This announcement contains inside information **28 November 2019**

Myanmar Investments International Limited

Interim results to 30 September 2019

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 2019. All dates are in the year 2019 unless otherwise stated.

As announced on 2 September, to conform with the need to change the Company's year end to bring it in line with the new Myanmar year end of 30 September the Company will issue 6-month interims for the period to 30 September and 6-month interims for the period to 31 March 2020. It will then issue a full audited set of financial statements for the 18 month period to 30 September 2021.

Overview

The Company's shareholders approved a change to the Company's investment objectives at the AGM held on 24 October and, as a result, the Directors have commenced the process of planning and implementing an orderly disposal of the investment portfolio with the intention of returning surplus cash to shareholders with a view towards an eventual winding down of the business.

As at 30 September the Company had invested in three businesses in Myanmar:

- an indirect shareholding of 9.1 per cent in Apollo Towers Holdings Limited ("Apollo Towers"), one of Myanmar's leading independent tower companies ("ITC"). This investment, which is in the process of being exchanged into shares in AP Towers Holdings Pte. Ltd. ("AP Towers"), will most likely continue to be held until such time as our joint venture partner looks to create an exit opportunity. At this stage, no discussions are underway and there is no defined timeframe for such an exit.
- a 37.5 per cent shareholding in Myanmar Finance International Limited ("MFIL") a well-established microfinance company. The Directors are now proactively exploring ways of monetising this investment.
- a 48.8 per cent shareholding in Medicare International Health & Beauty ("Medicare") which is the first full service chain of modern pharmacy, health and beauty franchise stores in Myanmar. The Company has today entered into arrangements with its main joint venture partner to sell them this investment for US$1 million. It is expected that this disposal will be completed before the end of December.

The Directors have determined that MIL's Net Asset Value ("NAV") as at 30 September was US$32.3 million, or US$0.85 per share.

The Company has continued to streamline its operations and as a result reduce its overheads. In the period to 30 September, the core cash-based overheads were US$646,000 which is 27.5 per cent lower on a per share basis than for the same period last year. Management expects that by March 2020 the monthly overheads will have reduced even further.

As at 30 September, the Company had cash resources of US$2.8 million (2018: US$4.7 million).

Apollo Towers

Background
Apollo Towers is one of the largest ITC companies in Myanmar.

The Company plans to swap its interest in Apollo Towers for an interest in AP Towers and the Directors have been advised that the share exchange should be completed in the near future.

Under this share exchange, MIL's 66.6 per cent subsidiary, MIL 4 Limited ("MIL4"), will exchange its existing 13.7 per cent shareholding in Apollo Towers for a shareholding of 6.2 per cent in AP Towers, of which 4.1 per cent is attributable to MIL. A MIL representative will sit on the board of AP Towers.

The share exchange effectively brings Apollo Towers and Pan Asia Towers, another Myanmar ITC, under the common ownership of AP Towers. AP Towers would then manage one of the largest network of towers in Myanmar. Apollo Towers and Pan Asia Towers provide tower and power services to all of Myanmar's mobile network operators ("MNOs") being Telenor, Ooredoo, MPT and the more recently established, Viettel-led consortium, MyTel.

MIL initially invested in Apollo Towers in July 2015 when it led a consortium of investors that invested US$30 million for a 14.2 per cent shareholding in Apollo Towers. It co-invested alongside TPG Growth ("TPG"), part of one of the world's largest alternative asset managers with assets under management of US$104 billion.

MIL sits on the board of Apollo Towers (and will sit on the board of AP Towers) and contributes to the strategy and growth of the company.

Update
- The Myanmar telecoms sector generally continues to grow. Myanmar's mobile penetration rate continues to grow with estimates currently as high as 107 per cent though this is based on SIM cards and not unique subscribers. Coupled with this is the prevalence of data enabled devices. Smartphones are estimated to account for approximately 80 per cent of the mobile phones in use in the country and data demand drives the need for connectivity. Connectivity requires an extensive network of telecom towers with reliable power. Myanmar currently has 20,000 towers, of which 11,000 are owned by ITCs, and is expected to reach 22,000 towers within the next few years.
- Apollo Towers and Pan Asian Towers have both built strong reputations in the market for their valuable site locations, operational excellence and strong customer focus. AP Towers will look to leverage the best practices of both companies in providing a full suite of services that are commercially attractive to the customers of both businesses.
- However, although the broader Myanmar telecom market continues to grow, the Myanmar telecom tower sector, following a period of rapid growth, has slowed in the last 6 months. Following the entry of Myanmar's fourth mobile operator, MyTel, into the market they have pursued a policy of undercutting their competitors and as a result the other MNOs have taken a more cautious approach to extending their networks and at the same time are focussing more on cost management.
- As a result, whilst there has still been growth in the demand for both new towers and new tenancies the market has seen a reduction in the rate of growth whilst the other MNOs re-assess their strategies in light of this evolution.
- At the end of March, Apollo Towers and Pan Asia Towers together had an aggregated portfolio of 3,150 towers, 6,450 tenants and a co-location ratio ("Lease-up-Rate" or "LUR") of 2.0x. This reflects that both companies' LUR has benefitted from the significant increase in the number of

co-tenants on their towers from both the entry of MyTel, and also the country's multiple new internet service providers. LUR is a key driver of profitability for ITCs. By adding additional tenants to existing towers, the yield on invested capital can significantly improve, making each additional tenant highly accretive in terms of EBITDA and eventually enterprise value. Market analysis for Myanmar points to an expected LUR of 2.2x over the next few years.

- As at 30 September Apollo Towers and Pan Asia Towers together had an aggregated portfolio of 3,240 towers, 6,600 tenants representing an LUR of 2.0x. This reflects the slowdown in the rollout of the MNOs' towers and tenancies.
- Apollo Towers' accounts for the year ended 31 March, adjusted for non-recurring items, show that the company achieved revenues and EBITDA of US$61 million and US$32.3 million, a year on year increase of 19 per cent and 33 per cent respectively. Apollo Towers' management accounts for the six months to 30 September, similarly adjusted, show that the company achieved revenues and EBITDA of US$31 million and US$16.2 million respectively. On an annualised basis this would represent an increase of 2.9 per cent and 0.5 per cent respectively over the six month period.
- If the accounts for Apollo Towers and Pan Asia Towers for just March were, on a pro-forma basis, to be aggregated and similarly adjusted and then annualised to provide an indicative "run rate" they would have shown annualised revenues of US$119 million and EBITDA of US$69.4 million. If the same exercise were to be done for the six months to 30 September then the annualised revenues and EBITDA would be US$123 million and US$72.9 million respectively. This would represent an increase of 4.0 per cent and 5.0 per cent respectively over the six month period.
- The moderated growth rate in Revenues and EBITDA reflects the slowdown in the overall rollout of towers in the market generally.
- Going forward, AP Towers will be looking to increase the number of tenancies either from new "Build to Suit" towers or from adding co-locations to its existing towers. Given its existing undrawn debt facilities, coupled with cash flows from operations, there will be available capital to build further towers over the next few years without the need to seek additional funding.
- Apollo Towers' net debt was US$244 million as at the end of September. At that date, on a proforma basis, AP Towers combined net debt would have been US$361 million.

Valuation

As at 31 March the Directors had assessed the value of the Group's investment in Apollo Towers to be US$24 million, using a comparable EBITDA multiple methodology. Using the same methodology as at 30 September the Directors have assessed the value of this investment to still be US$24 million.

This value of Apollo Towers represents a profit of US$3.2 million over the cost of the investment and an IRR since the initial investment in July 2015 of 3.5 per cent.

Although the planned share exchange with AP Towers has not yet happened the Company committed to this course of action back in November 2017 and has been advised that despite delays it should soon be consummated. If the share exchange had been completed by 30 September then the Directors estimate that that the Company's attributable shareholding in AP Towers would have been worth US$32 million as at that date. Based on this valuation this would represent a profit of US$11.2 million over the cost of the investment and equate to an IRR of 10.9 per cent.

Myanmar Finance International Limited ("MFIL")

Background
MFIL is one of the leading microfinance operators in Myanmar and provides small loans (MMK 315,000 or US$205) on average per borrower, but it can be as high as MMK 10 million or US$6,520 to small-scale business operators in rural and semi-urban areas in Yangon, Mon and Bago.

MFIL was established as a microfinance joint venture in August 2014 by MIL and Myanmar Finance Company Limited ("MFC"). 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 per cent, MFC 37.5 per cent and Norfund 25 per cent, with a total paid up capital of over US$7 million. MIL's total investment cost to date is US$2.7 million.

MIL sits on the board of MFIL and works closely with the management and shareholders in strengthening and growing the business and assisting with securing debt finance.

Update
- MFIL is a well-established microfinance company that has a positive impact on the lives and economic well-being of its customers.
- Since inception MFIL has grown substantially to a loan book of MMK 22 billion, 13 branches and over 70,000 customers.
- As previously reported, MFIL's PAR over 30 days ("PAR 30+") was 0.8 per cent as at the end of September 2018 and continued to rise to peak at 2.4 per cent. While this is not necessarily high compared to regional peers a detailed review of the operation was carried out. On the back of this we are restructuring the business and have made modifications to the operating processes.
- As a result of these changes to the operating processes in October 2019 PAR has been reduced to 0.9 per cent, almost where it was a year ago. The Directors believe the business can now resume its growth trajectory with a more robust credit assessment function and with a stronger emphasis on small business loans. As the company resumes loan growth its PAR 30+ should gradually decline further.
- Before we restructured the operations and in preparation for growth MFIL had arranged and had drawn down additional debt funding. This led to a persistent cash surplus of over MMK 8 billion during the last 6 months. As a result MFIL found itself with significant borrowing costs that were not offset by the income from on-lending.
- The key driver of profitability for a microfinance business is the net interest margin. Gross loan rates are now capped at 28 per cent. The highest marginal cost is the costs of funds followed by the cost of operations and the provisions for loan losses. In addition to keeping a tight grip on loan losses, the key means of driving profitability further is through scale, lowering the cost of operations and not to have excessive cash on hand.
- MFIL is looking to grow its loan book (by increasing the average size of loan, adding more qualified customers, and broadening its product offering) in the existing areas of operation as well as expand its geographic presence. MFIL had opened two branches in Mon State in May and is expected to open two new branches in Ayarwaddy in December. This will bring the total branch network to 15. With growth and expansion of products, MFIL will continue to invest more in systems and training.
- The average loan size provided by MFIL has increased by 294 per cent to MMK 315,000 (US$205) from MMK 80,000 at the time of the Company's initial investment.
- Management estimates that MFIL's net loss after tax for the six months to 30 September was MMK 400 million (US$261,000) primarily caused by the interest expense on the surplus cash.
- The new micro-business product has been well received and as of end September, comprises 42 per cent of the total loans portfolio.

Valuation
As at 31 March the Directors had assessed the value of the Group's investment in MFIL to be US$4.4 million using the price to book value methodology.

Using the same methodology, but expanding the comparable set, as at 30 September the Directors have assessed the value of this investment to be US$4.4 million.

This value of MFIL represents a profit of US$1.7 million over the cost of the investment. This equates to an IRR since the initial investment in September 2014 of 13.4 per cent.

Medicare International Health & Beauty ("Medicare")

Background
Medicare is the first full service chain of modern pharmacy, health and beauty franchise stores in Myanmar.

MIL established the business in 2017 together with Medicare Vietnam, Vietnam's leading pharmacy, health, beauty and personal care retail group and Randy Guttery, an industry veteran with significant experience leading Asian-based retail concepts. The business is now the largest such chain in the country and is reputed to be the largest employer of trained pharmacists in the country.

As at 30 September Medicare had 22 modern franchised stores on the streets and in the shopping centres of Yangon with a further one under construction. Medicare provides the growing customer base at its franchised stores with a very broad range (4,500 SKUs) of international quality products at affordable prices.

As at 30 September, MIL had invested US$2,145,000 for a shareholding of 48.8 per cent.

Update
- 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. As such there is long term potential for the pharmacy, healthcare and personal care retail sector given the expected rise in consumer spending power.
- Since March, the Medicare joint venture has rolled out an additional six stores and so now has 23 stores operating in Yangon with six more stores expected to open shortly.
- Medicare now employs over 250 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 continuing to refine 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 within three years, Medicare will expand the number of stores to over 60 stores, predominantly in Yangon and the other major cities.
- However, Medicare is still in the ramp up phase and continues to make losses and the Company's share of the losses for the period from April to September amounted to US$401,000. To date the Company's share of losses totals US$1.3 million.
- Going forward, Medicare will require significant additional equity funding to cover the start-up costs and operating losses until critical mass is achieved as well as funding the store roll-out programme over the next few years.

Disposal
Given the Company's strategy of looking to realise its investments, coupled with Medicare's continued operating losses that need funding as well as the capex needed to get Medicare to achieve critical mass, the Directors have concluded that it was preferable to exit from this investment sooner rather than later.

As a result, the Company has today entered into arrangements with the owners of Medicare Vietnam, its main joint venture partner, to sell this investment for US$1 million. It is expected that the disposal will be completed within December. This represents a loss of US$1.1 million on the cost of the investment which largely reflects MIL's share of the operating losses to date.

Valuation
As at 31 March the Directors had assessed the value of the Group's investment in Medicare to be US$1.2 million, this being determined based on the cost of the investment less attributable losses (akin to underlying NAV). Using the same methodology the value of the Group's investment in Medicare as at 30 September would have been US$814,000.

However, in light of the subsequent disposal of this investment for US$1 million the Directors feel that a valuation of US$1 million as at 30 September is more appropriate.

Outlook

The Company will continue to manage its existing investments and look to exit from them as and when opportunities arise at acceptable prices. As the scope of the Company's activities is cut back operating costs will be reduced in order to preserve the Company's cash balance and any surplus of cash will be returned to shareholders.

Financial Performance

Unaudited Financial Statements
The unaudited financial statements for the six months to 30 September are attached at the end of this announcement. They have been prepared in compliance with IFRS and have been reviewed by the Company's auditors, BDO LLP, in accordance with The International Standard on Review Engagements 2410.

Profit and Loss
For the six months to 30 September, MIL's unaudited consolidated loss after tax was US$1.24 million, a reduction of 10.4 per cent compared to the same period last year.

This is principally represented by:
- the overheads associated with running the Company's business (US$658,000);
- our share of MFIL's losses (US$97,000);
- our share of Medicare's losses (US$401,000);
- transaction costs (US$67,000); and
- the non-cash impact of the share-based payments arising from the Company's Employee Share Option Plan ("ESOP") (US$11,000).

Within this the cost of MIL's cash based overheads (i.e. excluding the joint venture results, transaction costs and share based payments) was US$646,000 compared to US$879,000 for the six months to 30 September 2018, a reduction of US$232,000 or 26.5 per cent. On a per share basis this has dropped from 2.34¢ to 1.70¢, a reduction of 27.5 per cent.

Net asset value
The Directors have determined that MIL's Net Asset Value ("NAV") as at 30 September was US$32.3 million, or US$0.85 per share. This is comprised of:

- the investment in Apollo Towers, the telecommunication tower business, of US$24 million, excluding the non-controlling interests, determined using a comparable EBITDA multiple methodology;
- the investment in MFIL, the microfinance business, of US$4.4 million, determined using a comparable price to book value methodology;
- the investment in Medicare, the pharmaceutical, health and beauty retail franchise business, of US$1 million, determined based on the price of a recent transaction; and
- cash and other net assets/liabilities of US$2.9 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.

Summary of NAV
The NAV valuation of US$32.3 million is a decrease of US$938,000 (2.8 per cent) from US$33.3 million over the six month period to 30 September. This is mainly attributable to:

- a reduction of US$212,000 in the valuation for Medicare; and
- overheads and transaction costs of US$726,000.

In the attached financial statements, the NAV attributable to shareholders differs from the above stated value of US$32.3 million due to the following adjustments:

	US$ millions
NAV per the financial statements	30.1
MFIL [1]	(2.0)
Medicare [1]	0.2
NAV per the Directors' valuation	32.3

Note 1: In accordance with IFRS 11 Joint Arrangements, the investments in MFIL and Medicare are accounted for as investments in joint ventures using the equity method. Whereas in accordance with the Group's Valuation Policy the Directors' valuation for MFIL and Medicare are determined by reference to the International Private Equity and Venture Capital Guidelines.

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

Commenting on the Interim Results, Nick Paris, Managing Director of Myanmar Investments International Limited, said "Mike Dean, who co-founded the Company stepped down from the Board on 1st November and I would like to express thanks to him on behalf of all shareholders for the effort that he has put into the Company throughout its life.

Your Company is now focussed on implementing the change of investment objective that was approved at the recent AGM. As a result, no new investments will be made and steps are being actively taken to sell the existing investments when opportunities arise at acceptable prices. Our operating costs are under constant review in order to minimise our cash burn so as to return surplus capital to shareholders."

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.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2019

	Note	*Present Interims* 1 April 2019 to 30 September 2019 Unaudited US$	*Prior Interims* 1 April 2018 to 30 September 2018 Unaudited US$	*Prior Full Year* 1 April 2018 to 31 March 2019 Audited US$
Revenue		-	-	-
Other item of income				
Finance income	4	275	317	514
Items of expense				
Employee benefits expense	5	(380,853)	(644,981)	(916,343)
Depreciation expense		(10,479)	(11,023)	(22,001)
Other operating expenses		(339,595)	(396,912)	(1,006,933)
Finance costs	6	(5,977)	(7,715)	(12,715)
Share of results of joint ventures, net of tax	10	(498,472)	(318,185)	(491,290)
Loss before income tax	7	(1,235,101)	(1,378,499)	(2,448,768)
Income tax expense	8	(342)	(876)	(436)
Loss for the financial period/year		(1,235,443)	(1,379,375)	(2,449,204)
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Exchange loss arising on translation of foreign operations	10	(23,517)	(325,335)	(263,584)
Other comprehensive income for the financial period/year, net of tax		(23,517)	(325,335)	(263,584)
Total comprehensive income for the financial period/year		(1,258,960)	(1,704,710)	(2,712,788)
Loss attributable to:				
Owners of the parent		(1,232,954)	(1,366,706)	(2,420,931)
Non-controlling interests		(2,489)	(12,669)	(28,273)
		(1,235,443)	(1,379,375)	(2,449,204)
Total comprehensive income attributable to:				
Owners of the parent		(1,256,471)	(1,692,041)	(2,684,515)
Non-controlling interests		(2,489)	(12,669)	(28,273)
		(1,258,960)	(1,704,710)	(2,712,788)
Loss per share (cents)				
- Basic and diluted	9	(3.24)	(3.64)	(6.42)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

	Note	*Present Interims* 30 September 2019 Unaudited US$	*Prior Interims* 30 September 2018 Unaudited US$	*Prior Full Year* 31 March 2019 Audited US$
ASSETS				
Non-current assets				
Investments in joint ventures	10	3,195,920	3,204,263	3,717,909
Equity instrument at fair value through profit or loss	11	36,000,000	36,000,000	36,000,000
Plant and equipment		27,624	46,881	38,103
Total non-current assets		39,223,544	39,251,144	39,756,012
Current assets				
Other receivables		250,729	234,202	178,775
Cash and cash equivalents		2,762,631	4,654,103	3,720,521
Total current assets		3,013,360	4,888,305	3,899,296
Total assets		42,236,904	44,139,449	43,655,308
EQUITY AND LIABILITIES				
Equity				
Share capital	13	40,569,059	40,257,473	40,569,059
Share option reserve	14	1,347,959	1,316,327	1,337,005
Accumulated losses		(11,272,594)	(9,008,457)	(10,039,640)
Foreign exchange reserve		(499,391)	(537,625)	(475,874)
Equity attributable to owners of the parent		30,145,033	32,027,718	31,390,550
Non-controlling interests		11,872,969	11,891,062	11,875,458
Total equity		42,018,002	43,918,780	43,266,008
LIABILITIES				
Current liabilities				
Other payables		204,689	208,435	372,410
Income tax payable		14,213	12,234	16,890
Total current liabilities		218,902	220,669	389,300
Total equity and liabilities		42,236,904	44,139,449	43,655,308

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2019

	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 2019		40,569,059	1,337,005	(475,874)	(10,039,640)	31,390,550	11,875,458	43,266,008
Loss for the financial period		-	-	-	(1,232,954)	(1,232,954)	(2,489)	(1,235,443)
Other comprehensive income for the financial period								
Exchange loss arising on translation of foreign operations	10	-	-	(23,517)	-	(23,517)	-	(23,517)
Total other comprehensive income for the financial period		-	-	(23,517)	-	(23,517)	-	(23,517)
Total comprehensive income for the financial period		-	-	(23,517)	(1,232,954)	(1,256,471)	(2,489)	(1,258,960)
Contributions by and distributions to owners								
Share options expense	14	-	10,954	-	-	10,954	-	10,954
Total contributions by and distributions to owners		-	10,954	-	-	10,954	-	10,954
At 30 September 2019		40,569,059	1,347,959	(499,391)	(11,272,594)	30,145,033	11,872,969	42,018,002

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	Share capital	Share option reserve	Foreign exchange reserve	Fair value reserve	Accumulated losses	Equity attributable to owners of the parent	Non-controlling interests	Total
		US$	US$	US$	US$	US$	US$	US$	US$
2019									
At 31 March 2018		40,161,942	1,220,549	(212,290)	3,069,652	(10,711,403)	33,528,450	11,903,731	45,432,181
Effect of adopting IFRS 9		-	-	-	(3,069,652)	3,069,652	-	-	-
At 1 April 2018		40,161,942	1,220,549	(212,290)	-	(7,641,751)	33,528,450	11,903,731	45,432,181
Loss for the financial year		-	-	-	-	(2,420,931)	(2,420,931)	(28,273)	(2,449,204)
Other comprehensive income for the financial year									
Exchange loss arising on translation of foreign operations	10	-	-	(263,584)	-	-	(263,584)	-	(263,584)
Total other comprehensive income for the financial year		-	-	(263,584)	-	-	(263,584)	-	(263,584)
Total comprehensive income for the financial year		-	-	(263,584)	-	(2,420,931)	(2,684,515)	(28,273)	(2,712,788)
Contributions by and distributions to owners									
Exercise of warrants	13	491,916	-	-	-	-	491,916	-	491,916
Share issue expenses	13	(84,799)	-	-	-	-	(84,799)	-	(84,799)
Share options expense	14	-	139,498	-	-	-	139,498	-	139,498
Cancellation of share options	14	-	(23,042)	-	-	23,042	-	-	-
Total contributions by and distributions to owners		407,117	116,456	-	-	23,042	546,615	-	546,615
At 31 March 2019		40,569,059	1,337,005	(475,874)	-	(10,039,640)	31,390,550	11,875,458	43,266,008

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2019

	Note	***Present Interims*** 1 April 2019 to 30 September 2019 Unaudited US$	***Prior Interims*** 1 April 2018 to 30 September 2018 Unaudited US$	***Prior Full Year*** 1 April 2018 to 31 March 2019 Audited US$
Operating activities				
Loss before income tax		(1,235,101)	(1,378,499)	(2,448,768)
Adjustments for:				
Interest income	4	(275)	(317)	(514)
Finance costs		5,977	7,715	12,715
Depreciation of plant and equipment		10,479	11,023	22,001
Share-based payment expense		10,954	95,778	139,498
Share of results of joint ventures, net of tax	10	498,472	318,185	491,290
Operating cash flows before working capital changes		(709,494)	(946,115)	(1,783,778)
Changes in working capital:				
Other receivables		(71,954)	(39,618)	15,809
Other payables		(167,721)	(223,895)	(59,920)
Cash used in operations		(949,169)	(1,209,628)	(1,827,889)
Interest received		275	317	514
Finance costs paid		(5,977)	(7,715)	(12,715)
Income tax paid		(3,019)	(3,579)	1,517
Net cash flows used in operating activities		(957,890)	(1,220,605)	(1,838,573)
Investing activities				
Investments in joint ventures	10	-	(500,000)	(500,000)
Advances to joint ventures	10	-	-	(625,000)
Purchase of plant and equipment		-	(3,153)	(5,353)
Net cash flows used in investing activities		-	(503,153)	(1,130,353)
Financing activities				
Increase in short-term deposits pledged		-	-	(11,267)
Net proceeds from issuance of shares	13	-	95,531	407,117
Net cash flows generated from financing activities		-	95,531	395,850
Net change in cash and cash equivalents		(957,890)	(1,628,227)	(2,573,076)
Cash and cash equivalents at beginning of the period/year		3,673,110	6,246,186	6,246,186
Cash and cash equivalents at the end of financial period/year		2,715,220	4,617,959	3,673,110

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2019

Cash and cash equivalents comprise the following at the end of the financial period/year:

	Present Interims 30 September 2019	***Prior Interims*** 30 September 2018	***Prior Full Year*** 31 March 2019
	Unaudited	**Unaudited**	**Audited**
	US$	**US$**	**US$**
Bank balances	2,762,631	4,654,103	3,720,521
Less: short-term deposits pledged	(47,411)	(36,144)	(47,411)
	2,715,220	4,617,959	3,673,110

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2019

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 was established for the purpose of identifying and investing in, and disposing of, businesses operating in or with business exposure to Myanmar. The Company's focus was to target businesses operating in sectors that the Directors believed had strong growth potential and thereby could be expected to provide attractive yields, capital gains or both. At the Annual General Meeting held on 24 October 2019, the Company's shareholders approved a resolution to begin an orderly disposal of the Company's investments and in due course look to return surplus capital to shareholders.

Details of the Company's investments in its joint ventures are disclosed in Note 10; its equity instrument at fair value through profit or loss is disclosed in Note 11 and the principal activities of the subsidiaries are disclosed in Note 12.

The consolidated financial information of the Company and its subsidiaries (the "Group") for the period from 1 April 2019 to 30 September 2019 were approved by the Board of Directors on 28 November 2019.

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 2019 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 information.

2. Summary of significant accounting policies

2.1 Basis of preparation of the financial information

The interim consolidated financial information have been prepared for the financial period from 1 April 2019 to 30 September 2019 in accordance with International Financial Reporting Standards ("IFRS") and is presented in United States Dollar ("US$").

The interim consolidated financial information does not include the full disclosures normally included in a complete set of financial statements and should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 March 2019.

2.2 Summary of significant accounting policies

The interim consolidated financial information have been prepared on the historical basis except as disclosed in the accounting policies in the audited consolidated financial statements for the financial year ended 31 March 2019.

The accounting policies and methods of computation used in the interim financial information are consistent with those applied in the audited financial statements for the financial year ended 31 March 2019 and are set out in Note 3 to the audited financial statements for the financial year ended 31 March 2019. Due to the adoption of the new standards and interpretations effective 1 April 2019, the accounting policy for IFRS 16 Leases is disclosed below:

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group adopted IFRS 16 using the modified retrospective method of adoption, with the date of initial application of 1 April 2019. The Group elected to use the transition practical expedient to not assess whether a contract is, or contains a lease at 1 April 2019. Instead, the Group applied the standard to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases) and lease contracts for which the underlying asset is of low value (low-value assets).

There is no material impact to the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows or the basic and diluted earnings per share on adoption of IFRS 16 by the Group.

3. Significant accounting judgements and estimates

The Company's significant accounting judgements and estimates used in the preparation of these financial information are available in the full audited financial statements for the year to 31 March 2019, a copy of which can be found on the Company's website at www.myanmarinvestments.com.

4. Finance income

	1 April 2019 to 30 September 2019 Unaudited US$	1 April 2018 to 30 September 2018 Unaudited US$	1 April 2018 to 31 March 2019 Audited US$
Interest income	275	317	514

5. Employee benefits expense

	1 April 2019 to 30 September 2019 Unaudited US$	1 April 2018 to 30 September 2018 Unaudited US$	1 April 2018 to 31 March 2019 Audited US$
Salaries, wages and other staff benefits	369,899	535,503	739,024
Bonuses	-	13,700	37,821
Share options expense	10,954	95,778	139,498
	380,853	644,981	916,343

The employee benefits expense includes the remuneration of Directors as disclosed in Note 15.

6. Finance costs

Finance costs represent bank charges for the financial period/year.

7. Loss before income tax

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

	1 April 2019 to 30 September 2019 Unaudited US$	1 April 2018 to 30 September 2018 Unaudited US$	1 April 2018 to 31 March 2019 Audited US$
Auditor's remuneration	28,977	27,252	61,278
Consultants' fees	42,721	170,141	268,564
Operating lease expenses	54,383	50,585	91,381
Professional fees	24,038	23,881	16,177
Travel and accommodation	18,907	38,663	59,769
Transaction costs	66,710	49,206	154,356

8. Income tax

	1 April 2019 to 30 September 2019 Unaudited US$	1 April 2018 to 30 September 2018 Unaudited US$	1 April 2018 to 31 March 2019 Audited US$
Current income tax			
- current financial period/year	342	680	1,574
- under/(over)-provision in prior financial period/year	-	196	(1,138)
	342	876	436

9. Loss per share

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

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

	1 April 2019 to 30 September 2019 Unaudited	1 April 2018 to 30 September 2018 Unaudited	1 April 2018 to 31 March 2019 Audited
Loss for the financial period/year attributable to owners of the Company (US$)	(1,232,954)	(1,366,706)	(2,420,931)
Weighted average number of ordinary shares during the financial period/year applicable to basic loss per share	38,097,037	37,538,733	37,685,988
Loss per share			
Basic and diluted (cents)	(3.24)	(3.64)	(6.42)

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

	30 September 2019 Unaudited US$	30 September 2018 Unaudited US$	31 March 2019 Audited US$
Investments in joint ventures			
Unquoted equity investments, at cost	4,815,000	4,190,000	4,190,000
Share of post-acquisition results of joint venture, net of tax	(1,119,689)	(448,112)	(621,217)
Share of post-acquisition foreign currency translation reserve	(499,391)	(537,625)	(475,874)
	3,195,920	3,204,263	3,092,909
Advances to joint ventures	-	-	625,000
	3,195,920	3,204,263	3,717,909

	30 September 2019 Unaudited US$	30 September 2018 Unaudited US$	31 March 2019 Audited US$
Movement during the period/year			
At 1 April	3,717,909	2,472,783	3,347,783
Investments during the period/year	-	1,375,000	500,000
Share of results of joint ventures, net of tax	(498,472)	(318,185)	(491,290)
Share of foreign currency translation reserve	(23,517)	(325,335)	(263,584)
Advances during the year	-	-	625,000
Balance at end of financial period/year	3,195,920	3,204,263	3,717,909

Medicare International Health and Beauty Pte. Ltd. and its subsidiary

At the end of the previous financial year, the Company's carrying amount of investment in its joint venture Medicare International Health and Beauty Pte. Ltd. ("Medicare") amounted to US$1,215,016. The cost of investment included advances to the shareholders of Medicare's joint operator of US$100,000. Also included in the cost of investment were advances of US$250,000 to Medicare for which 250,000 shares in Medicare were issued on 9 May 2019. During this financial period these advances were recognised as investment in a joint venture as the advances were used to fund the issue of additional shares.

Subsequent to 30 September 2019, the Company has agreed to dispose of its entire investment in Medicare for US$1,000,000. Completion is expected to take place before the end of December 2019.

Myanmar Finance International Ltd.

At the end of the previous financial year, the Company's carrying amount of investment in its joint venture Myanmar Finance International Ltd. ("MFIL") amounted to US$2,502,852. Included in this were advances of US$375,000 to MFIL for which 375,000 shares in MFIL were issued on 29 July 2019. During this financial period these advances were recognised as investment in a joint venture as the advances were used to fund the issue of additional shares.

The details of the joint ventures are as follows:

Name of joint ventures (Country of incorporation/ place of business)	Principal activities	Effective equity interest held by the Company 30 September 2019 %	30 September 2018 %
Medicare International Health and Beauty Pte. Ltd.[1] (Singapore) ("Medicare")	Provider of beauty, health, and pharmaceutical products	48.8	48.6
Myanmar Finance International Limited[2] (Myanmar) ("MFIL")	Provider of microfinance loans	37.5	37.5

[1] *Audited by BDO LLP, Singapore.*
[2] *Audited by JF Group Audit Firm, Yangon, Myanmar.*

Summary

	1 April 2019 to 30 September 2019 Unaudited US$	1 April 2018 to 30 September 2018 Unaudited US$	1 April 2018 to 31 March 2019 Audited US$
Share of results of joint ventures, net of tax			
MFIL	(97,327)	85,480	111,764
Medicare	(401,145)	(403,665)	(603,054)
	(498,472)	(318,185)	(491,290)

11. Equity instrument at fair value through profit or loss

	30 September 2019 Unaudited US$	30 September 2018 Unaudited US$	31 March 2019 Audited US$
Investment in Apollo Towers, at fair value	36,000,000	36,000,000	36,000,000

<u>Investment in Apollo Towers</u>

The Group's investment in Apollo Towers Holdings Limited ("Apollo Towers"), is made through the Group's 66.67 per cent subsidiary, MIL 4 Limited ("MIL 4").

Movement in the investment is as follows:

	30 September 2019 Unaudited US$	30 September 2018 Unaudited US$	31 March 2019 Audited US$
Balance at beginning of financial period/year	36,000,000	-	-
Reclassification from available-for-sale financial asset	-	36,000,000	36,000,000
Balance at end of financial period/year	36,000,000	36,000,000	36,000,000

As at 30 September 2019, the equity instrument at fair value through profit or loss represents an effective 13.7% equity interest in the unquoted share capital of Apollo Towers.

Apollo Towers owns and operates a telecommunication tower business in Myanmar through its wholly-owned subsidiary, Apollo Towers Myanmar Limited.

The Company has designated its equity investment previously classified as available-for-sale financial assets in the financial year ended 31 March 2018 to be measured as fair value through profit or loss as at 1 April 2018. The Company intends to hold this investment for long-term appreciation in value.

The fair value attributed to the non-controlling interests in MIL 4 was US$12,000,000 as at 30 September 2019.

Management engaged their internal valuation specialists to perform a valuation on the investment. The valuation of the unquoted investment is categorised into Level 3 of the fair value hierarchy. The information on the significant unobservable inputs and the inter-relationship between key unobservable inputs and fair value are as follows:

Financial assets	Valuation technique used	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value
Unquoted equity investments	Comparable Company Analysis	- Earnings Before Interest, Tax, Depreciation and Amortization ("EBITDA") of US$32.4million - Enterprise Value ("EV") per EBITDA multiple of 15.7x	Increase EBITDA and EV/EBITDA multiple will increase the fair value of the financial asset.

As announced on 21 September 2018, MIL 4 has agreed to exchange its investment in Apollo Towers for shares in AP Towers Holdings Pte. Ltd. ("AP Towers") which owns Pan Asia Majestic Eagle Limited ("Pan Asia Towers") another Myanmar independent tower company. Upon completion of this reorganisation, MIL 4's existing 13.7 per cent shareholding in Apollo Towers will be exchanged for a shareholding of approximately 6.2 per cent in AP Towers, of which approximately 4.1 per cent will be indirectly held by MIL.

12. Investment in subsidiaries

Details of the subsidiaries 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[(1)]	Singapore	Investment holding company	100	-
MIL Management Pte. Ltd.[(1)]	Singapore	Provision of management services to the Group	100	-
MIL 4 Limited[(1)]	British Virgin Islands	Investment holding company	66.67	33.33
Held by MIL Management Pte. Ltd.				
MIL Management Co., Ltd[(4)]	Myanmar	Provision of management services to the Group	100	-

[(1)] *Audited by BDO LLP, Singapore.*
[(2)] *Audited by JF Group Audit Firm, Yangon, Myanmar.*

13. Share capital

	30 September 2019 Unaudited US$	30 September 2018 Unaudited US$	31 March 2019 Audited US$
Issued and fully-paid share capital:			
Ordinary shares at the beginning of the financial period/year	40,569,059	40,161,942	40,161,942
Exercise of warrants during the financial period/year	-	152,179	491,916
Share issuance expenses	-	(56,648)	(84,799)
	40,569,059	40,257,473	40,569,059

Equity Instruments in issue	30 September 2019 Ordinary shares	Warrants
At the beginning and end of the financial period	38,097,037	14,128,387

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

Warrants

As at 30 September 2019, there were 14,128,387 Warrants in issue.

During the period to 30 September 2019, no Warrants were exercised.

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

14. Share option reserve

Details of the Share Option Plan (the "Plan") are set out in the financial statements for the year to 31 March 2019, which can be found on the Company's website at www.myanmarinvestments.com.

During the period to 30 September 2019, no further options were created, granted or forfeited.

As at 30 September 2019, 2,590,527 share options had been granted under the Plan.

15. Significant related party disclosures

Compensation of key management personnel

The remuneration of Directors for the financial period from 1 April 2019 to 30 September 2019 was as follows:

	Directors' fees US$	Short term employee benefits[1] US$	Share option plan US$	Total US$
<u>Financial period from 1 April 2019 to 30 September 2019</u>				
Executive directors				
Maung Aung Htun	-	47,950	2,557	50,507
Craig Robert Martin	-	24,667	600	25,267
Anthony Michael Dean	-	178,759	2,557	181,316
Non-executive directors				
Christopher William Knight	8,750	-	600	9,350
Henrik Onne Bodenstab	7,500	-	568	8,068
Nicholas John Paris	8,750	-	-	8,750
	25,000	251,376	6,882	283,258

[1] *The short term employee benefits also includes rental expenses paid for the Directors' accommodation.*

16. Dividends

The Directors of the Company did not recommend any dividend in respect of the financial period from 1 April 2019 to 30 September 2019 (2018: Nil).

17. Financial risk management objectives and policies

The Company's financial risk management objectives and policies are set out in the audited financial statements for the year to 31 March 2019.

18. Subsequent events

At the Company's Annual General Meeting held on 24 October 2019, the shareholders approved a resolution to begin an orderly disposal of the Company's investments and in due course look to return surplus capital to shareholders.

On 28 November 2019, the Company agreed to dispose of its entire shareholding in Medicare for US$1,000,000. Completion is expected to take place before the end of December 2019.