

**Myanmar Investments International Limited**

**Interim results to 30 September 2017 & strategic update**

Myanmar Investments International Limited [AIM: MIL] (“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 2017. This also includes detail on the Company’s recent performance, an update of the strategy and prospects for its next stage of growth. All financial estimates are based on unaudited initial management estimates. All dates are in the year 2017 unless otherwise stated.

**Overview**

The Company now has four core business lines in Myanmar all of which are performing well and all of which have a positive impact on the lives of Myanmar citizens. The Company has a strong pipeline of new opportunities and is now looking to raise funds to consummate some of these. The most significant of these is a potential US\$62 million investment into the telecom tower sector, an industry the Company knows well. The Company’s loss per share for the period was 15.7% lower than for the previous year.

**Summary update**

- MIL’s existing joint venture businesses have achieved positive results over the period:
  - Apollo Towers Pte Ltd (“Apollo Towers”), one of Myanmar’s leading telecom tower companies with an approximate 13% share of the Myanmar telecom tower market, is steadily growing the number of co-tenancies on its towers. It has also secured additional funding during the period that has strengthened its financial position.
  - MIL is evaluating a substantial investment opportunity in Myanmar’s telecom tower space which is expected to have a significant positive impact on its telecom towers business.
  - Myanmar Finance International Limited (“MFIL”), the Company’s microfinance joint venture, has continued to grow its business on the back of additional debt funding. As a result, its loan book has increased by a Combined Annual Growth Rate (“CAGR”) of 109% (since investment) to US\$7.8 million and the number of borrowers has increased to about 51,000.
- The Company formed a new joint venture during the period and another just after the period end:
  - In May, the Company set up Medicare International Health & Beauty (“MIHB”), a joint venture with Medicare of Vietnam. To date MIL has invested US\$895,000 for a 47.1% stake in this greenfield pharmacy, health and beauty franchise business and, as previously announced, has plans to invest up to US\$5 million as the roll-out of the stores progresses. We already have four stores open and two more on the way.
  - In October, the Company established Myanmar Voyages Group, a tourism joint venture which will acquire a stake in a well-established travel agency and tour operator as well as investing in additional tourism related assets such as hotels, specialised tourist attractions and restaurants. To date MIL has committed to invest US\$800,000 and plans to invest further as part of the programme to acquire additional tourism assets.

- MIL continues to keep its cash overheads tightly under control. In the period to 30 September, management estimates the cash overheads were around US\$1.09 million which is broadly in line with the same period in the previous year. On a per share basis this equates to a 15.7% reduction year-on-year.
- As at 30 September, management estimates the Company had cash resources of approximately US\$8.3 million (2016: US\$4.5 million).
- The Company continues to develop its proprietary business pipeline in segments of the economy where the Directors see investment and growth opportunities arising; currently the focus is on prospective investments in the telecom, financial services, hospitality, consumer and education sectors. The Directors are also looking at a number of compelling opportunities that fall outside these core focus sectors.
- In June, the Company raised US\$7.3 million from existing shareholders and new investors, including institutional investors, family offices, high net worth individuals and, through the PrimaryBid platform, retail and other investors.
- The transition from military dictatorship to civilian government continues though not without its difficulties. Whilst the situation in Rakhine stems from a complex and historically charged background, the inexcusable humanitarian crisis clearly needs to be remedied promptly. We anticipate that any international action is likely to be targeted and designed to not impact the substantive positive developments that have been achieved elsewhere in the country. Progress, in the form of advancement in education, healthcare, infrastructure, political reform and economic growth, continues unabated.

## **Apollo Towers**

### *Background*

Apollo Towers is the second largest independent telecom tower company in Myanmar. Established in 2013 it provides tower and power services to all of the countries mobile network operators, being Telenor of Norway (Apollo Towers' anchor tenant), Ooredoo of Qatar, MPT (the state-owned enterprise jointly managed with KDDI and Sumitomo) and the newly established, Viettel-led consortium, MyTel.

MIL first invested in Apollo Towers in July 2015 when it led a consortium of investors that invested US\$30 million for a 14.18% shareholding in Apollo Towers. The other shareholders are TPG Growth ("TPG"), the middle market and growth equity investment platform of TPG (formerly Texas Pacific Group), the global investment firm, and Sanjiv Ahuja, the ex-Orange CEO. As at 30 September 2017, MIL's indirect shareholding in Apollo Towers is now 9.0% for a cost of US\$21 million. In June 2016, Apollo Towers successfully secured a US\$250 million loan from the United States' Overseas Private Investment Corporation ("OPIC") marking OPIC's first financing in the country.

### *Update*

- The Myanmar telecoms sector continues to experience solid growth with continuing demand for capacity expansion. Myanmar's mobile penetration rate continues to grow with estimates currently as high as 89%. Myanmar presently has 13,000 towers and is expected to reach 23,000 towers within the next few years.

- Apollo Towers has nearly doubled its tower portfolio to 1,800 towers since MIL's investment in 2015 and the company has plans for 700 more towers to be constructed in its next phase of development with capacity for building a further 600 towers thereafter.
- 13% of Myanmar's telecom towers are now under Apollo Towers' management, making it the second largest independent telecom tower in Myanmar.
- Apollo Towers is experiencing a significant increase in the number of co-tenants on its towers from both the imminent entry of Myanmar's new operator, MyTel, and also the country's multiple new internet service providers. As at 30 September 2017 its co-location rate (meaning the number of multiple tenancies on its towers) was 1.5 times. Apollo Towers is targeting a co-location rate of 2.0 times by the end of this financial year at 31 March 2018.
- Management estimates Apollo Towers' EBITDA for the six months to 30 September 2017 was US\$7.5 million.
- During the period to 30 September 2017, Apollo Towers successfully closed a round of mezzanine debt to enable it to settle all its existing trade debts and to ensure it is well placed to grow through further drawdowns of its OPIC loan facility.
- There is an opportunity to significantly increase MIL's participation in the telecom tower industry in Myanmar. If successful, the transactions (including a consolidation of assets) would result in MIL holding an interest in the country's largest independent telecom tower company. MIL has the opportunity to invest up to US\$62million in this potential transaction.

### **Myanmar Finance International Limited ("MFIL")**

#### *Background*

MFIL is one of the leading microfinance operators in Myanmar and provides small loans (US\$153 on average per borrower, but it can be as high as US\$7,300) to small-scale business operators in rural and semi-urban areas in Yangon and Bago. It is one of the few approved deposit-taking microfinance institutions in Myanmar.

MFIL was established as a microfinance joint venture in August 2014 by MIL and Myanmar Finance Company Limited ("MFC") a company controlled by U Htet Nyi, a Myanmar entrepreneur and honorary consul for Norway and Finland. In November 2015, the Norwegian Investment Fund for Developing Countries ("Norfund"), the Norwegian development finance institution, also became a shareholder such that the shareholdings today are MIL 37.5%, MFC 37.5% and Norfund 25%, with a total paid up capital of nearly US\$5 million. MIL's total investment cost to date is US\$1.7 million.

#### *Update*

- During the six months to 30 September, MFIL continued its strong growth trajectory with its borrower base now at around 51,000 borrowers and its loan book up to MMK 10.6 billion (US\$7.8 million), a CAGR of 70% and 109% respectively since MIL's initial investment.
- The average loan size provided by MFIL has increased by 160% to MMK 208,000 (US\$153) from MMK 80,000 at the time of the initial investment.

- Management estimates that MFIL's net profit after tax ("NPAT") for the six months to 30 September 2017 was US\$151,000.
- MFIL has not incurred any non-performing loans ("NPLs") since MIL invested in 2014.
- MFIL has launched a new micro-business product to complement the strong and steady growth in its core group loan business.
- It now has eight branches, including five in Yangon and three in Bago.
- MFIL has US\$3 million worth of Kyat-denominated debt facilities now in place. MFIL is working to finalise additional Kyat loans from a number of development finance institutions. MFIL's shareholders may provide additional financing ahead of closing loans from third parties so as not to slow down the growth of the core lending business.
- MFIL is profitable and by taking on additional leverage, with no foreign currency exposure, it will continue to increase its profitability. The fact that it has incurred no NPLs is attributable to its prudent business model and strong banking discipline.

### **Medicare International Health & Beauty ("Medicare")**

#### *Background*

Medicare operates a nascent chain of modern pharmacy, health and beauty franchise stores. All of these stores demonstrate the "Medicare" brand concept of being informative, friendly and bright with an energetic and smart style. Similar to a "Boots", "Watsons" or "Walgreens", such branded quality chains are not yet common in Myanmar; the bulk of the 8,000 or so pharmacies in Myanmar are stand alone "Mom & Pop" stores.

In May 2017, MIL formed this greenfield joint venture. The Company initially held a 45% interest (subsequently increased to 47.1%) in the joint venture and the joint venture partners are:

- Medicare Vietnam, Vietnam's largest pharmacy, health, beauty and personal care retail group. Medicare Vietnam started in 2001 and today has over 65 outlets throughout Vietnam. The business has built up a reputation with customers for genuine, ethical and affordable everyday health and beauty necessities.
- Randy Guttery, a highly experienced senior executive with many decades' experience in leadership roles at Asian-based retailers in nine countries including Wal-Mart in Korea and India, VinMart in Vietnam and Reliance Markets in India.

#### *Update*

- Since its establishment in May, the Medicare joint venture has already rolled out 4 stores in downtown Yangon with 2 more stores expected to open shortly.
- From a standing start, it now employs over 50 staff, many of whom were sent to Vietnam for their initial training. All the pharmacists are University educated and speak both Myanmar and English.
- At this stage, Medicare is refining its product offering both in terms of the range of products that it offers as well as the locations in which it operates. It is expected that once this testing phase is

concluded, that Medicare will then expand the number of stores to over 50 stores, predominantly in Yangon and the other major cities.

- MIL is excited at the prospects for the pharmacy, healthcare and personal care retail sector given the expected rise in consumer spending power. McKinsey has predicted that the middle and affluent classes in Myanmar are set to boom in the coming years and this segment could grow to 19 million people by 2030, tripling consumer spending from US\$35 billion to US\$100 billion.
- To date MIL has invested US\$895,000 for a shareholding of 47.1% and expects to invest up to US\$5 million as part of the store roll-out programme over the next few years.
- The first three stores were only open for a month during the period to 30 September. The Company's share of the losses for the period, mainly due to start-up costs, amounted to US\$120k.

## **Myanmar Voyages**

### *Background*

- After the period end in October 2017, MIL, together with U Thet Lwin Toh and Daw Lwin Lwin Kyaw, two leading Myanmar tourism entrepreneurs (the "Myanmar Partners"), established Myanmar Voyages.
- The tourism sector in Myanmar is experiencing rapid growth with the number of arrivals having increased at a compound average growth rate of 24% between 2010 to 2016, with tourist arrivals and tourist expenditure in 2016 reaching US\$2.9 million and US\$2.2 billion respectively. Tourist expenditure is forecast to grow to US\$4.5 billion by 2027. As such, tourism is of significant importance to Myanmar as a key export sector bringing in foreign currency as well as providing employment opportunities across the country.

### *Update*

- Myanmar Voyages Group is acquiring 60% of the existing travel agency business of Myanmar Voyage International Tourism Company Limited ("MVI"), which was founded in 1996 by the Myanmar Partners. The Myanmar Partners will continue to hold the remaining 40% of MVI.
- MVI focuses on inbound tourism, serving tourists from markets such as Spain, Scandinavia and Japan, as well as providing land excursion tour packages for cruise liners calling at ports in Myanmar.
- The intention is for Myanmar Voyages to build on the platform that MVI provides and establish or acquire additional assets in the tourism sector including hotels, specialised tourist attractions and restaurants.
- Therefore, Myanmar Voyages is also looking to acquire:
  - a hotel management agreement to run the Serenity Inle Resort, which features bungalow villas on Inle Lake itself as well as villas and rooms on the famous lake shore; and
  - a 30% stake in Culture Attractions Limited ("CAL"), which operates the "Mingalabar Balloon" in Kandawgyi Park, Yangon. This is a static helium balloon that provides panoramic views of Yangon for tourists and domestic visitors. It is a unique feature of the Yangon landscape and not dissimilar to the "London Eye" in terms of its attraction.

- The above planned acquisitions are subject to regulatory approvals and/or final negotiations and further announcements will be made on these in future.
- To date MIL has committed to invest US\$800,000 for a shareholding of 97% in Myanmar Voyages Group. This percentage will come down as the MVI acquisition is subject to an earn-out adjustment over the next two years. MIL expects to make additional investments in Myanmar Voyages as part of the plan to acquire tourism related assets over the next few years.

### **Potential food and beverage retail investment**

- In October, MIL signed an MOU to set up a food and beverage retail joint venture in Myanmar.
- The joint venture partner is an experienced Myanmar retail group.
- The joint venture will acquire an existing coffee shop chain run by the joint venture partner, together with the franchise for a donut chain. The joint venture will acquire a number of other food and beverage master franchises that are already under negotiation with the respective brand owners. It will also further develop several “own brand” food and beverage chains that are at present in the form of test outlets.
- MIL is in the process of negotiating final terms with the joint venture partner and is aiming to finalise contracts for this investment within the next few months.
- It is expected that initially MIL’s investment will be US\$500,000 together with a convertible loan of US\$3.5 million. MIL expects that it will make additional investments into this joint venture as the business expands, both in terms of the number of outlets it owns but also in the number of franchises that it operates.
- MIL is excited at the prospects for the food and beverage retail sector given the expected rise in consumer spending power, especially given Myanmar’s youthful population with about 55% under the age of 30. The McKinsey forecasts mentioned above are equally relevant to this opportunity.

### **Strategic Update**

On 10 April 2017, MIL issued a strategic update. Since that date, as set out above, the Company has closed both of the tourism and pharmacy investments as described. Since then it has also signed the food and beverage retail MOU.

MIL has a clear business strategy for its current and potential investments in Myanmar:

- To stay focused on the business development process and actively manage risk minimisation / reward maximisation to produce superior long term returns. This will come both from additional investment in existing companies (including helping them build or buy businesses) as well as from new investments.
- MIL’s permanent capital structure allows it to optimise returns by determining the point and method of monetisation.
- Investment yields are complemented by generating revenue from fee earning activities.

In essence, MIL’s strategy is to build net asset value per share as well as to generate dividends when it becomes commercially appropriate. Over time this will provide an attractive total return to its shareholders.

In line with the above strategy, the Company continues to develop its proprietary business pipeline in segments of the economy where the Directors see the most attractive investment and growth opportunities arising. This pipeline has been developed by leveraging off the Directors' network of relationships in Myanmar and the immediate Asia region:

- Currently the focus is on possible investments in the telecom, financial services, hospitality, consumer and education sectors. The Directors are also looking at a few compelling opportunities that fall outside these core focus sectors.
- The telecom opportunity is a substantial one that is expected to have a significant positive impact on the Company's telecom towers business. Like the other pipeline opportunities, it will require the Company to raise funds to take full advantage of the opportunity on offer.
- Some of the hospitality, consumer and education opportunities offer the prospect of a modest initial investment with scale-up potential once the business model has been proven. The rise in spending power of the middle and affluent class in Myanmar is expected to make these attractive sectors.

## **Financial Performance**

### *Profit and Loss*

For the six months to 30 September, MIL's unaudited consolidated loss after tax was US\$1.38 million.

This represents:

- our share of MFIL's profits (US\$57k) less;
- our share of Medicare's losses (US\$120k);
- the overheads associated with running the Company's business (US\$1.09 million); and
- the non-cash impact of the share based payments arising from the Company's Employee Share Option Plan ("ESOP") (US\$228k).

The Remuneration Committee is presently assessing the effectiveness and appropriateness of the ESOP scheme and is considering replacing it with an alternative long term incentive scheme.

It should be noted that for the same 6-month period last year the consolidated loss after tax, excluding the joint venture results and share based payments, was US\$1.12 million. As such the level of cash overheads for the 6 months to 30 September reduced by US\$33k over the past year. On a per share basis the loss has dropped from 4.84¢ to 4.08¢, a reduction of 15.7%.

### *Net asset value*

The Directors have determined that MIL's Net Asset Value ("NAV") as at 30 September was US\$34.97 million, or US\$0.952 per share. This is comprised of:

- the investment in Apollo Towers of US\$20.8 million, excluding the non-controlling interests, determined using the Price of a Recent Investment methodology;
- the investment in MFIL of US\$5.5 million, determined using the Price to Book Value methodology;
- the investment in Medicare of US\$375k, determined as the proportionate share of the joint venture's net asset value; and
- cash and other net assets/liabilities of US\$8.3 million.

In accordance with the Company's stated policy, the Company's investments have been determined by reference to the prevailing International Private Equity and Venture Capital Guidelines.

The mezzanine debt that Apollo Towers raised during this period had a negative impact on the equity value of Apollo Towers. However, the Directors believe that significant additional value that has been created in Apollo Towers since the investment was made means that it should still continue to be held at cost. Whilst some methodologies indicate an uplift in value, these produce such a wide discrepancy in values that the Directors feel that selecting one methodology could render the re-valuation process misleading. This is due to the number of key variables involved in each of the valuation methodologies and the wide spread of assumptions that could reasonably be used for each variable.

The Directors believe that a more accurate re-valuation will be possible once Apollo Towers has achieved certain in-progress milestones. Therefore, the Group will continue to hold its investment in Apollo Towers at the price of a recent investment, but will revisit the Apollo Towers' valuation when there is greater clarity on the variables that determine the value of Apollo Towers' business.

As at 31 March 2017 the Directors had assessed the value of the Group's investment in MFIL to be US\$5.5 million, this being determined using the "Price to Book Value" methodology. In assessing the value of the investment in MFIL as at 30 September, the Directors have decided that it is appropriate to maintain both that methodology and that value.

The Directors have assessed the value of the Group's investment in Medicare as at 30 September to be US\$375,000, being the proportionate share of the joint venture's net assets as at that date. Since that date the Company has invested a further US\$400,000.

The NAV valuation of US\$34.97 million represents a 19.7% increase in the NAV over the 6-month period to 30 September, and this is mainly attributable to:

- the equity fund raising in June of US\$7.3 million; after allowing for
- cash overheads (ie excluding the impact of the ESOP) of US\$1.09 million; and
- the start-up losses in Medicare.

#### *Unaudited Financial Statements*

Attached to this announcement are the unaudited financial statements, which have been prepared in compliance with IFRS.

#### **Fundraising**

In June the Company raised US\$7.3 million through an equity issue of new ordinary shares. 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\$41 million since inception from a broad based group of shareholders with an increasing number of institutional investors. As stated above, and in accordance with the Company's strategy, we are considering raising additional equity to fund further investments.

We continue to examine 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 increase liquidity in the trading of the Company's shares and warrants.

**Commenting on the Interim Results, U Aung Htun, Managing Director of Myanmar Investments International Limited, said:**

“Clearly the current headline news on Myanmar belongs to the heart-breaking events in Rakhine. This tragedy however overshadows all the substantive progress achieved throughout the country.

MIL continues to make impactful investments that will make a positive difference to Myanmar citizens elsewhere in the country. Our investment in telecommunications has brought news, education and entertainment to millions across the country. We have invested in microfinance, providing funding to enable 50,000 otherwise unbankable families to start their own micro-businesses. We have started a pharmaceutical, health and beauty franchise chain providing reliable and ethical dispensing of medicines, healthcare and beauty products. More recently we have invested in a tourism business which will create jobs and bring hard foreign currency into the country.

We have always known that the transition from the old regime would be complex and would take time. We remain bullish about the country’s prospects as we are a long term investor and partner to the development in Myanmar.”

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

For further information please contact:

Aung Htun  
Managing Director  
Myanmar Investments International Ltd  
+95 (0) 1 391 804  
+95 (0) 94 0160 0501  
aughtun@myanmarinvestments.com

Michael Dean  
Finance Director  
Myanmar Investments International Ltd  
+95 (0) 1 391 804  
+95 (0) 94 2006 4957  
mikedean@myanmarinvestments.com

**Nominated Adviser**

Philip Secrett / Jamie Barklem/  
Carolyn Sansom  
Grant Thornton UK LLP  
+44 (0) 20 7383 5100

**Broker**

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

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		<i>Present Interims</i> 1 April 2017 to 30 Sept 2017 <i>Unaudited</i> US\$	<i>Prior Interims</i> 1 April 2016 to 30 Sep 2016 <i>Unaudited</i> US\$	<i>Prior Full Year</i> 1 April 2016 to 31 March 2017 <i>Audited</i> US\$
Revenue		-	-	-
<b>Other item of income</b>				
Other income	4	<b>182</b>	75	174
<b>Items of expense</b>				
Employee benefits expense	5	<b>(835,839)</b>	(846,445)	(1,867,297)
Depreciation expense	12	<b>(3,966)</b>	(8,381)	(12,941)
Other operating expenses		<b>(476,780)</b>	(515,423)	(1,016,672)
Finance costs	6	<b>(6,999)</b>	(6,761)	(13,887)
Share of results of joint venture, net of tax	10	<b>(63,120)</b>	47,942	85,933
<b>Loss before income tax</b>	7	<b>(1,386,522)</b>	(1,328,993)	(2,824,690)
Income tax expense	8	<b>374</b>	(5,382)	(8,390)
<b>Loss for the financial period</b>		<b>(1,386,148)</b>	(1,334,375)	(2,833,080)
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange gain/(loss) arising on translation of foreign operations	10	<b>11,773</b>	(55,153)	(188,209)
Other comprehensive income for the financial period, net of tax		<b>11,773</b>	(55,153)	(188,209)
<b>Total comprehensive income for the financial period</b>		<b>(1,374,375)</b>	(1,389,528)	(3,021,289)
<b>Loss attributable to:</b>				
Owners of the parent		<b>(1,384,970)</b>	(1,332,330)	(2,828,540)
Non-controlling interests		<b>(1,178)</b>	(2,045)	(4,540)
		<b>(1,386,148)</b>	(1,334,375)	(2,833,080)
<b>Total comprehensive income attributable to:</b>				
Owners of the parent		<b>(1,373,197)</b>	(1,387,483)	(3,016,749)
Non-controlling interests		<b>(1,178)</b>	(2,045)	(4,540)
		<b>(1,374,375)</b>	(1,389,528)	(3,021,289)
<b>Loss per share (cents)</b>				
- Basic and diluted	9	<b>(4.08)</b>	(4.84)	(9.74)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<b>Present Interims</b> 1 April 2017 to 30 Sept 2017 <i>Unaudited</i> US\$	<b>Prior Interims</b> 1 April 2016 to 30 Sep 2016 <i>Unaudited</i> US\$	<b>Prior Full Year</b> 1 April 2016 to 31 March 2017 <i>Audited</i> US\$
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investments in joint ventures	10	2,155,334	1,806,746	1,711,681
Available for sale financial assets	11	31,395,522	31,395,522	31,395,522
Plant and equipment	12	12,217	9,556	12,510
		<b>33,563,073</b>	<b>33,211,824</b>	<b>33,119,713</b>
<b>Current assets</b>				
Other receivables		291,068	155,934	198,504
Cash and cash equivalents		8,305,290	4,545,048	3,303,327
		<b>8,596,358</b>	<b>4,700,982</b>	<b>3,501,831</b>
<b>TOTAL ASSETS</b>		<b>42,159,431</b>	<b>37,912,806</b>	<b>36,621,544</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	14	39,689,881	32,815,247	32,656,994
Share option reserve	15	1,094,090	566,870	866,390
Accumulated losses		(9,054,535)	(6,175,985)	(7,669,565)
Foreign exchange reserve		(257,569)	(136,285)	(269,341)
<b>Equity attributable to owners of the parent</b>		<b>31,471,867</b>	<b>27,069,847</b>	<b>25,584,478</b>
Non-controlling interests		10,392,929	10,396,603	10,394,108
<b>Total equity</b>		<b>41,864,796</b>	<b>37,466,450</b>	<b>35,978,586</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Other payables		287,100	414,760	632,738
Income tax payable		7,535	13,318	10,220
<b>Total current liabilities</b>		<b>294,635</b>	<b>428,078</b>	<b>642,958</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>42,159,431</b>	<b>37,912,806</b>	<b>36,621,544</b>
<b>NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>		<b>31,471,867</b>	<b>27,069,847</b>	<b>25,584,478</b>

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2017**

	Note	Share capital US\$	Share option reserve US\$	Foreign exchange reserve US\$	Accumulated losses US\$	Equity attributable to owners of the parent US\$	Non- controlling interests US\$	Total US\$
At 1 April 2017		32,656,994	866,390	(269,341)	(7,669,565)	25,584,477	10,394,108	35,978,586
<b>Loss for the financial period</b>					(1,384,970)	(1,384,970)	(1,178)	(1,386,148)
<b>Other comprehensive income for the financial period</b>								
Exchange gain arising on translation of foreign operations	10			11,773		11,773		11,773
<b>Total other comprehensive income for the financial period</b>				11,773		11,773		11,773
<b>Total comprehensive income for the financial period</b>				11,773	(1,384,970)	(1,373,197)	(1,178)	(1,374,375)
<b>Contributions by and distributions to owners</b>								
Issue of shares	14	7,293,725				7,293,725		7,293,725
Exercise of warrants		11,250				11,250		11,250
Share issue expenses	14	(272,088)				(272,088)		(272,088)
Share option expense	15		227,700			227,700		227,700
<b>Total contributions by and distributions to owners</b>		7,032,887	227,700			7,260,587		7,260,587
<b>At 30 September 2017</b>		<b>39,689,881</b>	<b>1,094,090</b>	<b>(257,569)</b>	<b>(9,054,535)</b>	<b>31,471,867</b>	<b>10,392,929</b>	<b>41,864,796</b>

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

	Note	Share capital US\$	Share option reserve US\$	Foreign exchange reserve US\$	Accumulated losses US\$	Equity attributable to owners of the parent US\$	Non- controlling interests US\$	Total US\$
At 1 April 2016		28,765,805	313,561	(81,132)	(4,843,655)	24,154,579	10,398,648	34,553,227
<b>Loss for the financial year</b>		-	-	-	(2,828,540)	(2,828,540)	(4,540)	(2,833,080)
<b>Other comprehensive income for the financial year</b>								
Exchange differences arising from dilution of interest in joint ventures		-	-	(188,209)	-	(188,209)	-	(188,209)
<b>Total other comprehensive income for the financial year</b>	10	-	-	(188,209)	-	(188,209)	-	(188,209)
<b>Total comprehensive income for the financial year</b>		-	-	(188,209)	(2,828,540)	(3,016,749)	(4,540)	(3,021,289)
<b>Contributions by and distributions to owners</b>								
Issue of shares	16	4,219,081	-	-	-	4,219,081	-	4,219,081
Exercise of warrants		7,885	-	-	-	7,885	-	7,885
Share issue expenses	16	(335,777)	-	-	-	(335,777)	-	(335,777)
Share options expense	17	-	555,459	-	-	555,459	-	555,459
Cancellation of share options	17	-	(2,630)	-	2,630	-	-	-
<b>Total contributions by and distributions to owners</b>		3,891,189	552,829		2,630	4,446,648	-	4,446,648
<b>At 31 March 2017</b>		<b>32,656,994</b>	<b>866,390</b>	<b>(269,341)</b>	<b>(7,669,565)</b>	<b>25,584,478</b>	<b>10,394,108</b>	<b>35,978,586</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

		<i>Present Interims</i>	<i>Prior Interims</i>	<i>Prior Full Year</i>
		Period ended 30 Sept 2017	Period ended 30 Sept 2016	Period ended 31 March 2017
		Unaudited	Unaudited	Audited
	Note	US\$	US\$	US\$
<b>Operating activities</b>				
Loss before income tax		(1,386,522)	(1,328,993)	(2,824,690)
Adjustments for:				
Interest income	4	(182)	(75)	(174)
Finance costs	6	6,999	6,761	13,887
Depreciation of plant and equipment	12	3,966	8,381	12,941
Share-based payment expense	15	227,700	253,309	555,459
Share of results of joint ventures, net of tax	10	63,120	(47,942)	(85,933)
Operating cash flows before working capital changes		<b>(1,084,919)</b>	(1,108,559)	(2,328,510)
Changes in working capital:				
Other receivables		(92,564)	(64,184)	(106,754)
Other payables		(345,639)	283,339	501,317
Cash used in operations		<b>(1,523,122)</b>	(889,404)	(1,933,947)
Interest received		182	75	174
Finance costs paid		(6,999)	(6,761)	(13,887)
Income tax paid		(2,311)	(1,591)	(7697)
Net cash flows used in operating activities		<b>(1,532,250)</b>	(897,681)	(1,955,357)
<b>Investing activities</b>				
Investment in available for sale securities	11	-	(10,000)	(10,000)
Investment in joint venture	10	(495,000)	-	-
Purchase of plant and equipment	12	(3,673)	(1,050)	(8,564)
Net cash flows used in investing activities		<b>(498,673)</b>	(11,050)	(18,564)
<b>Financing activities</b>				
Net proceeds from issuance of shares	14	7,032,887	4,067,720	3,891,189
Net cash flows generated from financing activities		<b>7,032,887</b>	4,067,720	3,891,189
<b>Net change in cash and cash equivalents</b>				
Cash and equivalents at beginning of the year		3,267,183	1,349,915	1,349,915
Cash and equivalents at end of financial period		<b>8,269,147</b>	4,508,904	3,267,183

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2017**

---

**1. General corporate information**

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

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

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

Details of the Company’s investments in its joint ventures 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 2017 were approved by the Board of Directors on 23 November 2017.

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 2017 can be found on the Company’s website at [www.myanmarinvestments.com](http://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 financial statements for the year to 31 March 2017, a copy of which can be found on the Company’s website at [www.myanmarinvestments.com](http://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 2017, a copy of which can be found on the Company’s website at [www.myanmarinvestments.com](http://www.myanmarinvestments.com).

#### 4. Other income

	6 months to 30 September 2017 US\$	6 months to 30 September 2016 US\$	Year ended 31 March 2017 US\$
Interest income	182	75	174
	<u>182</u>	<u>75</u>	<u>174</u>

#### 5. Employee benefits expense

	6 months to 30 September 2017 US\$	6 months to 30 September 2016 US\$	Year ended 31 March 2017 US\$
Salaries, wages and other staff benefits	573,139	593,136	1,061,838
Bonuses	35,000	-	250,000
Share option expense	227,700	253,309	555,459
	<u>835,839</u>	<u>846,445</u>	<u>1,867,297</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 2017 US\$	6 months to 30 September 2016 US\$	Year ended 31 March 2017 US\$
Auditor's remuneration	21,946	21,183	52,071
Consultants fees	153,897	226,101	377,240
Operating lease expenses	32,842	40,473	74,273
Professional fees	47,848	13,618	59,098
Travel and accommodation	49,850	53,276	63,779
Transaction Costs	-	-	30,447

#### 8. Income tax

The Company received a tax refund during the period for over payment of taxes in prior periods.

## 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 2017	6 months to 30 September 2016	Year ended 31 March 2017
Loss for the financial period attributable to owners of the Company (US\$)	(1,384,970)	(1,332,330)	(2,828,540)
Weighted average number of ordinary shares during the financial period applicable to basic loss per share	33,944,443	27,553,577	29,049,372
<b>Loss per share</b>			
Basic and diluted (cents)	(4.08)	(4.84)	(9.74)

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. Investments in joint ventures

### *Myanmar Finance International Ltd.*

	6 months to 30 September 2017 US\$	6 months to 30 September 2016 US\$	Year ended 31 March 2017 US\$
<b>Investment in joint venture (37.5%)</b>			
At 1 April	1,711,681	1,813,957	1,813,957
Investments during the year	-	-	-
Share of results of joint venture, net of tax	56,925	47,942	85,933
Foreign exchange adjustment	11,773	(55,153)	(188,209)
Gain on dilution of interest in joint venture	-	-	-
At period end	<u>1,780,379</u>	<u>1,806,746</u>	<u>1,711,681</u>

In August 2014, the Company's wholly-owned subsidiary, Myanmar Investments Limited ("MIL"), established a joint venture agreement ("JVA") with Myanmar Finance Company Limited ("MFC") in which, the two parties agreed to establish a Myanmar microfinance joint venture company, Myanmar Finance International Ltd. ("MFIL").

Under the terms of the JVA, MFC injected its existing microfinance business into the joint venture which is jointly managed by MIL and MFC. At that time MIL owned 55 per cent and MFC owned 45 per cent of MFIL. It was also agreed that both parties would make additional equity contributions as MFIL's business grew. To date MIL's equity capital contributions have totalled US\$1,780,379.

In November 2015, The Norwegian Investment Fund for Developing Countries ("Norfund") also became a shareholder in MFIL. Following Norfund's investment, 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.

**Medicare International Holdings Pte Ltd**

	6 months to 30 September 2017 US\$	6 months to 30 September 2016 US\$	Year ended 31 March 2017 US\$
Investment in joint venture (45%)			
At 1 April	-	-	-
Investment during the year	495,000	-	-
Share of results of joint venture, net of tax	(120,045)	-	-
At period end	<u>374,955</u>	<u>-</u>	<u>-</u>

In May 2017 the Company's wholly-owned subsidiary, MIL No. 2 Pte. Ltd. ("MIL 2"), issued shares to H&B Management Solutions Pte. Limited and Randall Guttery such that they owned 45% and 10% of MIL 2's shares respectively. The Company also subscribed \$490,000 for additional MIL 2 shares and its interest in MIL 2 was diluted to 45%. MIL 2 therefore ceased to be a subsidiary and became a jointly controlled entity. At the same time, MIL 2 changed its name to Medicare International Health and Beauty Pte. Ltd. ("Medicare").

Medicare was established to introduce the pharmacy, health, beauty and personal care chain store franchise concept in Myanmar.

Medicare 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 requires the approval of other shareholders.

**Summary**

	6 months to 30 September 2017 US\$	6 months to 30 September 2016 US\$	Year ended 31 March 2017 US\$
Share of results of joint venture, net of tax			
Myanmar Finance International Ltd.	56,925	47,942	85,933
Medicare International Holdings Pte Ltd.	(120,045)	-	-
	<u>(63,120)</u>	<u>47,942</u>	<u>85,933</u>

**11. Available-for-sale financial assets**

	6 months to 30 September 2017 US\$	6 months to 30 September 2016 US\$	Year ended 31 March 2017 US\$
Available-for-sale financial assets			
Unquoted equity shares, at cost	<u>31,392,522</u>	<u>31,395,522</u>	<u>31,395,522</u>

MIL 4 Limited ("MIL 4"), a 66.67% owned subsidiary, 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. During the period Apollo issued warrants to an unconnected third party on an arm's length basis. As a result of this MIL4 now has an effective equity interest of 13.4% in Apollo and the Company's effective equity interest in Apollo is 9.0%.

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. The investment is denominated in United States Dollars.

## 12. Plant and equipment

	Computer equipment US\$	Office equipment US\$	Furniture and fittings US\$	Total US\$
<b>Financial period ended 30 September 2017</b>				
<b>Cost</b>				
Balance at 1 April 2017	17,410	4,895	34,733	57,038
Additions	-	-	3,673	3,673
Balance at 30 September 2017	<u>17,410</u>	<u>4,895</u>	<u>38,406</u>	<u>60,711</u>
<b>Accumulated depreciation</b>				
Balance at 1 April 2017	11,753	3,012	29,763	44,528
Depreciation for the financial period	1,720	580	1,666	3,966
Balance at 30 September 2017	<u>13,473</u>	<u>3,592</u>	<u>31,429</u>	<u>48,494</u>
<b>Carrying amount</b>				
Balance at 30 September 2017	<u>3,937</u>	<u>1,303</u>	<u>6,977</u>	<u>12,217</u>
<b>Financial year ended 31 March 2017</b>				
<b>Cost</b>				
Balance at 1 April 2016	13,739	4,580	30,155	48,474
Additions	3,671	315	4,578	8,564
Balance at 31 March 2017	<u>17,410</u>	<u>4,895</u>	<u>34,733</u>	<u>57,038</u>
<b>Accumulated depreciation</b>				
Balance at 1 April 2016	7,649	1,599	22,339	31,587
Depreciation for the financial year	4,104	1,413	7,424	12,941
Balance at 31 March 2017	<u>11,753</u>	<u>3,012</u>	<u>29,763</u>	<u>44,528</u>
<b>Carrying amount</b>				
Balance at 31 March 2017	<u>5,657</u>	<u>1,883</u>	<u>4,970</u>	<u>12,510</u>

### 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 %
Myanmar Investments Limited	Singapore	Investment holding company	100	-
MIL Management Pte. Ltd.	Singapore	Provision of management services to the Group	100	-
MIL No. 3 Pte. Ltd.	Singapore	Dormant	100	-
MIL 4 Limited	British Virgin Islands	Investment holding company	66.67	33.33
<b>Held by MIL Management Pte. Ltd.</b>				
MIL Management Co., Ltd	Myanmar	Provision of management services to the Group	100	-

### 14. Share capital

	6 months to 30 September 2017 US\$	6 months to 30 September 2016 US\$	Year to 31 March 2017 US\$
<b>Issued and fully-paid share capital:</b>			
Ordinary shares at the beginning of the period	32,656,994	28,765,805	28,765,805
Issuance of ordinary shares during the period	7,293,725	4,224,591	4,219,081
Exercise of warrants during the period	11,250	-	7,885
Share issuance expenses	(272,088)	(156,871)	(335,777)
	<u>39,689,881</u>	<u>32,833,525</u>	<u>32,656,994</u>

	Ordinary Shares	Warrants
At the beginning of the financial period	30,556,793	16,040,882
Issued during the financial period	6,181,123	-
Exercise of warrants during the financial period	15,000	(15,000)
At the end of the financial period	<u>36,752,916</u>	<u>16,025,882</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 23 June 2017, the Company allotted 5,333,623 Ordinary Shares at US\$1.18 per share (total of US\$6,293,675) pursuant to a subscription for new shares. On 27 June 2017, the Company allotted 847,500 Ordinary Shares at US\$1.18 per share (total of US\$1,000,050) pursuant to a subscription for new shares (together these two issues are the "Fifth Subscription").

During the financial period, a total of 15,000 warrants were exercised at a price of US\$0.75 by the parties that held them for cash consideration of US\$11,250.

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 financial statements for the year to 31 March 2017, which can be found on the Company's website at [www.myanmarinvestments.com](http://www.myanmarinvestments.com).

As at 30 September 2017, there were 3,622,740 share options available for issue under the Plan of which 2,673,028 had been granted. These granted share options have a weighted average exercise price of US\$1.214 per share and a weighted average contractual life of 8.01 years.

The 3,622,740 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
Series 5	Fifth Subscription	618,112	1.298
		<u>3,622,740</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	195,000	28 June 2016	27 June 2026	1.265	136,351
Series 1	6,800	19 October 2016	18 October 2026	1.100	4,088
Series 2	6,000	19 October 2016	18 October 2026	1.155	3,447

Series 3	<u>575,467</u>	19 October 2016	18 October 2026	1.265	<u>302,071</u>
	<u>2,673,028</u>				<u>1,404,606</u>

#### **Movement in share options during the financial period**

There were 2,673,028 share options outstanding during the period as there were no grants or forfeitures during the period.

No share options were exercised during the financial period.

#### **Movement in share option reserve during the financial period**

	6 months to 30 September 2017 US\$	6 months to 30 September 2016 US\$	Year ended 31 March 2017 US\$
Balance at start of the financial period	866,390	313,561	313,561
Grant of share options/Share option expenses	227,700	253,309	555,459
Cancellation of Share Options	-	-	(2,630)
Balance at end of financial period	<u>1,094,090</u>	<u>566,870</u>	<u>866,390</u>

The Group recognised a net expense of US\$227,700 related to equity-settled share-based payment transactions during the financial period.

#### **16. Significant related party disclosures**

##### *Compensation of key management personnel*

Director remuneration for the six month period ended 30 September 2017 is as follows:

	Directors' fee US\$	Short term employee benefits <sup>(1)</sup> US\$	Share option plan US\$	Total US\$
<b>Executive directors</b>				
Maung Aung Htun	-	277,945	65,101	343,046
Anthony Michael Dean	-	291,912	61,756	353,668
<b>Independent non-executive directors</b>				
Christopher William Knight	20,000	-	13,322	33,322
Craig Robert Martin	15,000	-	13,322	28,322
Christopher David Appleton	15,000	-	13,322	28,322
Henrik Bodenstab	15,000	-	5,614	20,614
	<u>65,000</u>	<u>569,857</u>	<u>172,437</u>	<u>807,294</u>

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

### *Share Subscription*

The following Directors participated in the share subscription in June 2017:

<b>Director</b>	<b>Share Subscription US\$</b>
Maung Aung Htun	358,720
Anthony Michael Dean	220,660
Craig Robert Martin	50,000
Christopher David Appleton	50,000
Henrik Bodenstab	50,000
	<hr/>
	<b>729,380</b>

#### **17. Dividends**

The Directors of the Company do not recommend any dividend in respect of the six month period ended 30 September 2017.

#### **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 2017, a copy of which can be found on the Company's website at [www.myanmarinvestments.com](http://www.myanmarinvestments.com).

#### **19. Subsequent events**

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

- **Ends** -