



Date of Submission: 31 December 2021

(Information and documents attached to this report are as of the previous financial year ending 30 September 2020 (“FY2020”); and precede both the Instruction on Material Related Party Transaction (“Instruction 3/2020”) and Notification on Requirements for Effective Corporate Governance (“Notification 2/2020”) (collectively hereinafter referred to as “SECM Notifications”).

Company Name: First Myanmar Investment Public Company Limited (“FMI”)

Company Representative: U Tun Tun
Executive Director & Chief Operating Officer

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URL: <https://fmi.com.mm/>

Code: 00001

I. FUNDAMENTAL VIEWS ON CORPORATE GOVERNANCE AND OTHER KEY INFORMATION

1. Corporate Attributes

Fiscal Year	FY2020
Sector Classification	<i>FMI is an investment holding which has investments in the following sectors: Banking and financial services; Healthcare and hospital services; Real estate; and Travel & tourism.</i>
Consolidated Number of Employees	6,800
Consolidated Revenue	MMK 339,952,008,000
Consolidated Profit After Tax	MMK 11,699,527,000
Consolidated Total Assets	MMK 3,612,384,784,000
Consolidated Net Assets	MMK 505,982,560,000
Number of Consolidated Subsidiaries	4
Number of Consolidated Associates	7

2. Fundamental Views on Corporate Governance

The purpose of First Myanmar Investment Company Limited’s (“FMI” or “Company”) Corporate Governance Manual (or “CG Manual”, which is attached herein as Annex A) is to summarize the key corporate governance policies and terms of reference (the “Policies”) of First Myanmar Investment Public Company Limited. FMI defines corporate governance as a set of structures and processes that provide strategic direction and oversight control of the Company. It includes the relationships between the Company’s shareholders, Board of Directors, and executive bodies for the purpose of creating long-term shareholder value. The corporate governance framework of FMI is broadly based on the principles of Accountability, Fairness, Transparency, and Responsibility. FMI recognizes the rights of other stakeholders as established by laws and regulations. It encourages cooperation between the

Company and stakeholders in creating sustainable and financially sound enterprises. This Manual has been developed in adherence with The Myanmar Companies Law 2017 (“MCL 2017”) and FMI’s Constitution dated 12 January 2019 (attached as Annex B). The Board of Directors of FMI (“Board”) will ensure these Policies are adhered to throughout the Company.

For more information on the CG Manual, please refer to Annex A, under the heading of “Introduction” where we have explained in detail on FMI’s efforts regarding corporate governance and the purpose of corporate governance for FMI.

3. Status of Ten Largest Shareholders*

No.	Name	Attributes	Nationality	Number of shares held	Shareholding ratio (%)
1	Yangon Land Co., Ltd.	Investor	Myanmar Company	9,548,480 ¹	28.84%
2	U Theim Wai @ Mr. Serge Pun	Director	Myanmar	6,376,641	19.26%
3	001 Offshore Shares Limited	Investor	Foreign Company	4,450,000	13.44%
4	KBZ Trusts Client Escrow	Investor	Myanmar	2,631,865	7.95%
5	SPA Assets Management Ltd.	Investor	Myanmar Company	1,251,442	3.78%
6	U Phyo Phyu Noe	Investor	Myanmar Company	1,180,810	3.57%
7	Group Synergetic Force Co., Ltd.	Investor	Myanmar Company	950,086	2.87%
8	Yoma Myittar Development Co., Ltd.	Investor	Myanmar Company	942,715	2.85%
9	Smart & Trust Services Co., Ltd.	Investor	Myanmar Company	644,490	1.95%
10	Trusted Persons Company Limited.	Investor	Myanmar Company	322,363	0.97%
TOTAL				28,299,392	85.47%

*As of the date of publication of FMI’s FY2020 annual report, the total issued shares of FMI were 33,109,694 Shares.

4. Policy on Foreigner Ownership

Foreign Shareholding Ratio (As of the End of FY2020)	13.47%
Foreign Shareholding Limit Determined by the Company	14%
Reasons for setting the above Foreign Shareholding Limit and a future policy on foreigner ownership	The foreign shareholding ratio in the Company is set from time to time in consideration of a number of factors which will ensure the sustainability and development of the Company in pursuit for long term value and in compliance with Myanmar foreign shareholding rules.

5. Policy on Dividends

The Company has implemented the dividend policy which aims to provide a return to shareholders once a year through the payment of dividends, after taking into account the Company’s financial performance, short- and long-term capital requirements, future investment plans, and general business and economic conditions.

For more information, please refer to FMI’s CG Manual (attached as Annex A), under the heading of “Dividend

¹ Total registered shareholding as held by shareholder across several securities accounts.

Policy” where FMI’s methods for determining dividends, standards, and reference indicators are explained in detail.

No dividend has been proposed by the board of directors of the company for FY2020.

II. STATUS OF CORPORATE GOVERNANCE SYSTEMS

1. Composition of Corporate Governance Structure

(1) Composition of Corporate Governance Structure

The Board leads, controls, and is collectively responsible for overseeing the business and affairs for the long-term success of the Company. The Management remains accountable for the day-to-day operations and administration of the Company, in accordance with the policies and strategies set by the Board. The Company also has designated chief executive officers (“CEOs”) for subsidiaries, who are responsible for their respective business units, whereby these units’ CEOs will replicate the Board’s policies and strategies at the operations level. In support of this, the Company’s Board Committees (as defined below) have also been set up to ensure that there are reviews, and checks and balances. In so doing, a framework of effective risk management is established, allowing for better assessment of the Group’s businesses.

To assist the Board in carrying out its responsibilities and to strengthen the Company’s Corporate Governance Framework, without relinquishing its duties, the Board had formed three (3) subcommittees, specifically, the Audit and Risk Management Committee (“ARMC”), the Nominating Committee (“NC”), and the Remuneration Committee (“RC”). The ARMC, NC, and RC are collectively, the “Board Committees”, which comprise Independent Director and Non-Executive Directors. Each Board Committee is guided by its own terms of reference to address its particular scope of work. All terms of reference are in the spirit of the CG Manual, which are approved by the Board and reviewed periodically to ensure their applicability in the ever-changing regulatory and governance environment.

(2) Reasons for Adoption of Current Corporate Governance Structure

The Company is committed to good corporate governance and managing its affairs in a fair and transparent manner to create long-term sustainable value for its shareholders and the wider community through ethical and responsible business practices. The Company’s benchmark of governance remains rooted in its Corporate Governance Manual (the “CG Manual”) and corporate policies which adhere to the principles of accountability, fairness, transparency, and responsibility. The Manual, adopted by the Company during the financial year ended 31 March 2019 (“FY2019”), sets out the Group’s Corporate Governance Framework, Policies, Procedures and Standards (collectively the “Code”) and is premised on the Myanmar Companies Law 2017 and the Company’s Constitution. The Group remains committed to implement these practices consistently in all its business units and to align with the regional corporate governance standards under the leadership of its Board of Directors.

2. Information of Directors

Directors’ list tabled below are as of 30 September 2021. Each Director’s concurrent positions in other listed companies are based on information which have been provided to the Company via their annual declaration forms. For each Director’s profile, please refer to this link: <https://fmi.com.mm/about/board-of-directors/>.

NO.	POSITION	NAME	NUMBER OF SHARES HELD	DATE OF BIRTH	CONCURRENT POSITIONS IN OTHER LISTED COMPANIES
1.	Executive Chairman	U Theim Wai @ Serge Pun	9,008,506	8 May 1953	<ul style="list-style-type: none"> Myanmar Thilawa SEZ Holdings Public Co., Ltd. Yoma Strategic Holdings Ltd. (Singapore) Memories Group Limited (Singapore)
2.	Executive Director & Chief Operating Officer	U Tun Tun	84,900	30 Mar 1975	<ul style="list-style-type: none"> Myanmar Thilawa SEZ Holdings Public Co., Ltd. Memories Group Limited (Singapore)
3.	Non-Executive Director	U Linn Myaing	22,800	15 Oct 1947	
4.	Non-Executive Director	U Than Aung	14,010	6 Jan 1950	
5.	Independent Director	Prof. Dr. Aung Tun Thet	635	18 Feb 1945	<ul style="list-style-type: none"> Myanmar Thilawa SEZ Holdings Public Co., Ltd.
6.	Non-Executive Director	U Kyi Aye	223	2 Nov 1933	
7.	Non-Executive Director	Mr. Cezar Peralta Consing	Nil	20 Oct 1959	<ul style="list-style-type: none"> Ayala Corporation (Philippines) AC Energy Philippines, Inc. (Philippines) Bank of the Philippine Islands (Philippines) Globe Telecom, Inc. (Philippines) Yoma Strategic Holdings Ltd. (Singapore)
8.	Alternate Director to Mr. Consing	Mr. Alberto Macapinlac de Larrazabal	Nil	2 Aug 1955	<ul style="list-style-type: none"> Integrated Micro-Electronics, Inc. (Philippines)

3. Information of Members of Specialized Committees as of 30 September 2021

AUDIT & RISK MANAGEMENT COMMITTEE

NO.	POSITION	NAME
1.	Independent Director	Prof. Dr. Aung Tun Thet
2.	Non-Executive Director	U Kyi Aye
3.	Non-Executive Director	U Than Aung

REMUNERATION COMMITTEE

NO.	POSITION	NAME
1.	Non-Executive Director	U Kyi Aye
2.	Non-Executive Director	U Than Aung
3.	Non-Executive Director	U Linn Myaing

NOMINATING COMMITTEE

NO.	POSITION	NAME
1.	Independent Director	Prof. Dr. Aung Tun Thet
2.	Non-Executive Director	U Than Aung
3.	Non-Executive Director	U Linn Myaing

4. Information of Meetings of the Board and Specialized Committees

(1) The number of meetings of the Board and specialized committees in FY2020:

Board of Directors Meeting (“BM”)	5 times
Audit & Risk Management Committee Meeting (“ARMCM”)	2 times*
Remuneration Committee Meeting (“RCM”)	1 time
Nominating Committee Meeting (“NCM”)	1 time

*As this report precedes the Notification 2/2020, the number of ARMCM convened during FY2020 was lower than the number of Audit Committee meetings required in the Notification 2/2020. Since the inception of FY2021, The Company has amended ARMCM’s ToR and the number of ARMCM to be convened annually in order to be compliant with the Notification 2/2020. For more information on the ARMCM’s ToR, please refer to FMI’s Corporate Governance Manual at <https://fmi.com.mm/governance/corporate-governance/>.

(2) Attendance at meetings of the Board and specialized committees in FY2020:

POSITION	BOARD MEETING	AUDIT & RISK MANAGEMENT COMMITTEE MEETING	REMUNERATION COMMITTEE MEETING	NOMINATING COMMITTEE MEETING	28 TH ANNUAL GENERAL MEETING
Number of meetings held	5, %	2, %	1, %	1, %	1, %
Executive Directors					
U Theim Wai @ Serge Pun	5, 100%	—	—	—	1, 100%
U Tun Tun	4, 80%	—	—	—	1, 100%
Independent Director					
Prof. Dr. Aung Tun Thet	4, 80%	—	—	1, 100%	1, 100%
Non-Executive Directors					
U Myat Thin Aung ¹	5, 100%	—	1, 100%	—	1, 100%
Prof. Dr. Yi Yi Myint ²	2, 40%	1, 50%	1, 100%	—	1, 100%
U Than Aung	5, 100%	2, 100%	—	1, 100%	1, 100%
U Kyi Aye	5, 100%	2, 100%	1, 100%	—	1, 100%
U Linn Myaing	5, 100%	—	—	1, 100%	1, 100%
Mr. Fernando Zobel de Ayala (or his alternate, Mr. Jose Teodoro K. Limcaoco) ³	2(x), 100%	—	—	—	N.A.

“—” means the said director is not part of the relevant committee.

¹ U Myat Thin Aung passed away on 12 January 2021. As such, his directorship would not be reflected on Section II (2) – FMI’s the Directors List.

² Prof. Dr. Yi Yi Myint retired from the Board with effect from 17 February 2020 at the close of 28th AGM of the Company.

³ Mr. Fernando Zobel de Ayala and his alternate, Mr. Jose Teodoro K. Limcaoco resigned from the Board with effect from 2 August 2021.

5. Process for the Selection, Appointment and Re-appointment of New Directors (if any)

The Company adopts a holistic approach in the selection of new Directors. The NC is tasked to identify candidates and to review all nominations for the appointment, reappointment and termination of Directors and Board Committee members, taking into consideration of the Directors' character and competence including integrity, reputation, capability, independence status, contributions during and outside of Board and Board Committee meetings, as well as other criteria prescribed under the CG Manual of the Company and additional relevant factors as may be defined by the NC. For more information, please refer to FMI's Annual Report 2020 (attached as Annex C), under the heading of "Process and Criteria for the Appointment of New Directors", where the process of Directors' selection, appointment and reappointment is explained in detail.

6. Remuneration of Directors, etc.

(1) Remuneration policies and procedure for setting remuneration, if any

The Company strives to remunerate its Executive Directors and Non-Executive Directors in a fair, consistent, and competitive manner to match with the responsibilities they are charged with. The Company ensures that these packages are competitive in quality and value against market rates. The remuneration structure of the Company for Executive Directors is based on, including but are not limited to, Fixed salary; Variable Component or Bonuses; and Benefits-in-kind including shares award as per the Company's share scheme and other incentives.

The RC is tasked to consider and make recommendations to the Board concerning the Company's remuneration policy, level and mix of remuneration and procedure for setting remuneration. Additionally, the RC reviews and recommends to the Board a general framework of remuneration for the Board and key management personnel (i.e., persons having authority and responsibility for planning, directing and controlling the activities of the Company). A significant and appropriate proportion of executive directors and key management personnel's remuneration should be structured so as to link rewards to corporate and individual performance. The RC ensures that:

- (i) such performance-related remuneration is made in the interests of shareholders and promote the long-term success of the Company; and
- (ii) the level and structure of remuneration offered is: a) appropriate to the responsibilities undertaken and the level of contribution to the Company; and after taking into account factors like the industry and comparable company standards, the Company's performance and the individual performance; b) aligned with the long-term interest and risk policies of the Company; c) appropriate to attract, retain and motivate the directors to provide good stewardship of the Company, and key management personnel to successfully manage the Company.

(2) Outline of Remuneration

Directors Fees for FY2020:

Total Amount	MMK 340,421,161
Base/ Fixed Salary	MMK 107,832,594
Variable or Performance-related income	MMK 232,588,567

Benefits in Kind	-
Stock Options	-
Number of Directors	9

Other than the Directors listed above, the Company does not have employees who are family members of an Executive Officer, senior management or Directors of the Company whose remuneration level is equivalent to or more than that of an Executive Officer, senior management or Directors of the Company.

III. IMPLEMENTATION OF MEASURES FOR SHAREHOLDERS

1. Status of efforts to facilitate the exercise of voting rights by shareholders

Notices of General Meetings and related information are delivered at least twenty-eight (28) days in advance. Detailed information of each item to be processed during the General Meetings is supplemented with explanatory notes and guided instructions in both Burmese and English languages. The Notices of General Meetings are also advertised in the local daily newspaper, and notice handbooks and Annual Reports are typically dispatched to shareholders by mail; and published on the Yangon Stock Exchange's and FMI's websites. For more information, please refer to FMI's Annual Report 2020 (attached as Annex C), under the heading of "Section 4 – Shareholder Rights and Engagement" and FMI's Constitution (attached as Annex B), under the heading of Voting, where FMI's efforts to facilitate the exercise of voting rights are explained in detail.

FMI adheres to MCL 2017 and its Constitution for compliance, company secretarial and legal matters. It strives to deliver a transparent and non-discriminatory approach in its communication with shareholders. For example, at FMI's 29th Annual General Meeting ("29th AGM") held on 10 May 2021, FMI has started to appoint an external scrutineer to review and scrutinize the poll voting results of the said AGM. The intention of this appointment is to ensure the integrity of the poll voting process and to ensure that voting was carried out properly. For more information on FMI's practices on the preparation of the Notices of General Meetings, please refer to FMI's Constitution (attached as Annex B), under the heading of Notices; and FMI's Annual Report 2020 (attached as Annex C), under the heading of "Section 4 – Shareholder Rights and Engagement", where FMI's engagement with shareholders is explained in detail.

2. Status of IR Activities

FMI is committed to deliver high standards of corporate disclosure through a transparent and non-discriminatory approach towards its communications with all stakeholders. The Company has in place a communication system that discloses timely and complete financial data, and price-sensitive information to its shareholders. As at the time of publication of FMI's Annual Report 2020 (attached as Annex C), half-yearly releases of financial results and all other information including Management Discussion and Analysis are timely announced on the websites of the YSX and the Company at <https://fmi.com.mm/investors/announcements/>. Press releases and analyst briefings are conducted whenever there is significant development, with the presence of key executives. The Company's latest financial results, annual reports, and presentation materials for briefings are available on the websites for chronological review. There is also a specific webpage dedicated for investor relations to update and disclose Company's share and financial information on a timely manner. For more information on FMI's IR activities, please refer to FMI's Annual Report 2020 (attached as Annex C), under the heading of "Section 4 – Shareholder Rights and

Engagement”; FMI’s website, under the heading of “Investors Overview”, where FMI’s efforts and practices in engaging with its investors are explained in detail.

IV. STATUS OF INTERNAL CONTROL SYSTEM

1. Basic Policy on Internal Control System

The Company instils and promotes a risk management culture to allow prudent risk-based decision-making by embedding core values, principles, compliance and dynamic internal control systems in its day-to-day operations. Ongoing communication, education, monitoring and mitigation are an integral part of the Group’s dynamic risk management culture and is adopted across all its business activities.

Investment assessments and due diligence exercises are carried out on prospective business opportunities to ensure that potential financial, operational and strategic risks are identified and mitigated prior to commitment. In addition, Fraud Risk Assessment is conducted across the Group as part of the Annual Internal Audit Programme to ensure consistency with the Group’s commitment to anti-corruption.

Half yearly and annual enterprise risk assessments are carried out to validate the existence and effectiveness of the controls in place, review the changes in risk profile, and update the existing controls if required.

2. Status of Constructing Internal Control System

ENTERPRISE RISK ASSESSMENT

The Enterprise Risk Management Framework provides a sound system of risk management and internal control; and is underpinned by a sound foundation of the Group’s strong corporate governance culture, supported by five pillars of management control system being: Policies and Procedures, Internal External Audits, Due Diligence Reviews, Compliance Monitoring Reporting and Enterprise Risk Assessments, all of which are overseen by the ARMC and the Board.

The enterprise risk assessment (“ERA”) is conducted across the wider Yoma Group by the Risk Management & Assurance team, in accordance with the Enterprise Risk Management (“ERM”) framework applied by the wider Yoma Group. The senior management from each business unit participates in the ERA exercise.

The objectives of the ERA are to assist the wider Yoma Group in:

- *Identifying and assessing the strategic, financial, operational, compliance and information technology risks of the wider Yoma Group;*
- *Establishing the controls mitigating the risks identified; and*
- *Confirming that there are adequate and effective controls to manage the risks of the wider Yoma Group.*

The Company has employed a Code of Conduct (“COC”) for the Company and its subsidiaries (collectively, the “Group”) that applies to all members of the Board, Management, and employees. The COC sets the minimum standard that all levels of employees are expected to mirror in the spirit and principles of the COC, regardless of which legal entity of the Group. It also sets out the principles for employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing with the Company’s stakeholders. Measures are taken to ensure compliance with the COC, and non-compliance of this COC may result in disciplinary action. For more information on Board’s commitment to the Company’s corporate identity

and sustainable growth, please refer to Corporate Policies on FMI’s Website, under the heading of “Anti-Bribery Policy,” “Anti-Corruption Policy,” “Code of Conduct,” “Stakeholder Engagement”, and “Whistleblowing Policy” where the structure FMI has established to secure that the business operation of directors and employees are compliant with laws, regulations and FMI’s constitution is explained in detail.

Risk-based internal audit is one of the main functions carried out by the wider Yoma Group’s Risk Management team to help the businesses to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes through the ERM framework, outlined as follows: a. Risk identification and assessment; b. Development of key risk management strategies; c. Implementation of prevention, detection and response controls; d. Monitoring and mitigation of key risks and risk exposure levels and; e. reporting key risks and management performance to the wider Yoma Group board of directors.



V. RELATED PARTY TRANSACTION

1. Related Party Transaction Policy

It is the Company’s policy that any transaction with a related party (“RPT”) will be at arm’s length and on terms generally available to an unaffiliated third party under the same or similar circumstances, for all business transactions between related parties. The Company’s management has identified certain parties within its group (and shareholders) to be related parties in accordance with Section 7.3 of the CG Manual set out in Annex A, records them and discloses the transactions involving these RPTs in its annual report (“RPT List”). The Company further requires its Directors to disclose their interests prior to becoming a Director to assist in the determination of a related party. Prior to such disclosure in the annual reports, the RPT List is reviewed and scrutinized by the Audit and Risk Management Committee (“ARMC”) for the propriety.

On the coming into effect of several corporate governance policies in 2021 pursuant to the SECM Notifications,

the Company is in the midst of refreshing and enhancing its RPT policies and procedures.

Section 7.3 of the Company's CG Manual (Annex A), sets out the policy and practice of the Company with regard to RPTs, giving guidance to minimize both potential or actual conflicts of interest which may arise. All RPTs are recorded and brought to the notice of the ARMC and the ARMC will review all recorded RPTs on a half-yearly basis and determine if they are in the ordinary course of business, undertaken at arm's length on normal commercial terms, is commercially reasonable and the extent of a related party's interest in the RPT. RPTs which are not material are recorded by the management for a general overview by the ARMC.

All the RPTs incurred during the period are reported in audited financial statements of the Company. The disclosure for the Group's RPTs can be referred to in FMI's Annual Report at Pg. 135 (as attached in Annex C).

In relation to disclosure, FMI prepares disclosure for related party transaction and has disclosed the related part transaction in its audited statements.

FMI has adopted an internal policy ("RPT Policy") that formulates guidelines and procedures for the identification, approval, and monitoring of transactions with a related party. The ARMC shall oversee and review the propriety of related party transactions ("RPTs") and their reporting disclosures. This RPT Policy also requires Directors to disclose their interest in transactions that could potentially lead to any other conflicts of interest; and abstain from participating in Board discussions on a particular agenda when they are conflicted. The Company ensures that related party transactions ("RPTs") are conducted fairly and at arm's length basis. The trading of Directors' shares in the Company are disclosed timely where and when such trading has taken place. The objective of FMI's RPT Policy is to set out (a) the materiality thresholds for RPTs and; (b) ensure proper approval, disclosure and reporting of such transactions as applicable under the law/regulations, between the Company and any of its RP in the best interest of the Company and its stakeholders. For more information, please refer to FMI's CG Manual (attached as Annex A), under the heading of "Related Party Transaction Policy" where FMI's internal structure to consider the reasonability for business and the appropriateness of terms and conditions on each transaction is explained in detail.

On the coming into effect of several corporate governance policies in 2021 pursuant to the SECM Notifications, the Company is in the midst of refreshing and enhancing its RPT policies and procedures.

2. Outline of Related Party Transactions

The following transactions took place between the Company and its related parties on terms agreed between the parties from 1 October 2019 to 30 September 2020:

NO.	NAME OF RELATED PARTY	ATTRIBUTES OF RELATED PARTY	ALL TRADING AMOUNT (MMK)	ITEM
1.	FMI Garden Development Limited	With associate	46,200,000	Rental Expense
			2,186,225	Other expense
2.	Thanlyin Estate Development Limited	With associate	17,325,000	Rental Expense
			9,288,870	Other expense
3.	Yangon Land Co., Ltd	With entities related by common controlling shareholders	47,250,000	Rental Expense
4.	Yoma Development Group Limited	With entities related by common controlling shareholders	176,524,137	Rental Expense
5.	Convenience Prosperity Company Limited	With entities related by common controlling shareholders	54,000,000	Rental Income
6.	Yoma Fleet Limited	With entities related by common controlling shareholders	38,500,000	Rental Expense
			431,363,746	Other expense
7.	SPA Design & Project Services Limited	With entities related by common controlling shareholders	61,710,837	Other expense
8.	Hlaing River Golf & Country Club Company Limited	With entities related by common controlling shareholders	849,136,895	Other expense

Annex A
Corporate Governance Manual

Annex B
FMI's Company Constitution

Annex C
FMI's Annual Report 2020