the 2015-2016 financial year despite increased overheads as a result of upgrades to its operations and systems.

MIL has been, and remains, actively engaged with MFIL both operationally and strategically. During this financial year, MIL assisted with the restructuring of the MFIL board to bring on board a new Finance Director in parallel with the establishment of an internal audit function. Working with MFIL management, the Company has also been actively engaged in product development and branch network expansion. Together with Norfund, MIL will continue to support MFIL in its growth and expansion plans through an active role in the acquisition of debt facilities from both commercial and development finance sources.

MFIL remains a core investment of the Company, as validated by its rapid growth since MIL's original investment was made. The new Myanmar government has also stated that liberalisation of the

microfinance sector is one of its financial sector reform priorities, which further underpins MIL's investment thesis. MFIL works closely within the Myanmar Microfinance Association to promote the sector with the government and to address regulatory reform constraining the sector. While competition has certainly increased with the entrance of new participants in the sector, MIL will continue to work closely with MFIL management to enhance its visibility and branding, as well as product offerings, to maintain its position as one of the leading microfinance companies in Myanmar.

ONGOING INVESTMENT ACTIVITIES

In our 3 plus years on the ground in Myanmar we have reviewed over 180 potential investments. These opportunities have straddled a wide range of sectors.

Whilst sectorially the investments that we have considered are diverse, they share a number of similarities:

- they have nearly all been sourced by the Executive Directors, as there is currently little to no intermediation in Myanmar; and
- they are characterised almost equally between opportunities with two very different types of partners:
 - local entrepreneurs who have grown their business in spite of the past difficulties in Myanmar and who are now looking to raise capital to propel the business to the next level – MFIL would be an example of this; and
 - foreign players, well experienced in their sector, looking to enter the same, often empty, space in Myanmar – Apollo would be an example of this.

From our time here we have learned to swiftly sift through this deluge of opportunities and are now prioritising opportunities in the following spaces:

Consumer

In Myanmar this is a nascent sector with a limited number of mainly small competitors. However, experience in other ASEAN economies has illustrated that there are significant growth prospects in this sector, especially when coupled to the predicted growth of the Middle and Affluent Class (“MAC”) and the significant increase in their disposable income. Additionally, as the phenomenal surge in mobile phone ownership (and most of it has been smartphones) has illustrated, there is significant pent-up spending power across all strata of society.

We are particularly focussing on opportunities in retailing, healthcare and family entertainment; building the brands of tomorrow in otherwise empty spaces.

One of the features of these opportunities is that they require only a modest initial investment that can then be scaled up as the business develops and the ability to develop more branches unfolds.

For this sector we have assembled a panel of experienced Asian retail executives that we can bring in to assist with the initial investment assessment, or if needed to remain in the business as company executives, mentors or board members.

In all cases the objective is to develop market-leading franchises that can be sold to multinationals in 3 to 5 years.

Capacity-constrained opportunities

Opportunities in this sector occur where there is an acute imbalance between supply and demand and yet a significant requirement for capital investment to unlock the supply. As such these are typically

larger ticket opportunities (up to US\$25 million) and are situations in which we would often be partnering with a proven international company who is looking for a strong and knowledgeable local partner. Our investment in Apollo is an example of this type of opportunity.

Where such opportunities arise we would not look to take all of this on our books but would look to bring in a syndicate of investors (possibly including our own shareholders). We would take responsibility for managing the syndicate's investment and in return charge fees and also take a carried interest thereby leveraging the opportunity by extracting a higher reward than just the IRR of the investment itself.

These opportunities focus on shortages of soft infrastructure (for example financial services, education etc.) as well as more traditional hard infrastructure (for example utilities such as power, waste water treatment etc.). An additional attraction of these types of opportunities is that they are frequently capable of being partially funded by third party debt, often from the Development Finance Institution ("DFI") community which is especially active in Myanmar. The US\$250 million loan from the US Government's Overseas Private Investment Corporation ("OPIC") to Apollo would be an illustration of this.

Proactivity

Picking up on our earlier point about the lack of intermediation, the opportunities that we source do not come with an information memorandum and a data room. They come from numerous meetings with businessmen and women who have business plans that still need to be stress-tested and refined to make sure that they are both commercially feasible and capable of being executed in the Myanmar of today. This is a time-consuming process that requires patience, knowledge and an extensive Rolodex of partners who can participate to fix any of the parts that might otherwise not work as well as they might otherwise.

Often the potential rewards from an opportunity are obvious. What is more time-consuming is looking to de-risk each and every opportunity. This requires not only a disciplined professional assessment of the challenges that the business faces but the ability to address these and to put in place real solutions. When we invested in MFIL, this was only agreed after we had conducted an extensive executive search for a proven microfinance chief executive.

It is because of our extensive time building such businesses in Asia over the past 30 years that we feel we have a distinct advantage over many of the more traditional "private equity" style (i.e. passive) investors who are trying to set up in Myanmar.

To manage this process we have developed a very strong team in Yangon. We currently have 10 investment professionals on the ground in Yangon comprising a mix of international and Myanmar professionals with complementary backgrounds, skill sets and experiences.

FINANCIAL REVIEW

In the last financial year, the Company completed a further significant equity fund raising. On 21 July 2015, the Company raised US\$20 million (before expenses) from a placing of shares (with warrants on a one for three basis) to a range of institutional investors, family offices and high net worth individuals.

The Directors' assessment of the Group's net asset value attributable to the shareholders of the Company as at 31 March 2016 is that it was US\$24.3 million, a year on year increase of 268%. This represents US\$0.89 per share, based on the shares in issue at that time.

At that date the Company had:

- an investment in Apollo Towers (the telecommunication tower venture) of US\$20.8 million (excluding non-controlling interests), being the cost of the investment made to date;
- an investment in MFIL (the microfinance joint venture) at a fair value of US\$2.1 million; and
- cash and equivalents of US\$1.4 million.

In the attached audited financial statements, the net asset value differs from the above stated value of US\$24.3 million due to the following differences:

	US\$
Net asset value per the audited financial statements	24,154,579
Apollo Towers ¹	(185,010)
MFIL ²	332,123
Net asset value per the Directors' valuation	<u>24,301,692</u>

Note 1: This represents transaction costs. In accordance with IAS 39 Financial Instruments: Recognition and Measurement, the investment in Apollo Towers is accounted for as an investment in available for sale securities with initial recognition at fair value of consideration paid plus transaction costs that are directly attributable to the acquisition or issue, and changes in fair value are recorded in other comprehensive income. Whereas in accordance with the Company's Valuation Policy the Directors' valuation is based on the International Private Equity and Venture Capital Guidelines. As the investment has been made within the 12 months prior to the balance sheet date, and there has been no impairment, the estimate of fair value is based on the 'price of recent investment' (which excludes transaction costs), equivalent to the original cost paid by the Company.

Note 2: In accordance with IFRS 11 Joint Arrangements, the investment in MFIL is accounted for as an investment in a joint venture using the equity method, an accounting measure which includes (1) the share of results, (2) gain on dilution, and (3) a foreign exchange adjustment. Whereas in accordance with the Company's Valuation Policy the Directors' valuation is based on the International Private Equity and Venture Capital Guidelines. As an investment was made into MFIL by an independent third party in November 2015, within the 12 months prior to the balance sheet date, and there has been no impairment, the estimate of fair value is based on the 'price of the recent investment'.

For the year to 31 March 2016 the Company's audited loss after tax was US\$2.2 million. This represents:

- the overheads associated with running the Company's business; and
- the impact of the share based payments arising from the Company's Employee Share Option Scheme.

Within this, the core cash-based overheads, excluding discretionary compensation and share option expense amounted to US\$1.87 million.

Barring unforeseen circumstances, we do not expect the level of such running costs to fluctuate significantly in the foreseeable future.

The Directors do not recommend payment of a dividend at this time.

Subsequent to the year end, on 16 September 2016 the Company closed a further equity fund offering, raising US\$4.2 million (before costs) through an issue of new ordinary shares and warrants. Announced separately on 20 September 2016, as a result of this offering, MIL's unaudited net assets stood at US\$27.4 million or US\$0.90 per share.

As of the date of this announcement the Company has adequate financial resources to cover its working capital needs for the next 12 months.

OUTLOOK

The Directors are pleased with the strong fundamental performance of both of the Company's existing investments over the past year. Barring unforeseen circumstances, we expect both businesses to continue to grow strongly in the years ahead.

However, as noted above, the prevailing expectation in the business community is of a slowdown in business activity in Myanmar for the near future as the NLD takes its time to formulate and prioritise its various strategies and then determine how best to implement each.

For ourselves, we have not seen any such slowdown in investment opportunities.

Following discussions with shareholders and a wide range of investors over the past year, the Directors are also exploring the possibility of a secondary stock market listing in Asia. This consideration is still at a very early stage and further details will be made available as any developments are made.

We continue to encounter investment opportunities on an almost weekly basis. They will not all become investments: the attrition rate today is obviously very high. But as the Company's local reputation has grown and continues to grow the Directors find that the Company is often sought out by both the local and foreign business communities. As such, the Directors hope that they will soon be in a position to conclude further investments to add to the Company's already exciting portfolio.

Aung Htun
Managing Director
 19 September 2016

Michael Dean
Finance Director
 19 September 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	2016 US\$	2015 US\$
Revenue		-	-
Other item of income			
Other income	4	21,598	216
Items of expense			
Employee benefits expense	5	(1,384,666)	(1,011,340)
Depreciation expense	12	(14,996)	(12,996)
Other operating expenses		(840,653)	(642,099)
Finance costs	6	(14,413)	(11,718)

Share of results of joint venture, net of tax	10	16,485	(62,305)
Loss before income tax	7	(2,216,645)	(1,740,242)
Income tax expense	8	(19,009)	(3,156)
Loss for the financial year		<u>(2,235,654)</u>	<u>(1,743,398)</u>
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange loss arising on translation of foreign operations		(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	<u>(81,132)</u>	-
Total comprehensive income for the financial year		<u>(2,316,786)</u>	<u>(1,743,398)</u>
Loss attributable to:			
Owners of the parent		(2,233,369)	(1,743,398)
Non-controlling interests	13	<u>(2,285)</u>	-
		<u>(2,235,654)</u>	<u>(1,743,398)</u>
Total comprehensive income attributable to:			
Owners of the parent		(2,314,501)	(1,743,398)
Non-controlling interests		<u>(2,285)</u>	-
		<u>(2,316,786)</u>	<u>(1,743,398)</u>
Loss per share (cents)			
- Basic and diluted	9	<u>(10.21)</u>	<u>(23.58)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

	Note	2016 US\$	2015 US\$
ASSETS			
Non-current assets			
Investment in joint venture	10	1,813,957	1,450,195
Available-for-sale financial assets	11	31,385,522	-
Plant and equipment	12	16,887	24,252
Total non-current assets		<u>33,216,366</u>	<u>1,474,447</u>
Current assets			
Other receivables	14	91,750	88,854
Cash and cash equivalents	15	1,386,059	5,049,268

Total current assets		<u>1,477,809</u>	<u>5,138,122</u>
Total assets		<u>34,694,175</u>	<u>6,612,569</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	16	28,765,805	8,996,282
Share option reserve	17	313,561	160,113
Accumulated losses		(4,843,655)	(2,610,286)
Foreign exchange reserve		(81,132)	-
Equity attributable to owners of the parent		<u>24,154,579</u>	<u>6,546,109</u>
Non-controlling interests	13	10,398,648	-
Total equity		<u>34,553,227</u>	<u>6,546,109</u>
LIABILITIES			
Current liabilities			
Other payables	18	131,421	65,195
Income tax payable		9,527	1,265
Total current liabilities		<u>140,948</u>	<u>66,460</u>
Total equity and liabilities		<u>34,694,175</u>	<u>6,612,569</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

	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)
Grant of share options to employees	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

	Note	Share capital US\$	Share option reserve US\$	Accumulated losses US\$	Total US\$
2015					
At 1 April 2014		5,439,353	74,749	(866,888)	4,647,214
Loss for the financial year		-	-	(1,743,398)	(1,743,398)
Total comprehensive income for the financial year		-	-	(1,743,398)	(1,743,398)
Contributions by and distributions to owners					
Issue of shares	16	3,797,850	-	-	3,797,850
Share issue expenses	16	(240,921)	-	-	(240,921)
Grant of share options to employees	17	-	85,364	-	85,364
Total contributions by and distributions to owners		3,556,929	85,364	-	3,642,293
At 31 March 2015		8,996,282	160,113	(2,610,286)	6,546,109

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

	Note	2016 US\$	2015 US\$
Operating activities			
Loss before income tax		(2,216,645)	(1,740,242)
Adjustments for:			
Interest income	4	(181)	-
Finance costs	6	14,413	11,718
Depreciation of plant and equipment	12	14,996	12,996
Share-based payment expense	17	153,448	85,364
Share of results of joint venture, net of tax	10	(16,485)	62,305
Gain on dilution of interest in joint venture	4	(20,909)	-
Operating cash flows before working capital changes		<u>(2,071,363)</u>	<u>(1,567,859)</u>
Changes in working capital:			
Other receivables		(2,896)	10,381
Other payables		66,226	1,483
Cash used in operations		<u>(2,008,033)</u>	<u>(1,555,995)</u>
Interest received		181	-
Finance costs paid		(14,413)	(11,718)
Income tax paid		(10,747)	(1,891)
Net cash flows used in operating activities		<u>(2,033,012)</u>	<u>(1,569,604)</u>
Investing activities			
Investment in available-for-sale financial assets	11	(31,385,522)	-
Investment in joint venture	10	(407,500)	(1,512,500)
Purchase of plant and equipment	12	(7,631)	(5,223)
Net cash flows used in investing activities		<u>(31,800,653)</u>	<u>(1,517,723)</u>
Financing activities			
Contribution from non-controlling interests to a subsidiary	13	10,400,933	-
Net proceeds from issuance of shares	16	19,769,523	3,556,929
Increase in short-term deposits pledged		(163)	(35,981)
Net cash flows generated from financing activities		<u>30,170,293</u>	<u>3,520,948</u>
Net change in cash and cash equivalents		(3,663,372)	433,621
Cash and cash equivalents at beginning of the year		<u>5,013,287</u>	<u>4,579,666</u>
Cash and cash equivalents at the end of financial year	15	<u>1,349,915</u>	<u>5,013,287</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

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.

The consolidated financial statements of the Company and its subsidiaries (the “Group”) for the financial year ended 31 March 2016 were approved by the Board of Directors on 19 September 2016.

Whilst the financial information included in this announcement has been prepared in accordance with the International Financial Reporting Standards (“IFRS”), this announcement does not in itself contain sufficient information to comply with IFRS. The full audited financial statements of the Company can be found on the Company’s website at www.myanmarinvestments.com.

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 fund raising exercise amounting to US\$4,219,081 as disclosed in Note 23, 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

The Company’s accounting policies are available in the full audited financial statements, a copy of which can be found on the Company’s website at www.myanmarinvestments.com.

3. Significant accounting judgements and estimates

The Company's significant accounting judgements and estimates used in the preparation of these financial statements are available in the full audited financial statements, a copy of which can be found on the Company's website at www.myanmarinvestments.com.

4. Other income

	2016 US\$	2015 US\$
Interest income	181	-
Gain on dilution of interest in joint venture	20,909	-
Other	508	216
	<u>21,598</u>	<u>216</u>

5. Employee benefits expense

	2016 US\$	2015 US\$
Salaries, wages and other staff benefits	1,230,710	925,976
Share option expenses	153,956	85,364
	<u>1,384,666</u>	<u>1,011,340</u>

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

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:

	2016 US\$	2015 US\$
Auditor's remuneration	48,791	34,131
Consultants fees	264,591	107,681
Foreign exchange loss, net	1,242	-
Operating lease expenses	83,460	79,452
Professional fees	16,076	44,275
Travel and accommodation	84,998	80,569

8. Income tax

	2016 US\$	2015 US\$
Current income tax		
- current financial year	9,779	1,265
- under-provision in prior financial year	9,230	1,891
	<u>19,009</u>	<u>3,156</u>

A reconciliation of income tax applicable to loss before income tax at the statutory income tax rate of 25% (2015: 25%) in Myanmar is as follows:

	2016 US\$	2015 US\$
Loss before income tax	(2,216,645)	(1,740,242)
Share of results of joint venture, net of tax	(16,485)	62,305
	<u>(2,233,130)</u>	<u>(1,677,937)</u>
Income tax at the applicable tax rates	(558,283)	(419,984)
Effects of different income tax rates in other countries	571,480	416,758
Under-provision in prior financial year	9,230	1,891
Tax effects of expenses not deductible for tax purposes	4,168	3,501
Others	(7,586)	990
Income tax for the financial year	<u>19,009</u>	<u>3,156</u>

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:

	2016	2015
Loss for the financial year attributable to owners of the Company (US\$)	(2,233,369)	(1,743,398)
Weighted average number of ordinary shares during the financial year applicable to basic loss per share	21,884,673	7,393,035
Loss per share		
Basic and diluted (cents)	<u>(10.21)</u>	<u>(23.58)</u>

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

10. Investment in joint venture

Investment in joint venture	2016 US\$	2015 US\$
At 1 April	1,450,195	-
Investments during the year	407,500	1,512,500
Share of results of joint venture, net of tax	16,485	(62,305)
Foreign exchange adjustment	(81,132)	-
Gain on dilution of interest in joint venture	20,909	-
At 31 March	1,813,957	1,450,195

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"). The principal activities of MFIL are in line with the Company's strategy of investing in Myanmar businesses operating in sectors with strong growth potential.

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.

As at 31 March 2015, three out of the four tranches of the equity capital contribution had been called. For MIL this totalled US\$1,512,500 with a further commitment, the fourth tranche, outstanding of US\$1,327,500.

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") exercised an option to subscribe 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	Principal activities	Effective equity interest held by the Company
------------------------------	-----------------------------	--

(Country of incorporation/place of business)

		2016	2015
		%	%
Myanmar Finance International Limited ⁽¹⁾ (Myanmar)	Provider of microfinance loans	37.5	55.0

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

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.

	2016	2015
	US\$	US\$
Assets and liabilities		
Cash and cash equivalents	1,259,004	945,056
Trade receivables	4,037,562	1,886,233
Other current assets	93,403	79,718
Current assets	<u>5,389,969</u>	<u>2,911,007</u>
Non-current assets	150,182	153,863
Total assets	<u>5,540,151</u>	<u>3,064,870</u>
Current liabilities	<u>1,022,933</u>	<u>552,659</u>
Total liabilities	<u>1,022,933</u>	<u>552,659</u>
Net assets	<u>4,517,218</u>	<u>2,512,211</u>
Investment in joint venture	37.5%	55.0%
Share of net assets	1,693,957	1,381,716
Currency re-alignment	-	68,479
Premium paid	120,000	-
	<u>1,813,957</u>	<u>1,450,195</u>
Included in the current liabilities are:		
Current financial liabilities (excluding trade and other payables and provision)	<u>828,327</u>	<u>459,164</u>
Income and expenses		
Revenue	819,948	215,949
Other income	142,255	91,655
Operating expense	(786,888)	(382,321)
Depreciation	(34,406)	(9,837)
Interest expense	(75,415)	(28,728)
Tax expense	(16,373)	-
Profit/(Loss) after income tax	<u>49,121</u>	<u>(113,282)</u>

11. Available-for-sale financial assets

	2016	2015
	US\$	US\$

Unquoted equity shares, at cost	31,385,522	-
---------------------------------	------------	---

As disclosed in Note 13, 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%.

As at 31 March 2016, the Group’s effective equity interest in Apollo is 8.99%.

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, as its fair value cannot be determined reliably. The investment is denominated in United States Dollars.

12. Plant and equipment

	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	<u>13,739</u>	<u>4,580</u>	<u>30,155</u>	<u>48,474</u>
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	<u>7,649</u>	<u>1,599</u>	<u>22,339</u>	<u>31,587</u>
Carrying amount				
Balance at 31 March 2016	<u>6,090</u>	<u>2,981</u>	<u>7,816</u>	<u>16,887</u>
2015				
Cost				
Balance at 1 April 2014	6,405	1,418	27,797	35,620
Additions	4,344	879	-	5,223
Balance at 31 March 2015	<u>10,749</u>	<u>2,297</u>	<u>27,797</u>	<u>40,843</u>
Accumulated depreciation				
Balance at 1 April 2014	566	158	2,871	3,595
Depreciation for the financial year	3,038	594	9,364	12,996
Balance at 31 March 2015	<u>3,604</u>	<u>752</u>	<u>12,235</u>	<u>16,591</u>

Carrying amount

Balance at 31 March 2015	7,145	1,545	15,562	24,252
Balance at 1 April 2014	5,839	1,260	24,926	32,025

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	
			2016 %	2015 %	2016 %	2015 %
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	-	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.

Incorporation of a subsidiary

On 9 July 2015, the Company incorporated a 100.00% owned subsidiary, MIL 4 Limited ("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.

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 2016 US\$
Assets and liabilities	
Non-current assets	31,385,522
Current assets	32,289
Current liabilities	<u>(221,869)</u>
Net assets	<u>31,195,942</u>
Accumulated non-controlling interests	<u>10,398,648</u>
	Period from 9 July 2015 (Date of incorporation) to 31 March 2016 US\$
Revenue	-
Administrative expenses	<u>(6,855)</u>
Loss for the financial period, representing total comprehensive income for the financial period	<u>(6,855)</u>
Loss allocated to non-controlling interests, representing total comprehensive income allocated to non-controlling interests	<u>(2,285)</u>
Net cash used in operating activities	(3,022)
Net cash used in investing activity	(31,385,522)
Net cash generated from financing activities	<u>31,388,544</u>
Net change in cash and cash equivalents	<u>-</u>

14. Other receivables

2016

2015

	US\$	US\$
Other receivables	29,591	4,077
Deposits	14,605	10,398
Prepayments	47,554	74,379
	<u>91,750</u>	<u>88,854</u>

Other receivables are denominated in the following currencies:

	2016 US\$	2015 US\$
United States dollar	88,732	85,993
Singapore dollar	2,105	-
Myanmar kyat	913	2,861
	<u>91,750</u>	<u>88,854</u>

15. Cash and cash equivalents

	2016 US\$	2015 US\$
Cash and bank balances	1,349,915	5,013,287
Short-term deposit	36,144	35,981
	<u>1,386,059</u>	<u>5,049,268</u>

The short-term deposit bears interest at an average rate of 0.25% (2015: 0.25%) per annum and is for a tenure of approximately 12 months (2015: 12 months).

The short-term deposit of the Company amounting to US\$36,144 (2015: US\$35,981) is pledged to bank to secure credit facilities.

Cash and cash equivalents are denominated in the following currencies:

	2016 US\$	2015 US\$
United States dollar	1,233,692	4,912,866
Singapore dollar	146,834	132,955
Myanmar kyat	5,533	3,447
	<u>1,386,059</u>	<u>5,049,268</u>

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

	2016 US\$	2015 US\$
Bank balances	1,386,059	5,049,268

Less: short-term deposits pledged	(36,144)	(35,981)
	<u>1,349,915</u>	<u>5,013,287</u>

16. Share capital

	2016 US\$	2015 US\$
Issued and fully-paid share capital:		
Ordinary shares at the beginning of the financial year	8,996,282	5,439,353
Issuance of ordinary shares during the financial year	19,942,397	3,797,850
Share issuance expenses	(172,874)	(240,921)
	<u>28,765,805</u>	<u>8,996,282</u>

Equity Instruments in issue	2016		2015	
	Ordinary Shares	Warrants	Ordinary Shares	Warrants
At the beginning of the financial year	9,959,619	9,459,619	6,342,619	5,842,619
Issuance during the financial year	17,341,214	5,780,408	3,617,000	3,617,000
At the end of the financial year	<u>27,300,833</u>	<u>15,240,027</u>	<u>9,959,619</u>	<u>9,459,619</u>

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 9 December 2014, the Company allotted 3,617,000 Ordinary Shares at US\$1.05 per share (total of US\$3,797,850) Ordinary Shares pursuant to a subscription for new shares (the "Second Subscription").

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

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

Warrants

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 9 December 2014, the Company allotted 3,617,000 Warrants pursuant to the Second Subscription. The Company had agreed that for every Ordinary Share 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 2016, there were 2,680,082 (2015: 945,961) share options available for issue under the Plan of which 1,894,661 (2015: 574,061) had been granted. These granted share options have a weighted average exercise price of US\$1.194 (2015: US\$1.121) per share and a weighted average contractual life of 9.11 years (2015: 8.57 years).

The 2,680,082 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
		<u>2,680,082</u>	

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	135,661	25 September 2014	24 September 2024	1.100	64,555
Series 2	25,500	2 June 2015	1 June 2025	1.155	15,587

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
	<u>1,894,661</u>				

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\$0.547 (2015: US\$0.476). 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			
	2 June 2015	15 January 2016	15 January 2016	15 January 2016
Grant date share price (US\$)	1.40	1.40	1.40	1.40
Exercise price (US\$)	1.155	1.10	1.155	1.265
Expected volatility	22.30%	21.04%	21.04%	21.04%
Option life	10 years	10 years	10 years	10 years
Risk-free annual interest rates	2.27%	2.03%	2.03%	2.03%

The Group recognised a net expense of US\$153,448 (2015: US\$85,364) related to equity-settled share-based payment transactions during the financial year.

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.

	2016		2015	
	Number	Weighted average exercise price US\$	Number	Weighted average exercise price US\$
Balance at start of the financial year	574,061	1.10	435,000	1.10
Granted	1,324,000	1.234	139,061	1.10
Forfeited	(3,400)	1.10	-	-
Balance at end of financial year	<u>1,894,661</u>	1.194	<u>574,061</u>	1.10

No share options were exercised during the financial year.

Movement in share option reserve during the financial year

	2016 US\$	2015 US\$
Balance at start of the financial year	160,113	74,749
Grant of share options	153,448	85,364
Balance at end of financial year	<u>313,561</u>	<u>160,113</u>

18. Other payables

	2016 US\$	2015 US\$
Accruals	130,237	65,195
Other payables	1,184	-
	<u>131,421</u>	<u>65,195</u>

Other payables are denominated in the following currencies:

	2016 US\$	2015 US\$
Singapore dollar	50,613	39,037
United States dollar	57,348	9,251
British pound	20,678	14,999
Euro	2,782	1,908
	<u>131,421</u>	<u>65,195</u>

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 2016, 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 2016 and 31 March 2015 was as follows:

	Directors' fee US\$	Short term employee benefits ⁽³⁾ US\$	Share option plan US\$	Total US\$
<u>Financial year ended 31 March 2016</u>				
Executive directors				
Maung Aung Htun	-	447,208 ⁽¹⁾	58,193	505,401
Anthony Michael Dean	-	429,909 ⁽¹⁾	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
	<u>90,000</u>	<u>877,117</u>	<u>135,696</u>	<u>1,102,813</u>
<u>Financial year ended 31 March 2015</u>				
Executive directors				
Maung Aung Htun	-	334,315 ⁽²⁾	33,370	367,685
Anthony Michael Dean	-	279,903 ⁽²⁾	27,412	307,315
Independent non-executive directors				
Christopher William Knight	30,000	-	2,681	32,681
Craig Robert Martin	25,000	-	4,022	29,022
Christopher David Appleton	25,000	-	5,363	30,363
	<u>80,000</u>	<u>614,218</u>	<u>72,848</u>	<u>767,066</u>

⁽¹⁾ 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.

⁽²⁾ During the financial period ended 31 March 2014 the Executive Directors had agreed to forgo 50% of their compensation unless and until, in accordance with Rule 8 of the AIM Rules for Companies, the Company had "substantially implemented its Investment Policy". This condition was fulfilled with the investment in Myanmar Finance International Limited in September 2014. As such the contingent liability of the unpaid compensation, which amounted to US\$132,968 as at 31 March 2014, was recognised and settled in the financial

year ended 31 March 2015. This amount is included in the Short Term Employee Benefits in the financial year ended 31 March 2015.

⁽³⁾The short term employee benefits also includes rental expenses paid for the Director's accommodation.

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:

	2016 US\$	2015 US\$
Within one financial year	39,000	2,100
After one financial year but within five financial years	-	14,700
	<u>39,000</u>	<u>16,800</u>

21. Dividends

The Directors of the Company do not recommend any dividend in respect of the financial year ended 31 March 2016 (2015: Nil).

22. Financial risk management objectives and policies

The Company's financial risk management objective and policies are available in the audited financial statements, a copy of which can be found on the Company's website at www.myanmarinvestments.com.

23. Subsequent events

Apollo Warrant

On 16 June 2016, MIL4 acquired 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. As a result of this MIL 4 now has an effective equity interest of 14.0% in Apollo and the Company's indirect equity interest in Apollo is 9.3%.

Equity fund raising

On 16 September 2016, the Company raised US\$4,219,081 through the issuance of 3,245,447 new ordinary shares. As part of this fund raising the Company also issued 811,368 new warrants.

Notes to Editors:

Myanmar Investments International Limited (“MIL”) is the first Myanmar-focused investment company to be admitted to trading on the AIM market of the London Stock Exchange. It was established in 2013 to act as a conduit for overseas investors to invest in businesses led by dynamic and visionary Myanmar entrepreneurs and foreign companies investing in the country. MIL is led by co-founders Aung Htun and Mike Dean, private equity professionals and entrepreneurs with a strong regional track record of investment and profitable exits in SE Asia.

MIL aims to identify investments with strong growth which if necessary can be “de-risked” through the introduction of experienced senior line-management, mentors and/or strategic partners sourced by its Founders. Key sectors are those experiencing acute supply vs. demand imbalances, such as consumer and other capacity-constrained sectors.

To date, MIL has invested in Apollo Towers, a top 3 telecom towers company with 1,800 towers, and MFIL, a top 10 microfinance company whose loan book has grown over 400% since investment. With its strong proprietary investment pipeline of deals, MIL provides investors with a highly disciplined and conservative investment process into one of the most promising growth opportunities of this era.

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

Following the general elections in Myanmar in November 2015 the National League for Democracy, led by Daw Aung San Suu Kyi, won an overwhelming majority of the seats and the new administration took power on 1 April 2016.

In September 2016 President Obama announced the intention of the United States government to lift all remaining sanctions against Myanmar and re-admit the country into its preferred tariff system.

For more information about MIL, please visit www.myanmarinvestments.com