

8 December 2016

This announcement contains inside information

Myanmar Investments International Limited

Unaudited interim results for the six months ended 30 September 2016

Myanmar Investments International Limited (AIM:MIL) (“Myanmar Investments”, “MIL” or the “Company”), the AIM-quoted Myanmar focused investment company, today announces its unaudited interim financial results for the six months to 30 September 2016.

All dates refer to 2016 unless otherwise stated.

Highlights

Myanmar update

- IMF expects GDP growth to continue at 7.7%pa over the next 5 years
- The United States has removed all remaining sanctions against Myanmar and re-admitted the country to its GSP preferential tariff system
- The new Myanmar Investment Law passed in October will streamline and simplify foreign direct investment (“FDI”)
- On-going reforms continue in key sectors of the economy

Myanmar Investments International Limited update

- Apollo Towers
 - Completed approximately 1,800 towers with plans to build another 2,000
 - Secured a US\$250 million loan from the United States government’s Overseas Private Investment Corporation (“OPIC”) to support the company’s growth
 - The imminent entry of a fourth telecom operator into the Myanmar economy is expected to provide a significant uptick in colocation adding further momentum to Apollo’s growing EBITDA
- Myanmar Finance International Limited (“MFIL”)
 - Secured a US\$1 million, local-currency loan from Maybank, the first of a series of debt financings planned for the coming years
 - Since investing in September 2014, the borrowers have grown to over 38,000 and the loan book to MMK 6.5 billion (US\$5 million; CAGR of 95% and 185% respectively)
 - Branch network of six branches with plans to open four more in the coming year
- The Company has continued to develop a strong pipeline with a focus on consumer related and capacity constrained opportunities
- MIL is currently evaluating a number of deals in retail, healthcare, mobile financial services, tourism, energy, logistics and education
- Successful completion of a US\$4.2 million subscription in September from new and existing shareholders
- Considering an additional listing for the Company in Asia
- Hosted its annual Investor Day in Yangon which was well attended and well received

For the six months to 30 September the Company’s unaudited consolidated loss after tax was US\$1.33 million. This represents:

- recurrent overheads associated with running the Company’s business (US\$1.08 million); and

- the impact of the share based payments arising from the Company’s Employee Share Option Plan (US\$253,000).

The Directors have determined that MIL’s net asset value as at 30 September was US\$27.2 million, or US\$0.89 per share. This does not reflect any embedded gains within the investments and represents a 12.1% increase in the net asset value over the 6-month period to 30 September which is mainly attributable to :

- the equity fund raising in September of US\$4.2 million; less
- the cash overheads of US\$1.08 million for the period.

Aung Htun, the Company’s Managing Director, commented, “Myanmar is going through a transitional period as the new administration finds its feet and charts the means to achieve its long term policy goals. Whilst this has meant a slowdown in business activity, measured for example by FDI, it does not reflect the grassroots economic momentum that we witness here on the streets, in the factories and in the shops. As such we remain bullish on Myanmar’s near term and longer term prospects.”

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
 +95 1 391 804
 +95 94 0160 0501
 aughtun@myanmarinvestments.com

Michael Dean
 Finance Director
 Myanmar Investments International Ltd
 +95 1 391 804
 +95 94 2006 4957
 mikedean@myanmarinvestments.com

Nominated Adviser

Philip Secrett / Jamie Barklem/
 Carolyn Sansom
 Grant Thornton UK LLP
 +44 (0) 207 383 5100

Broker

Andrew Pinder / David Herring
 Alistair Roberts (Hong Kong)
 Investec Bank plc
 +44 (0) 207 597 4000

Further information can be obtained from the Company’s website www.myanmarinvestments.com.

CHAIRMAN'S LETTER

COUNTRY UPDATE

The foundations of Myanmar's growth continue to strengthen. In the past few months we have seen a number of key steps forward across a range of economic, social and political issues.

The new administration has continued the reform process started by its predecessor. We now have a new Foreign Investment Law that will simplify and streamline the process of making investments into Myanmar. In the government's pipeline we also have the new Companies Act which will significantly modernise the legal framework for companies doing business here.

Equally significantly was the US Government's decision to cancel all remaining sanctions against Myanmar and at the same time admit the country into its Generalised System of Preferences ("GSP") preferential tariff system. As His Excellency Scot Marciel, the US Ambassador to Myanmar, explained at MIL's annual Investor Day in October, this removes a significant impediment to companies engaging with Myanmar and we expect there to be a material increase in FDI and general trading as a result.

COMPANY UPDATE

During this period the Company has continued to advance in three key areas:

- Solid performance by both of our investments;
- Good progress on developing our pipeline; and
- Raising additional equity funding to continue our growth momentum.

Apollo Towers

Apollo Towers Pte. Ltd. ("Apollo") continues to play a leading role in Myanmar's fast-paced telecommunication sector and connecting the vast country that is Myanmar. Apollo is close to completing its second order for Telenor and currently boasts a tower portfolio of approximately 1,800 towers making it Myanmar's second largest independent tower company. What is more, Apollo has secured a US\$250 million loan facility from the United States' OPIC, which will be instrumental to growing Apollo's portfolio by an additional 2,000 towers in the medium term.

In addition to expanding its asset base, Apollo has positioned itself for the expected entry of the fourth telecom operator – a joint venture between Vietnam's Viettel, a consortium of 11 Myanmar companies and Myanmar Economic Corporation. The Myanmar telco tower environment has been very conducive to high tenancy rates and the entry of the fourth operator is certain to boost co-location rates further. The Myanmar telecommunications sector continues to be an attractive space and a major focal point in the country's successful reform process.

MFIL

Myanmar Finance International Ltd. ("MFIL"), our microfinance business, has continued to exhibit strong growth during the period. Since the Company's investment in September 2014, the number of borrowers and the loan portfolio has grown to over 38,000 borrowers and 6.5 billion kyats (US\$5 million) as of 30 September; a CAGR of 95% and 185% respectively. As a result of this MFIL has enjoyed strong profit growth on an unlevered basis.

On 31 October, MFIL secured a US\$1 million-equivalent, local-currency loan from Malayan Banking Berhad, Yangon Branch ("Maybank"). The loan from Maybank will allow MFIL to further increase its outreach and expand its loan portfolio. By adding gearing to MFIL's funding this will also have a significant positive uplift in MFIL's return on equity.

In addition, MFIL plans to launch new products and open a further four branches within the next 12 months. The Company intends to continue to play an active role to assist MFIL to secure further debt financing in the coming years, as MFIL consolidates its position as one of the leading microfinance operators in Myanmar.

Pipeline

We continue to see a large number of investment opportunities; to date we have evaluated over 185 potential investments.

We sift quickly through these and hone in on those that offer credible risk-adjusted returns. Typically, these are situations with:

- 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; or
- foreign players, well experienced in their sector, looking to enter the same, often untouched, space in Myanmar – Apollo would be an example of this.

From these we have seen two trends emerging: consumer related and capacity constrained opportunities.

Consumer related opportunities

This is a nascent sector with a limited number of mainly small operators. However, experience elsewhere in the region has shown that this sector at this stage can yield significant growth. The predicted growth of the Middle and Affluent Class (“MAC”) and the significant increase in their disposable income is expected to drive demand for many years to come.

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

A recurrent feature of the consumer sector 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 either be sold to multinationals in 3 to 5 years or held for their cashflows.

Capacity constrained opportunities

These represent situations where there is an acute imbalance between supply and demand and yet a significant requirement for capital investment to unlock the supply. Typically, these are larger ticket opportunities (up to US\$25 million). Often we look to partner 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.

Given the size of these investments we would look to bring in a syndicate of investors (possibly including our own shareholders) but hold an appropriate sized investment on our own books. 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 include 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 debt funding from third parties (DFIs, international banks, etc) is also more readily available. The US\$250 million loan from the US Government's OPIC to Apollo would be an illustration of this.

In this space we are well advanced on a number of opportunities in power, mobile money and logistics and hope to announce one or more of these in due course.

Financial Performance

For the six months to 30 September MIL's unaudited consolidated loss after tax was US\$1.33 million.

This represents:

- the overheads associated with running the Company's business (US\$1.08 million); and
- the impact of the share based payments arising from the Company's Employee Share Option Plan ("ESOP") (US\$253,000).

The non-cash share based payment charge of US\$253,000 is a significant increase over prior periods. This arises following the delayed granting of most of the remaining ESOPs, that had been available but not granted, in January 2016. Following the accounting treatment for this, the impact on the Company's financial performance is spread over the 3 year vesting period and therefore will remain at around this annualised level for the full year to 31 March 2017.

It should be noted that for the same 6-month period last year the consolidated loss after tax, excluding the share based payments, was US\$1.07 million. As such the level of cash overheads for the 6 months to 30 September has risen by only \$10,000 in the past year.

The Directors have determined that MIL's Net Asset Value ("NAV") as at 30 September was US\$27.2 million, or US\$0.89 per share. This represents a 12.1% increase in the NAV over the 6-month period to 30 September which is mainly attributable to:

- the equity fund raising in September of US\$4.2 million; less
- cash overheads (ie excluding the impact of the ESOP) of US\$1.08 million.

In accordance with the Company's stated policy, the Company's investments in Apollo and MFIL have been determined by reference to the prevailing International Private Equity and Venture Capital Guidelines. As such both investments have been valued at transactions that have taken place in the past 12 months. For Apollo the valuation is derived from the pricing for the share subscription in December 2015, which was agreed amongst the shareholders to be the same price that MIL paid when it first invested in July 2015. For MFIL the valuation is based on the embedded pricing used when Norfund exercised their option to become a 25% shareholder in MFIL in November 2015.

As such these values do not necessarily reflect what might be considered to be the realisable value of the investments.

In the following unaudited financial statements, which have been prepared in compliance with IFRS, the net asset value differs from the above stated value due to the following differences:

	US\$
NAV at end of period as per the unaudited financial statements	27,088,125
Less: Apollo transaction costs ^{Note 1}	(190,388)
Add: MFIL difference in valuation methodology ^{Note 1}	<u>339,334</u>
NAV at end of period as per the Directors' valuation	<u><u>27,237,071</u></u>

Note 1 – further details on the differences between the IFRS basis of valuation adopted in the unaudited financial statements and the valuation adopted by the Directors, in accordance with the International Private Equity and Venture Capital Guidelines, can be found in the Executive Directors Report in the Company's 2016 Annual Report which can be found on our website at www.myanmarinvestments.com.

Fundraising

On 16 September the Company raised US\$4.2 million through an equity issue of new ordinary shares and warrants. The proceeds will be used for future investment as well as covering the Company's general overheads. Whilst existing shareholders continued to support the Company's growth, new shareholders also participated in this round.

MIL has now raised over US\$34 million since inception from a broad based group of shareholders with an increasing number of institutional investors. In accordance with the Company's strategy we will consider raising additional equity to fund further investments.

We are also examining the prospects for establishing an additional listing for the Company in Asia. We believe that a listing nearer Myanmar may be of benefit in attracting regional investors, both institutional and retail, which in turn could help build liquidity in the trading of the Company's shares and warrants. That said, since the appointment of Investec, as our corporate broker in February, our liquidity has increased fourfold.

Investor Day

We were pleased to host our annual Investor Day conference on 17 October 2016. The event attracted a significant group of institutional and high net worth investors from Europe and Asia, who joined us in Yangon for two days to review and discuss the economic and political situation in Myanmar. We also included a tour of economic developments in downtown Yangon as well as presentations by the management of our two investments. The conference was very well received and we look forward to hosting next year's Investor Day in October 2017 in Yangon.

Outlook

The situation in Myanmar continues to steadily improve, though possibly not as fast as some would have liked. Nonetheless we believe the progress is sustainable and irreversible.

Against this backdrop our two investments continue to perform well and both of them have scope for strong growth for the foreseeable future.

Additionally, we are working on a number of exciting new investments. The pace of concluding these may not have been as fast as one might have hoped for as we have prioritised the prudence and discipline gained from decades of experience in this area. Nonetheless opportunities abound and with skill and patience we are confident we can continue to deploy the funds we have raised into attractive investments.

With our focus on consumer and capacity constrained opportunities we believe these will provide us with both capital gains and strong recurrent cashflows.

I should like to thank all of the staff for their hard work over this period and commend the Executive Directors for keeping our overheads in line with last year's and well within budget.

My thanks also to my fellow shareholders for your continued support.

William Knight

Chairman

7 December 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Present Interims	Prior Interims⁽¹⁾	Prior Full Year
	Note	1 April 2016 to 30 Sept 2016	1 April 2015 to 30 Sep 2015	1 April 2015 to 31 March 2016
		Unaudited	Unaudited	Audited
		US\$	US\$	US\$
Revenue		-	-	-
Other item of income				
Other income	4	75	-	21,090
Items of expense				
Employee benefits expense	5	(846,445)	(710,286)	(1,384,158)
Depreciation expense	12	(8,381)	(7,305)	(14,996)
Other operating expenses		(515,423)	(386,417)	(840,653)
Finance costs	6	(6,761)	(5,984)	(14,413)
Share of results of joint venture, net of tax	10	47,942	(1,811)	16,485
Loss before income tax	7	(1,328,993)	(1,111,803)	(2,216,645)
Income tax expense	8	(5,382)	(1,251)	(19,009)
Loss for the financial period		(1,334,375)	(1,113,054)	(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		(55,153)	-	(188,435)
Exchange differences arising from dilution of interest in joint ventures		-	-	107,303
Other comprehensive income for the financial period, net of tax	10	(55,153)	-	(81,132)
Total comprehensive income for the financial period		(1,389,528)	(1,113,054)	(2,316,786)
Loss attributable to:				
Owners of the parent		(1,332,330)	(1,113,054)	(2,233,369)
Non-controlling interests		(2,045)	-	(2,285)
		(1,334,375)	(1,113,054)	(2,235,654)
Total comprehensive income attributable to:				
Owners of the parent		(1,387,483)	(1,113,054)	(2,314,501)
Non-controlling interests		(2,045)	-	(2,285)
		(1,389,528)	(1,113,054)	(2,316,786)
Loss per share (cents)				
- Basic and diluted	9	(4.84)	(6.79)	(10.21)

(1) Restated to conform to the Company's accounting policies as detailed in the audited financial statements for the year to 31 March 2016, a copy of which can be found on the Company's website at www.myanmarinvestments.com.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Present Interims 1 April 2016 to 30 Sept 2016 <i>Unaudited</i> US\$	Prior Interims⁽¹⁾ 1 April 2015 to 30 Sep 2015 <i>Unaudited</i> US\$	Prior Full Year 1 April 2015 to 31 March 2016 <i>Audited</i> US\$
ASSETS				
Non-current assets				
Investment in joint venture	10	1,806,746	1,715,051	1,813,957
Available for sale financial assets	11	31,395,522	30,182,725	31,385,522
Plant and equipment	12	9,556	19,305	16,887
		33,211,824	31,917,081	33,216,366
Current assets				
Other receivables		155,934	47,236	91,750
Cash and cash equivalents		4,545,048	3,608,234	1,386,059
		4,700,982	3,655,470	1,477,809
TOTAL ASSETS		37,912,806	35,572,551	34,694,175
EQUITY AND LIABILITIES				
Equity				
Share capital	14	32,833,525	28,788,345	28,765,805
Share option reserve	15	566,870	201,996	313,561
Accumulated losses		(6,175,985)	(3,723,340)	(4,843,655)
Foreign exchange reserve		(136,285)	-	(81,132)
Equity attributable to owners of the parent		27,088,125	25,267,001	24,154,579
Non-controlling interests		10,396,603	10,000,000	10,398,648
Total equity		37,484,728	35,267,001	34,553,227
LIABILITIES				
Current liabilities				
Other payables		414,760	304,299	131,421
Income tax payable		13,318	1,251	9,527
Total current liabilities		428,078	305,550	140,948
TOTAL EQUITY AND LIABILITIES		37,912,806	35,572,551	34,694,175
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		27,088,125	25,267,001	24,154,579

(1) Restated to conform to the Company's accounting policies as detailed in the audited financial statements for the year to 31 March 2016, a copy of which can be found on the Company's website at www.myanmarinvestments.com.

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 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\$
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 period					(1,332,330)	(1,332,330)	(2,045)	(1,334,375)
Other comprehensive income for the financial period								
Exchange losses arising on translation of foreign operations	10			(55,153)		(55,153)		(55,153)
Total other comprehensive income for the financial period				(55,153)		(55,153)		(55,153)
Total comprehensive income for the financial period				(55,153)	(1,332,330)	(1,387,483)	(2,045)	(1,389,528)
Total transactions with non-controlling interests								
Contributions by and distributions to owners								
Issue of shares	14	4,224,591				4,224,591		4,224,591
Share issue expenses	14	(156,871)				(156,871)		(156,871)
Grant of share options to employees	15		253,309			253,309		253,309
Total contributions by and distributions to owners		4,067,720	253,309			4,321,029		4,321,029
At 30 September 2016		32,833,525	566,870	(136,285)	(6,175,985)	27,088,125	10,396,603	37,484,728

**UNAUDITED 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\$
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 losses 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		-	-	-	-	-	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	14	19,942,397	-	-	-	19,942,397	-	19,942,397
Share issue expenses	14	(172,874)	-	-	-	(172,874)	-	(172,874)
Grant of share options to employees	15	-	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

CONSOLIDATED STATEMENT OF CASH FLOWS

		Present Interims	Prior Interims⁽¹⁾	Prior Full Year
		Period ended 30 Sept 2016	Period ended 30 Sept 2015	Period ended 31 March 2016
		Unaudited	Unaudited	Audited
	Note	US\$	US\$	US\$
Operating activities				
Loss before income tax		(1,328,993)	(1,111,803)	(2,216,645)
Adjustments for:				
Interest income	4	(75)	-	(181)
Finance costs	6	6,761	5,984	14,413
Depreciation of plant and equipment	12	8,381	7,305	14,996
Share-based payment expense	15	253,309	41,883	153,448
Share of results of joint venture, net of tax	10	(47,942)	1,811	(16,485)
Gain on dilution of interest in joint venture		-	-	(20,909)
Operating cash flows before working capital changes		(1,108,559)	(1,054,820)	(2,071,363)
Changes in working capital:				
Other receivables		(64,184)	41,618	(2,896)
Other payables		283,339	239,090	66,226
Cash used in operations		(889,404)	(774,112)	(2,008,033)
Interest received		75	-	181
Finance costs paid		(6,761)	(5,984)	(14,413)
Income tax paid		(1,591)	(1,251)	(10,747)
Net cash flows used in operating activities		(897,681)	(781,347)	(2,033,012)
Investing activities				
Investment in available for sale securities	11	(10,000)	(30,182,725)	(31,385,522)
Investment in joint venture	10	-	(266,667)	(407,500)
Purchase of plant and equipment	12	(1,050)	(2,358)	(7,631)
Net cash flows used in investing activities		(11,050)	(30,451,750)	(31,800,653)
Financing activities				
Contribution from non-controlling interests to a subsidiary		-	10,000,000	10,400,933
Net proceeds from issuance of shares	14	4,067,720	19,792,064	19,769,523
Increase in short-term deposits pledged		-	-	(163)
Net cash flows generated from financing activities		4,067,720	29,792,064	30,170,293
Net change in cash and cash equivalents		3,158,989	(1,441,033)	(3,663,372)
Cash and equivalents at beginning of the year		1,349,915	5,013,287	5,013,287
Cash and equivalents at end of financial period		4,508,904	3,572,254	1,349,915

(1) Restated to conform to the Company's accounting policies as detailed in the audited financial statements for the year to 31 March 2016, a copy of which can be found on the Company's website at www.myanmarinvestments.com.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 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.

Details of the Company’s investment in its joint venture are disclosed in Note 10; its investment in available-for-sale financial assets are disclosed in Note 11 and 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 six month period ended 30 September 2016 were approved by the Board of Directors on 7 December 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 for the year to 31 March 2016 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, 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 for the year to 31 March 2016, 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 for the year to 31 March 2016, a copy of which can be found on the Company’s website at www.myanmarinvestments.com.

4. Other income

	6 months to 30 September 2016 US\$	6 months to 30 September 2015 US\$	Year ended 31 March 2016 US\$
Interest income	75	-	181
Gain on dilution of interest in joint venture	-	-	20,909
	<u>75</u>	<u>-</u>	<u>21,090</u>

5. Employee benefits expense

	6 months to 30 September 2016 US\$	6 months to 30 September 2015 US\$	Year ended 31 March 2016 US\$
Salaries, wages and other staff benefits	593,136	668,403	1,230,710
Share option expenses	253,309	41,883	153,448
	<u>846,445</u>	<u>710,286</u>	<u>1,384,158</u>

The employee benefits expense includes the remuneration of Directors as disclosed in Note 16.

6. Finance costs

Finance costs represent bank charges for the financial period.

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:

	6 months to 30 September 2016 US\$	6 months to 30 September 2015 US\$	Year ended 31 March 2016 US\$
Auditor's remuneration	21,183	24,836	48,791
Consultants fees	226,101	124,461	264,591
Foreign exchange loss, net	-	-	1,242
Operating lease expenses	40,473	60,400	83,460
Professional fees	13,618	19,877	16,076
Travel and accommodation	53,276	26,891	84,998

8. Income tax

Income tax represents tax arising from the provision of inter-company management services.

9. Loss per share

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

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

	6 months to 30 September 2016	6 months to 30 September 2015	Year ended 31 March 2016
Loss for the financial period attributable to owners of the Company (US\$)	(1,332,330)	(1,113,054)	(2,233,369)
Weighted average number of ordinary shares during the financial period applicable to basic loss per share	27,553,577	16,403,349	21,884,673
Loss per share			
Basic and diluted (cents)	(4.84)	(6.79)	(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.

10. Investment in joint venture

	6 months to 30 September 2016 US\$	6 months to 30 September 2015 US\$	Year ended 31 March 2016 US\$
Investment in joint venture (37.5%)			
At 1 April	1,813,957	1,450,195	1,450,195
Investments during the year	-	266,667	407,500
Share of results of joint venture, net of tax	47,942	(1,811)	16,485
Foreign exchange adjustment	(55,153)	-	(81,132)
Gain on dilution of interest in joint venture	-	-	20,909
At period end	<u>1,806,746</u>	<u>1,715,051</u>	<u>1,813,957</u>

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 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%. MIL equity capital contributions to date totalled US\$1,779,167.

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 to 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.

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.

11. Available-for-sale financial assets

	6 months to 30 September 2016 US\$	6 months to 30 September 2015 US\$	Year ended 31 March 2016 US\$
Available-for-sale financial assets			
Unquoted equity shares, at cost	31,395,522	30,182,725	31,385,522

MIL 4 Limited ("MIL 4"), a 66.67% owned subsidiary (see Note 13), was incorporated by the Company to acquire shares in Apollo Towers Pte. Ltd. ("Apollo"), an unquoted Singapore incorporated company.

On 29 July 2015, MIL 4 acquired a 14.18% stake in Apollo 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 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 MIL4 now has an effective equity interest of 14.0% in Apollo and the Company's effective equity interest in Apollo is 9.3%.

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

In accordance with IFRS, 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\$
Financial period ended 30 September 2016				
Cost				
Balance at 1 April 2016	13,739	4,580	30,155	48,474
Additions	625	-	425	1,050
Balance at 30 September 2016	14,364	4,580	30,580	49,524
Accumulated depreciation				
Balance at 1 April 2016	7,649	1,599	22,339	31,587
Depreciation for the financial period	2,495	764	5,122	8,381
Balance at 30 September 2016	10,144	2,363	27,461	39,968
Carrying amount				
Balance at 30 September 2016	4,220	2,217	3,119	9,556

Financial year ended 31 March 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	Proportion of
			ownership interest held by the Group %	ownership interest held by non-control interests %
Myanmar Investments Limited	Singapore	Investment holding company	100	-
MIL Management Pte. Ltd.	Singapore	Provision of management services to the Group	100	-
MIL No. 2 Pte. Ltd.	Singapore	Dormant	100	-
MIL No. 3 Pte. Ltd.	Singapore	Dormant	100	-
MIL 4 Limited	British Virgin Islands	Investment holding company	66.67	33.33
<i>Held by MIL Management Pte. Ltd.</i>				
MIL Management Co., Ltd	Myanmar	Provision of management services to the Group	100	-

14. Share capital

	6 months to 30 September 2016 US\$	6 months to 30 September 2015 US\$	Year to 31 March 2016 US\$
Issued and fully-paid share capital:			
Ordinary shares at the beginning of the financial period	28,765,805	8,996,282	8,996,282
Issuance of ordinary shares during the financial period	4,224,591	19,942,397	19,942,397
Share issuance expenses	(156,871)	(150,334)	(172,874)
	32,833,525	28,788,345	28,765,805

Equity Instruments in issue	Ordinary Shares	Warrants
At the beginning of the financial period	27,300,833	15,240,027
Issued during the financial period	3,245,447	811,368
Warrant conversion	7,347	(7,347)
At the end of the financial period	30,553,627	16,044,048

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.

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

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

Warrants

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.

15. Share option reserve

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

Details of the Share Option Plan (the "Plan") are available in the audited financial statements for the year to 31 March 2016, a copy of which can be found on the Company's website at www.myanmarinvestments.com.

As at 30 September 2016, there were 3,004,628 share options available for issue under the Plan of which 2,089,761 had been granted. These granted share options have a weighted average exercise price of US\$1.201 per share and a weighted average contractual life of 8.72 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
		<u>3,004,628</u>	

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

Option series	Number of share options	Grant date	Expiry date	Exercise price (USD)	Fair value at grant date
Series 1	410,000	27 June 2013	26 June 2023	1.100	153,495
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	200,000	28 June 2016	27 June 2026	1.265	139,847
	<u>2,089,761</u>				

Fair value of share options granted in the financial period

The weighted average fair value of the share options granted during the financial period was US\$0.699. Share options were priced using Black-Scholes option pricing model. 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
Grant date share price (US\$)	1.628
Exercise price (US\$)	1.265
Expected volatility	22.47%
Option life	10 years
Risk-free annual interest rates	1.46%

The Group recognised a net expense of US\$253,309 related to equity-settled share-based payment transactions during the financial period.

Movement in share options during the financial period

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

	Number	Weighted average exercise price US\$
Balance at start of the financial period	1,894,661	1.194
Granted	200,000	1.265
Forfeited	(4,900)	1.117
Balance at end of financial period	<u>2,089,761</u>	<u>1.201</u>

No share options were exercised during the financial period.

Movement in share option reserve during the financial period

	6 months to 30 September 2016 US\$	6 months to 30 September 2015 US\$	Year ended 31 March 2016 US\$
Balance at start of the financial period	313,561	160,113	160,113
Grant of share options	253,309	41,883	153,448
Balance at end of financial period	<u>566,870</u>	<u>201,996</u>	<u>313,561</u>

16. Significant related party disclosures

Compensation of key management personnel

Director remuneration for the six month period ended 30 September 2016 is as follows:

	Directors' fee US\$	Short term employee benefits ⁽¹⁾ US\$	Share option plan US\$	Total US\$
Executive directors				
Maung Aung Htun	-	178,434	89,935	268,369
Anthony Michael Dean	-	167,558	82,141	249,699
Independent non-executive directors				
Christopher William Knight	20,000	-	16,451	36,451
Craig Robert Martin	15,000	-	16,552	31,552
Christopher David Appleton	15,000	-	16,652	31,652
Henrik Bodenstab	11,200	-	-	11,200
	<u>61,200</u>	<u>345,993</u>	<u>221,731</u>	<u>628,924</u>

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

17. Dividends

The Directors of the Company do not recommend any dividend in respect of the six month period ended 30 September 2016.

18. Financial risk management objectives and policies

The Company's financial risk management objectives and policies are available in the audited financial statements for the year to 31 March 2016, a copy of which can be found on the Company's website at www.myanmarinvestments.com.

19. Subsequent events

There have been no material subsequent events since the period end.