CHALLENGES AND OPPORTUNITIES

SINGAPORE MYANMAR INVESTCO

Annual Report 2020

CORPORATE PROFILE

Singapore Myanmar Investco Limited ("SMI") is an investment and management company focused on the high-growth emerging economy of Myanmar. SMI adopts a diversified business model to capitalize on the strong trends in consumer spending, international tourism and infrastructure investment.

Through this versatile platform, SMI continues to build businesses in Travel & Fashion Retail, Food & Beverage, Logistics / Supply Chain to solidify its position as a fast growing business in Myanmar.

Listed on the Main Board of the Singapore Stock Exchange, SMI has a highly capable and experienced management team with proven track record in finance, business development and emerging markets. With a strong reputation for partnerships and value creation, SMI continues to be a partner of choice in Myanmar for globally-recognized brands and companies.

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VISION

To bring ground breaking international products and services to Myanmar to meet emerging consumer and development demand.

MISSION

To play an active and pioneering role in the modernization and growth of Myanmar.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ho Kwok Wai
Non-Executive Chairman and Non-Executive Director

Mark Francis Bedingham
Executive Director, President and Chief Executive Officer

Wong Yen Siang
Lead Independent Director

Fong Sing Chak Jack
Independent Director

Wee Sung Leng
Independent Director

AUDIT COMMITTEE

Wong Yen Siang
Chairman

Wee Sung Leng

Fong Sing Chak Jack

NOMINATING COMMITTEE

Wee Sung Leng
Chairman

Wong Yen Siang

Fong Sing Chak Jack

REMUNERATION COMMITTEE

Wee Sung Leng
Chairman

Wong Yen Siang

Fong Sing Chak Jack

COMPANY SECRETARIES

Lee Wei Hsiung
Wang Shin Lin, Adeline

COMPANY REGISTRATION NUMBER

200505764Z

REGISTERED OFFICE AND BUSINESS ADDRESS

300 Beach Road
#31-03 The Concourse
Singapore 199555
Tel: (65) 6718 6678
Fax: (65) 6391 9636
Website: www.sin-mi.com

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road
#11-02
Singapore 068898

AUDITORS

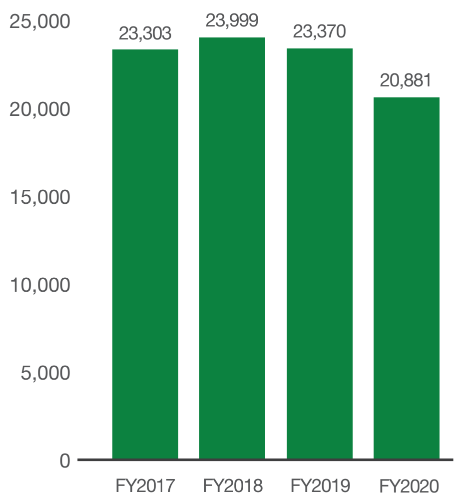
RSM Chio Lim LLP
Public Accountants and Chartered Accountants
(a member of RSM International)
8 Wilkie Road #03-08
Wilkie Edge
Singapore 228095
Partner-In-Charge: **Lee Mong Sheong**
(effective from financial year ended 31 March 2019)

PRINCIPAL BANKERS

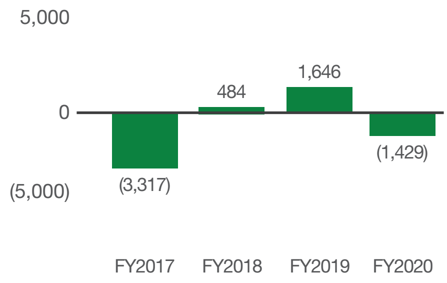
United Overseas Bank Limited
Oversea-Chinese Banking Corporation Limited
Malayan Banking Berhad, Yangon Branch
Kanbawza Bank Limited (KBZ Bank)

FINANCIAL HIGHLIGHTS

REVENUE (US$'000)

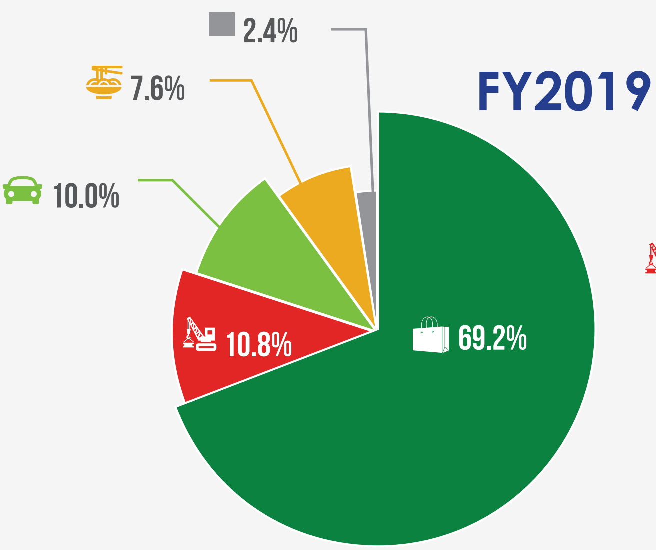


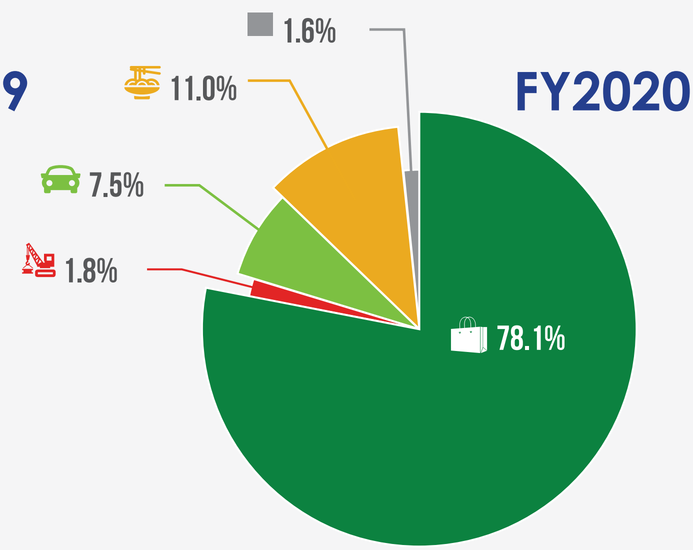
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION FROM CONTINUING OPERATIONS (US$'000)



REVENUE BREAKDOWN BY BUSINESS SEGMENT

Travel & Fashion Retail
Construction Services
Auto Services
Food & Beverage
Unallocated





OUR BUSINESS AND STRATEGIES

TRAVEL & FASHION RETAIL

Travel Retail was growing well until the effect of Covid-19 started to impact travellers in Q4FY2020. A number of new stores were opened: Shanghai Tang, Kate Spade and Cavalli Class and the overall performance of each major retail zone improved during the year, taking advantage of the rising trend of People's Republic of China travellers in the first three quarters of the year. SMI's development of a world class multi-category duty free at Yangon International Airport should allow for a fast recovery when international travel resumes.

Domestic retail saw a strong performance from Shiseido and the progressive roll-out of Havaianas stores in several locations both in Yangon and in locations outside of Yangon. In addition, the first two Levi's stores opened in the two leading Malls of Yangon. SMI will take a selective approach to the development of domestic retail in the future.

Name of subsidiary	Effective Shareholding
SMI RETAIL PTE. LTD.	100%
SMIRS MYANMAR LTD	100%

OUR BUSINESS AND STRATEGIES

FOOD & BEVERAGE

SMI is focused on strengthening performance of its existing stores, having opened its latest Coffee Bean and Ippudo in the developing city hub at Hledan. SMI's Coffee Bean and Tea Leaf cafes remained open at the airport until end of March 2020. As did the domestic stores and cafes, until dine-in was closed at the end of March. With three strong franchise brands: Coffee Bean and Tea Leaf, Ippudo and Crystal Jade, SMI is well placed to sustain its existence venues as well as consider carefully any future expansion opportunities.

SMI's focus exclusively on beverages for F&B trading worked well in FY2020 with growth across all three categories; Monin Syrups, San Pellegrino and Aqua Panna water, and wine supplied by MMI.

Name of subsidiary	Effective Shareholding
SMI F&B PTE. LTD.	100%
SMI F&BMM PTE. LTD.	100%
SMIFOOD CONCEPTS LTD	100%

OUR BUSINESS AND STRATEGIES

LOGISTICS

SMI's joint venture with Senko performed smoothly in 2020, with high levels of customer satisfaction with our international-standard cold, cool and dry storage facilities.

Name of subsidiary	Effective Shareholding
SMI-SENKO LOGISTICS PTE. LTD.	50%
SENKOSMI MYANMAR CO LTD	50%

AUTO SERVICES

The decision has been taken to downsize and eventually exit this business by the end of FY2021.

Name of subsidiary	Effective Shareholding
SMI AUTO SERVICES PTE. LTD.	100%
SMIRENTAL SERVICES MM LTD	100%

CONSTRUCTION SERVICES

The decision has been taken to downsize and eventually exit this business by end of FY2021.

Name of subsidiary	Effective Shareholding
SMI CONSTRUCTION SERVICES PTE. LTD.	100%

SERVICED OFFICES

This business has benefitted from the decision taken to reduce the rented space which has boosted occupancy and improved profitability.

Name of subsidiary	Effective Shareholding
KINNAYA PTE. LTD.	65%
YGN KINNAYA CO LTD	65%

TELECOM TOWERS

The sale of the assets in this business was successfully concluded in October 2019.

Name of subsidiary	Effective Shareholding
MYANMAR INFRASTRUCTURE GROUP PTE. LTD.	97%
TPR MYANMAR LTD	97%

CHAIRMAN'S STATEMENT

> "With a growing young population (within a large population of more than 50 million) and urbanisation in Myanmar, the consumption is expected to recover, I believe SMI remains well placed to exploit that opportunities."

DEAR SHAREHOLDERS,

After a very positive start to the year which continued for the first three quarters; SMI has faced a very challenging final quarter. The onset of COVID-19 around Asia saw a dramatic decline in travellers from the People's Republic of China culminating in the total cessation of travel by the end of March.

The management team led by our CEO, Mark Bedingham has reacted very quickly to this unprecedented situation by controlling costs, entering into robust conversations with our business partners so that the company can emerge from this pandemic poised for future growth.

There have been some notable successes during the course of the year; the successful exit from the tower business and down-sizing of the construction services and auto services businesses has led to the company becoming more focused and I am sure that a more tightly focused business will allow the company to take advantage of future opportunities in retail and our other two core businesses.

While there are the short-term challenges in Myanmar, our Group is optimistic about the medium to long-term economic potential in the country which should see a recovery in FDI accompanied by the roll out of several major infra-structure projects.

With a growing young population (within a large population of more than 50 million) and urbanisation in Myanmar, the consumption is expected to recover, I believe SMI remains well placed to exploit that opportunities.

A Note of Thanks & Appreciation

We have made every effort to keep our employees safe and well during this global health crisis and we are most appreciative of the sacrifices that they have made in support of the company during this difficult time.

Thank you!

Ho Kwok Wai
Non-Executive Chairman

"Our focus now is to ensure that the company emerges in the best possible shape when the effects of the pandemic subsides."

DEAR SHAREHOLDERS,

FY2020 has clearly been a very challenging year for SMI, as it has for so many businesses around the world, particularly in the hospitality and travel related sectors. During the first three quarters of the year, we were successfully carrying out the strategy agreed with the Board to focus on our Retail businesses and F&B businesses.

In October, we successfully completed the sale of our tower assets. We started on the exit of the construction equipment business during 2020 and by the end of March our local distributor had sold out almost all the equipment previously purchased. The SMI Auto car fleet has been reduced from approximately 120 cars to approximately 20 cars and the business will be completely exited within FY 2021.

The retail business progressed well throughout the first three quarters with revenue increasing by 16%; with strong passenger growth at the airport and a notable increase in passengers from the People's Republic of China. In the domestic market, Shiseido was a strong performer and we successfully opened the first Levi's stores in the country with our joint venture company with DKSH.

We have maintained tight discipline on overheads and improved our underlying gross margins.

According to the Ministry of Hotels and Tourism of Myanmar, the country received over 3.55 million foreign tourists in 2018, and during 2019 the total foreign visitor numbers reached over 4.36 million, increased by 23%.

This validated SMI's focus on the international traveler as well as the local consumer.

We continue to deepen our relationship with the major Mall owners in Yangon to create high quality retail experiences and offerings with our comprehensive portfolio of well-known brands in international retail and F&B.

The improvements that were seen in the overall economic environment have been curtailed by the emergence of COVID-19 in the last quarter of the year. Initially, travel retail sales started to be heavily impacted by the reduction in PRC travellers from mid-January and further amplified by reduction in all traveller from all destinations. Eventually, the airport was completely closed on 28th March 2020. The major Malls saw a rapid decrease in footfall in March and dine-in restaurants were required to close at the end of March 2020 but have gradually reopened since May.

The company has had to move rapidly to ensure the health and safety of its staff, open discussions with major suppliers and landlords, as well as make other preparations to ameliorate as far as possible the impact of this global pandemic.

Our staff and in particular the senior managers have well understood the severity of the crisis and have shown great resolve to help the company through this difficult period.

Our focus now is to ensure that the company emerges in the best possible shape when the effects of the pandemic subsides.

Moving Ahead

While COVID-19 provides us tremendous challenges, the underlying improved performance of our core businesses during the first three quarters in FY2020 gives us strong belief for a rebound in latter part of FY2021. In the coming financial year: we will closely monitor COVID-19 development. Going forward, even though capital investment will be strictly curtailed, we are still confident that our 3 core business pillars of Retail, F&B and Logistics are poised to further grow and entrench our business presence in Myanmar.

MARK BEDINGHAM
President and Chief Executive Officer

BOARD OF DIRECTORS

HO KWOK WAI

Mr. Ho was re-designated from Chairman of the Board and Executive Director of the Company to Non-Executive Chairman of the Board and Non-Executive Director on 23 January 2015. He is primarily responsible for spearheading the Group's corporate directions and strategies. Mr. Ho has more than 20 years of experience in the investment banking industry with a focus on mergers, acquisitions and capital raisings. He graduated from the Hong Kong Polytechnic University with a major in Management Accountancy.

MARK FRANCIS BEDINGHAM

Mr. Bedingham is our Executive Director, President and CEO and he was appointed on 23 January 2015. He is responsible for the Group's corporate plans, policies and business development as well as the general management of the Group's operations. He began his career with Jardine Matheson and held positions with various key divisions in Hong Kong, Malaysia and Japan before being appointed as a Director of Jardine Pacific. He joined LVMH Moët Hennessy Louis Vuitton S.A. ("Moet Hennessy"), based in Hong Kong, in the mid-1990s as the Regional Managing Director of Asia Pacific. Spearheading the development of Moet Hennessy's business in China, he succeeded in growing the Chinese market into Moet Hennessy's largest global market. During his tenure, he also led an expansion of new subsidiaries in emerging markets across South East Asia, as well as Australia and New Zealand. Under his management, the Asia Pacific region became the largest contributor to Moet Hennessy's global business activities. Mr. Bedingham has also served for nearly seven years on the board of DFS, the world's largest travel retailer and he is also a member of the Strategic Advisory Board of L Capital. During his time in Japan, he was appointed as a member of the Japanese Prime Minister's Administrative Reform Council and he was also elected as Chairman of the European Business Council in Japan. He graduated with a Master's degree in Agricultural and Forest Sciences from the School of Biological Sciences of Oxford University.

FONG SING CHAK JACK

Mr. Fong was redesignated as an Independent Director of our Group on 27 June 2016. He is currently the sole proprietor of Messrs. Jack Fong & Co., a law firm in Hong Kong and has more than 20 years of experience in legal practice. He holds a Bachelor of Law (Hons) Degree and a Post Graduate Certificate in Law from the University of Hong Kong. Mr. Fong is a Notary Public.

WONG YEN SIANG

Mr. Wong is an Independent Director of our Group and was appointed on 15 July 2005. He is the Lead Independent Director and Chairman of our Audit Committee. He holds a Bachelor of Commerce Degree from the Nanyang University in Singapore and he started his career with a local bank. In his 21 years with the bank, he worked in various areas of responsibilities covering credit and marketing functions before pursuing new commercial opportunities in the automobile and engineering industries.

WEE SUNG LENG

Mr. Wee is an Independent Director of our Group and was appointed on 6 November 2013. He chairs our Remuneration and Nominating Committees. With more than 18 years of experience in the finance and banking sector from credit & marketing, corporate banking and investment banking, Mr. Wee has been actively involved in the origination, due diligence and execution of corporate finance transactions such as initial public offerings, reverse take-overs, share placements and rights issues and has been involved as an independent financial advisor to listed companies in interested persons, delisting and general offer transactions. He holds a Bachelor of Accountancy Degree from the National University of Singapore.

KEY OPERATIONAL MANAGERS

DR KHINE THINZAR HTUN

General Manager (SMI Retail)

PHYO LIN PAING, COLIN

Deputy General Manager (F&B Trading)

KHIN THIDA SOE

General Manager (F&B Franchise)

NANG LAO PHONG AWN

Deputy General Manager (Logistics, Auto Services)

TUN TUN LATT

Director, Corporate Affairs and Government Relations

NAW MAY LYAN

Senior Manager, Human Resources

ESTHER FOO

Group Financial Controller

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Proxy Form

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board") of Singapore Myanmar Investco Limited ("SMI" and together with its subsidiaries, the "Group") is committed to comply with the principles and guidelines of the Code of Corporate Governance (the "Code") issued by the Monetary Authority of Singapore on 6 August 2018. SMI believes that good corporate governance is essential in building a sound corporation with an ethical environment, thereby protecting the interests of all shareholders. This Corporate Governance Report sets out SMI's corporate governance practices. The Board confirms that, for the financial year ended 31 March 2020 ("FY2020"), SMI has generally adhered to the principles and guidelines set out in the Code, except where otherwise stated. Where there have been deviations from the Code, SMI has sought to provide an appropriate explanation for each deviation in this Corporate Governance Report. SMI will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time, to ensure compliance with the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

A. BOARD MATTERS

Board's Conduct of Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Board's Leadership and Control

The primary function of the Board is to provide effective leadership and direction to enhance the long term value of the Group to its shareholders and other stakeholders. The Board assumes responsibility for the Group's overall strategic plans and performance objectives, key operational initiatives, major funding and investment proposals, financial performance reviews, compliance and accountability systems and corporate governance practices. Any Director who faces a conflict of interest or a possible conflict of interest, in relation to a matter, must promptly declare his interest at a meeting of Directors or send a written notice to the Company containing details of his interest and the conflict and recuses himself from discussions and decisions on the matter.

The Board oversees the business performance and affairs of the Group. The Board leads, directs and works closely with Management, to ensure alignment of interests of the Board and Management with that of the shareholders, so as to achieve the long-term sustainable success of the various businesses of the Group.

The Board has established a framework on authorisation and approval limits for capital and operating expenditure, as well as specified transactions including acquisitions and disposals of investments, procurement of goods and services, bank facilities and cheque signatories. Within this framework, the Board has set relevant authority and approval sub-limits for delegation to various Management levels to optimise operational efficiency.

Material items that require Board's decision or approval include:

- corporate strategy and business plans;
- investment and divestment proposals;
- capital structure and funding decisions of the Group;
- nominations of Directors for appointment to the Board and appointment of the Group CEO;
- announcement of interim and full-year financial reports and the annual report;
- material acquisitions and disposals of assets;
- all matters of strategic importance;
- corporate governance; and
- interested person transactions.

Board Committees

The Board has constituted the following Board Committees to assist the Board in the discharge of its functions:

- the Audit Committee ("AC");
- the Nominating Committee ("NC"); and
- the Remuneration Committee ("RC").

The composition of the Board Committees and their specific responsibilities and authority are set out in the relevant sections of this Corporate Governance Report. These Committees play an important role in ensuring good corporate governance in SMI and within the Group. The Board also delegates certain of its functions to these Committees, which would make recommendations to the Board. Each Board Committee is required to operate and make decisions on matters within its Terms of Reference which are reviewed on a regular basis to ensure their continued relevance. The Board accepts that while these various Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

Board Meetings

For FY2020, the Board held a total of 4 meetings to review the financial performance and to update the Board on significant business activities and overall business environment. Throughout the financial year, as and when deemed necessary by the Board, additional Board meetings may be convened to consider urgent proposals or matters that require the Board's review and approval.

The Constitution of SMI (the "Constitution") allows Board meetings to be conducted by means of telephone conference or other methods of simultaneous communication by electronic or other communication facilities. When a physical Board meeting is not possible, the Board can communicate through electronic means or via circulation of written resolutions for approval. The Directors attend and actively participate in Board and Board Committee meetings. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of the Company.

A summary of the number of Board and Board Committee meetings held in FY2020 and the attendance of the Directors at these meetings is set out in the table below:

Directors' attendance at Board and board committee meetings during FY2020

		Board Committee Meetings		
Directors	**Board Meetings**	**AC**	**NC**	**RC**
Number of Meetings held	4	4	1	1
Ho Kwok Wai	2	n.a.	n.a.	n.a.
Fong Sing Chak Jack	4	4	1	1
Wong Yen Siang	3	3	1	1
Wee Sung Leng	3	3	1	1
Mark Francis Bedingham	4	n.a.	n.a.	n.a.

n.a. – not a member

Induction and training of Directors

The Directors understand the Company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors).

Briefings are conducted by Management for the newly-appointed Directors to familiarise with the Group's business activities, strategic directions, financials, policies, governance practices, corporate culture as well as key regulatory, legal and industry developments which affect the Group. There are also orientation programs tailored to familiarise newly appointed Directors with the role and responsibilities of a Director of a public company in Singapore.

Upon the appointment of a new Director, SMI would issue a formal letter of appointment setting out the statutory and other duties and obligations of the Director.

All Directors are encouraged to keep themselves updated on changes to the financial, legal and regulatory as well as corporate governance requirements, framework and the business environment through reading relevant literature and attending appropriate seminars and courses conducted by bodies such as SGX-ST and Singapore Institute of Directors ("SID").

In addition, the Company Secretary and members of Senior Management also provide regular updates to the Directors during Board meetings and through emails on key legal, regulatory, industry and accounting changes which affect the Group. Such new releases issued which are relevant to the Directors are circulated to the Board.

The Directors are free to conduct independent or collective discussions with Management and subject matter experts on any area of interest or concern.

In May 2018, the two NEDs, Jack Fong and Wee Sung Leng, visited Yangon to meet with key operational managers and visited the site operations. This helped them better understand the operating environment, issues and challenges faced by the Group.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Board size and board composition
The Board comprises five Directors, three of whom are Independent Directors. The Directors at the date of this report are as follows:-

Name of Directors	Board of Directors	Date of Appointment	Date of last re-election	AC	NC	RC	Present Directorship in other Listed Companies
Ho Kwok Wai	Non-Executive Director and Chairman	6 November 2013	31 July 2018	–	–	–	Nil
Mark Francis Bedingham	Executive Director, President and Chief Executive Officer	23 January 2015	25 July 2017	–	–	–	Nil
Wong Yen Siang	Lead Independent Director	15 July 2005	26 July 2019	Chairman	Member	Member	Nil
Wee Sung Leng	Independent Director	6 November 2013	26 July 2019	Member	Chairman	Chairman	Combine Will International Holdings Limited
Fong Sing Chak Jack	Independent Director	6 November 2013	31 July 2018	Member	Member	Member	Nil

The Board, through the NC, annually examines its size and composition of the Board and Board Committees and the skills and core competencies of its members to ensure an appropriate balance of skills and experience. These competencies include banking, accounting and finance, business acumen, management experience, industry knowledge, strategic planning experience, customer-based knowledge, familiarity with regulatory requirements and knowledge of risk management. The NC believes that there is an appropriate mix of expertise and experience to enable Management to benefit from a diverse perspective of issues that are brought before the Board; and no individual or small group of individuals dominates the Board's decision-making process. The Board considers that its Directors possess the necessary competencies and knowledge to lead and govern the Group effectively.

Given the scope and nature of the Group's operations, the Board is of the view that its current size of 5 is conducive and facilitates effective decision-making. In this regard, the Board has also taken into account the complexity and requirement of the Group's businesses. The Directors' academic and professional qualifications are presented in pages 8 to 9 of the Annual Report.

Directors' independence review

The Board, taking into account the views of the NC, assesses the independence of each Director annually and as and when the circumstances require whether or not a director is independent, in accordance with the guidance in the Code. A Director who is independent in conduct, character and judgement, and has no relationship with the Group, its related corporations, officers or its shareholders with shareholdings of 5% or more in the voting shares of SMI that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Group, is considered to be independent.

After taking into account the views of the NC, all the Directors on the Board are considered by the NC and the Board to be Independent Directors except the following:

Name of Directors	Reasons for non-independence
Ho Kwok Wai	Mr Ho Kwok Wai is deemed not independent as he holds more than 10% of SMI's voting shares.
Mark Francis Bedingham	As President and CEO of the Group, Mr Mark Francis Bedingham is employed by the Group

The Board also recognises that independent directors may over time develop significant insights in the Group's businesses and operations and can continue to provide significant and valuable contribution objectively to the Board as a whole. When there are such directors, the Board will do a rigorous review of their continuing contribution and independence and may exercise its discretion to extend the tenures of these directors. Presently, Mr Wong Yen Siang has served on the Board for more than nine years from the date of his first appointment in 2005. The Board has subjected his independence to a particularly rigorous review.

Taking into account the views of the NC, the Board concurs that Mr Wong Yen Siang continues to demonstrate strong independence in character and judgement in the discharge of his responsibilities as a Director of SMI. He has continued to express his individual viewpoints, debate issues and objectively scrutinise and challenge Management. He has sought clarification as he required, including through direct access to the Group's employees.

Further, there was a significant change in the Board with the appointment of Mr Ho Kwok Wai as the Chairman in 2013 and Mr Mark Francis Bedingham as President and CEO in 2015. In addition, there has been significant change to the ownership of SMI and change in the businesses of the Group. After taking into account these factors, the Board had determined Mr Wong Yen Siang continues to be considered an Independent Director, notwithstanding he has served on the Board for more than nine years from the date of his appointment.

The Independent Directors make up more than half of the Board, which meets the requirements set out in the Code. This provides a strong and independent element on the Board. This is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgement on corporate affairs. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined.

Role of the Non-Executive Director

NEDs make up a majority of the Board. The Board and Management fully appreciate that an effective and robust Board whose members engage in open and constructive debate, and challenge Management on its assumptions and proposals is fundamental to good corporate governance. The Board should also aid in the development of strategic proposals and oversee effective implementation by Management to achieve set objectives.

The Board, in particular the non-executive directors ("NEDs"), must be kept well informed of the Group's businesses and be knowledgeable about the industry the Group operates in.

To ensure that NEDs are well supported by accurate, complete and timely information, NEDs have unrestricted access to Management. In addition, the NEDs meet as necessary to review and discuss matters such as board processes, corporate governance initiatives, succession planning, leadership development and other issues of concern. Where necessary or appropriate including before or after each quarterly meeting of the Board, the NEDs meet without the presence of Management. The chairman of such meetings provides feedback to the Board and/or the Chairman as appropriate.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Chairman is Mr Ho Kwok Wai, who is a Non-Executive Director and unrelated to the CEO. He:

- ensures board meetings are held when necessary;
- sets the board meeting agenda with the assistance of the Company Secretary and in consultation with the CEO;
- ensures board members are provided with complete, adequate and timely information in compliance with the Code; and
- ensures effective communication within the Board and within the shareholders.

The Board has delegated the daily operations of the Group to the CEO who is Mr Mark Francis Bedingham. He:

- leads the Management team;
- formulates the Group's strategic directions and expansion plans;
- executes the strategic plan;
- reviews the performance of its existing businesses;
- manage the Group's overall business development to achieve the goal set out by the Board; and
- ensures the Directors are kept updated and informed of the Group's businesses.

The Board has a lead independent Director to provide leadership in situations where the Non-Executive Chairman is conflicted. The lead independent Director also provides feedback to the Non-Executive Chairman after meetings of independent Directors. Mr Wong Yen Siang is the lead independent Director. He is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Non-Executive Chairman or the Management is inappropriate or inadequate.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC comprises the following three members, all of whom are Independent Non-Executive Directors and the lead independent Director is a member of the NC:

1. Mr Wee Sung Leng (NC Chairman)
2. Mr Wong Yen Siang
3. Mr Fong Sing Chak Jack

The Board established the NC to lead and facilitate the selection, appointment and re-appointment of Directors to the Board with written terms of reference that clearly set out its authority and duties.

Key responsibilities include:

- review and recommend the nominations for the appointment or re-appointment of Directors (including alternate director, if any) having regard to the composition and progressive renewal of the Board, each Director's qualifications, competencies, commitment, contribution and performance, the number of other listed company board representations;

- review the Board structure, size and composition having regards to the scope and nature of the operations, the requirements of the business, the diversity of skills, experience, gender and knowledge of SMI, the core competencies of the Directors as a group and make recommendations to the Board with regards to any adjustments that may be deemed necessary;

- review board succession plan for Directors, in particular for the Chairman of the Board, the CEO and key management personnel;

- determine on an annual basis whether or not a Director is independent;

- assess the performance of the Board and contribution of each Director to the effectiveness of the Board as a whole; and

- recommend to the Board comprehensive induction training programmes for new directors and reviews training and professional development programs for the Board to keep the Board apprised of relevant new laws, regulations and changing commercial risks.

Directors' independence review

The task of assessing the independence of Directors is delegated to the NC. The NC reviews the independence of each Director annually and as and when circumstances require. It has used its best efforts to ensure that Directors appointed to the Board possess the experience and knowledge, business, finance and management skills necessary to our businesses and each Director, through his contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

Each Independent Director is required to complete a Director's Independence Checklist ("Checklist") to confirm his independence annually. The Checklist is drawn up based on the guidelines provided in the Code.

Each Independent Director must also confirm in the Checklist whether he considers himself independent despite not having any relationships identified in the Code. Thereafter, the NC reviews the Checklist completed by each Independent Director, assess the independence of the Directors and recommends its assessment to the Board.

The Board, after taking into account the views of the NC, determined that with the exception of Mr Mark Francis Bedingham and Mr Ho Kwok Wai, all the other three NEDs are independent.

Directors' time commitments and multiple directorships

The NC has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards. The Board does not prescribe a maximum number of listed company board representatives which any director with multiple board representations may hold and in lieu wishes to review the matter on a case by case basis taking into account the ability and performance of each director in his performance and discharge of duties and responsibilities.

The NC determines annually whether a Director with multiple board representations and/or other principal commitments is able to and has been adequately carrying out his duties as a Director of SMI. Such other listed company directorships and principal commitments of each Director are disclosed in the table under "Principle 2" on page [xx].

The NC takes into account the results of the assessment of the effectiveness of the individual Director and the respective Directors' actual conduct on the Board, in making this determination.

The NC has reviewed the individual performance of each Director and is satisfied that all Directors have dedicated adequate time to the affairs of SMI and have properly discharged their duties for FY2020 and will continue to do so in FY2021. The NC is of the view that the duties of all Directors have been fully discharged based on the time and attention devoted by each Director, their individual abilities and their respective individual contribution of skills, knowledge and experience and their commitment to the affairs of SMI.

Process for selection and appointment of new Directors

The NC has put in place a formal process for the selection of new Directors to increase transparency of the nomination process in identifying and evaluating nominees for Directors of SMI. The NC leads the process as follows:

- NC evaluates the balance, skills, knowledge and experience of the existing Board and the requirements of the Group. In light of such evaluation, the NC determines the role and the key attributes that an incoming Director should have.

- After endorsement by the Board of the key attributes, the NC taps on the resources of Directors' personal contacts and recommendations of the potential candidates and goes through a short-listing process. If candidates identified from this process are not suitable, executive recruitment agencies are appointed in the search process.

- NC meets with the shortlisted candidate to assess suitability and to ensure that the candidate is aware of the expectations and the level of commitment required.

- NC recommends the most suitable candidate to the Board for appointment as Director. They are appointed by way of Board resolutions of SMI.

Process for re-appointment of Directors

The NC is responsible for re-appointment of Directors. In its deliberations on the re-appointment of existing Directors, the NC takes into consideration the Director's contribution and performance (including his contribution and performance as an Independent Director, if applicable).

All Directors submit themselves for re-nomination and re-appointment as regular intervals of at least once every three years. Article 91 of SMI's Constitution provides that one third of the Directors shall retire from office by rotation and be subject to re-appointment at SMI's annual general meeting ("AGM").

In addition, Article 97 of SMI's Constitution provides that a newly appointed Director during the financial year must retire and submit himself for re-appointment at the next AGM following his appointment. Thereafter, he is subject to be re-appointed at least once every three years.

The NC has reviewed and recommended the re-election of the following Directors who will be retiring pursuant to SMI's Constitution at the forthcoming AGM to be held on 27 October 2020:

- Mr Ho Kwok Wai (retiring pursuant to Article 91)

- Mr Fong Sing Chak Jack (retiring pursuant to Article 91)

The Board has accepted the recommendations and the retiring Directors will be offering themselves for re-election at the forthcoming AGM.

The NC also assessed and reviewed the independence of the Independent Directors, namely Mr Wong Yen Siang, Mr Wee Sung Leng and Mr Fong Sing Chak Jack based on the guidelines set out in the Code. The Board, with the concurrence of the NC, concludes that Mr Wong Yen Siang, Mr Wee Sung Leng and Mr Fong Sing Chak Jack remain independent.

The information relating to the date of last election of the Directors are set out in the table under "Principle 2" on page [xx].

Key information regarding the Directors are set out under section of "Board of Directors" on pages 8 to 9 of this Annual Report.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that each of its board committees and individual directors.

The Board has implemented a process carried out by the NC for assessing the performance and effectiveness of the Board as a whole, its board committees and the contribution of each Director to the effectiveness of the Board on an annual basis.

During FY2020, the Board engaged the Company Secretary to facilitate the evaluation of the Board and Board Committees, as well as the contributions by each Director.

The Board believes that such arrangement not only encourages Directors to be more candid in their evaluation of the Board performance but also enhances the objectivity and transparency of the evaluation process.

Board evaluation process

The NC Chairman, in conjunction with the Chairman of the Board, conducts an annual assessment of the effectiveness of the Board as a whole, effectiveness of its Board Committees and the contribution by each individual Director. There are three components to this assessment:

a. Self-assessment;
b. Board assessment; and
c. Peer evaluations.

The performance evaluation process begins with an annual meeting between the NC Chairman and SMI's Company Secretary on the evaluation framework to ensure that areas of particular interest and key issues are focused on.

The Company Secretary sends out a customised Board Evaluation Questionnaire ("Questionnaire") to each Director for completion. Each Director is required to complete the Questionnaire and send it directly to the Company Secretary. Based on the returns from each of the Directors, the Company Secretary prepares a consolidated report and briefs the NC Chairman and the Chairman of the Board on the report. Thereafter, the Company Secretary presents the report for discussion at a meeting with all the Directors, chaired by the NC Chairman. The NC Chairman then holds a discussion with all Directors to agree on future action plans.

Individual Director Evaluation

The performance of individual Directors is taken into account in their re-appointment. Specific needs which arise from time to time are taken into account in any appointment of new Directors and review of the Board's performance is carried out collectively by the Board on an annual basis. For Board assessment, it is based on factors such as the Board's structure, size, conduct of meetings, corporate strategy and planning, risk management and internal controls, measuring and monitoring performance and financial reporting. In the case of individual assessments, each Director is evaluated based on factors which include the Director's attendance, adequacy of preparation for meetings, participation in discussions as well as industry and business knowledge.

B. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

The RC comprises the following three members, all of whom are Independent Non-Executive Directors:

1. Mr Wee Sung Leng (RC Chairman)
2. Mr Wong Yen Siang
3. Mr Fong Sing Chak Jack

The RC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration and for determining the remuneration packages of individual Directors and senior management. The RC assists the Board to ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive and thereby maximise shareholder value.

The functions of the RC include:

- review and recommend to the Board a framework of remuneration for the Directors and key management personnel.

- review and recommend to the Board the specific remuneration packages for the Executive Director(s) of SMI, of which a significant portion of the Executive Director's remuneration is structured to link rewards to corporate and individual performance.

- review all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits in kind.

- review the level and mix of remuneration and benefits policies and practices of SMI, including the long-term incentive schemes on an annual basis. The performance of SMI and that of the Executive Director(s) would be considered by the RC in undertaking such reviews.

- implement and administer the share and other incentive scheme(s) adopted by the Group.

- review the Group's obligations arising in the event of termination of the Executive Director's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

None of the members of the RC or any Director is involved in deliberations in respect of any remuneration, compensation, share-based incentives or any form of benefits to be granted to them.

The RC has the authority to seek any external professional advice on matters relating to remuneration of Directors as and when the need arises.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

In recommending the level and mix of remuneration, the RC seeks to establish a framework for attracting, retaining and motivating the Directors to provide good stewardship of the Group and key management personnel to successfully manage the Group for the long term. The Group's compensation framework comprises of fixed pay, short term and long term incentives. The Group subscribes to linking Executive Directors' and key management personnel's remuneration to corporate and individual performance, based on an annual appraisal. The level and structure of remuneration of Executive Directors and key management personnel are aligned with the long term interest and risk policies of SMI.

NEDs receive director fees for their effort and time spent, responsibilities and contributions to the Board, subject to shareholders' approval at annual general meetings. Given the size and operations of the Group, the RC considers the current fees adequately compensate the NEDs, without over-compensating them as to compromise their independence.

The details are set out under Principle 9 below.

Disclosure on Remuneration

Principle 8: The Company is transparent on its remuneration policies, level of mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The RC seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between current versus long term compensation and between cash versus equity incentive compensation.

Directors' Remuneration

For the period under review, the Executive Director's remuneration package includes:

- fixed remuneration
- other benefits
- share-based incentives

It is based on a service agreement entered into between SMI and the Executive Director for a period of three (3) to five (5) years and subject to automatic renewal for subsequent periods of three (3) years unless earlier terminated. Executive Director does not receive Director's Fees.

At the moment, SMI does not use any contractual provisions to reclaim incentive components of the remuneration from the Executive Director in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the Group. The Executive Director owes a fiduciary duty to SMI and SMI should be able to avail itself to remedy against the Executive Director in the event of such breach of fiduciary duties. The RC will consider, if required, whether there is a requirement to institute such a contractual provision.

NEDs, including the Chairman, are paid Directors' fees, subject to the approval of shareholders at the AGM. The Directors' Fees, determined by the Board, are appropriate to the level of contribution, taking into account factors such as effort and time spent and responsibilities of the Directors such that the independence of the NEDs is not compromised by their compensation.

Each member of the RC shall abstain from voting on any resolutions in respect of his remuneration package.

For the financial year under review, the RC had recommended to the Board, total Directors' Fees of S$160,000 for the NEDs, which will be tabled by the Board at the forthcoming AGM for shareholders' approval.

The Board has not included a separate annual remuneration report in its annual report for the current year as it is of the view that the matters, which are required to be disclosed in the annual remuneration report have already been sufficiently disclosed in this Corporate Governance Report and the financial statements of SMI.

A breakdown, showing the level and mix of each individual Director's remuneration payable for FY2020 is as follows:

Name of Director	Fixed Salary	Fees[1]	Bonus	Benefits in kind	Share-based incentives	Total
S$500,000 to S$1,200,000						
Mark Francis Bedingham	36%	–	28%	3%	33%	100%
Below S$250,000						
Ho Kwok Wai	–	100%	–	–	–	100%
Fong Sing Chak Jack	–	100%	–	–	–	100%
Wong Yen Siang	–	100%	–	–	–	100%
Wee Sung Leng	–	100%	–	–	–	100%

1 Subject to approval by shareholders as a lump sum at the AGM for the financial year ended 31 March 2020.

Remuneration of Key Management Personnel

SMI adopts a remuneration policy for staff comprising a fixed component, a variable component and benefits in kind. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is aligned to SMI's and individual performance. The other benefits include housing and car benefits.

The remuneration paid to or accrued to the top nine key management personnel (who are not Directors or the CEO) for FY2020 is as follows:

Name of Key Executives	Fixed Salary	Bonus	Benefits in kind	Share-based incentives	Total
S$200,000 to S$350,000					
Cher Soon Eng Lucy	80%	14%	–	6%	100%
Lo Chi Chuang Alan	91%	9%	–	–	100%
Shuji Hotta	73%	7%	12%	8%	100%
John Anthony Pike	64%	10%	14%	12%	100%
Kang Liang Yio Helen	56%	18%	12%	14%	100%
Below S$200,000					
Satheeish Subramaniam	61%	12%	10%	17%	100%
Lee Wai Leong William	64%	12%	17%	7%	100%
Deng Siyi Stephen	42%	50%	8%	0%	100%

The annual aggregate remuneration paid to the top eight key management personnel of SMI (excluding the CEO) for FY2020 is US$955,935 (S$1,306,285). The RC approves the bonus for distribution to staff based on individual contributions as well as the financial performance and commercial needs of the Group and has ensured they are adequately but not excessively remunerated.

The remuneration of each individual Director and key management personnel is not fully disclosed as the Company believes that disclosure may be prejudicial to its business interests given the highly competitive environment it is operating in. The RC has reviewed the practice of the industry in this regard, weighing the advantages and disadvantages of such disclosure."

No employee of the Group was a substantial shareholder of the Company, or an immediate family member of any Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S$100,000 per annum during this financial year.

Share-based Incentive Plan

There are no termination, retirement or any post-employment benefits to Directors and key management personnel.

The SMI Performance Share Plan ("PSP") was adopted at an Extraordinary General Meeting on 30 July 2014. The SMI PSP is administrated by the RC and contemplates the award of fully paid shares, free of charge, when or after prescribed performance targets are achieved by the Directors.

In addition, the SMI Share Option Scheme ("SMI ESOS") was approved and adopted at the EGM of SMI held on 25 July 2017. The key objective of the SMI ESOS is to motivate Group's key management personnel to optimise their performance standards and efficiency and to reward them for their significant contributions with participation in the equity of the Group.

Further details on these incentives can be found in the Notes to the Financial Statements.

Remuneration for the Executive Director and key management personnel in the form of salaries, SMI PSP, SMI ESOS and bonuses are based on corporate and individual performance with emphasis on long term profitability, revenue growth and sustainability of the Company.

C. ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board is responsible in overseeing the risk governance in the Group to ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets. It also determines the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives and value creation. The Board has delegated such tasks to the AC.

Based on the audit reports and management controls in place, the Board and AC is satisfied that the internal control systems provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained and financial statements are reliable. In the course of their statutory audit, the external auditors will highlight any material internal control weaknesses which have come to their attention in carrying out their normal audit, which is designed primarily to enable them to express their opinion on the financial statements. Such material internal control weaknesses noted during their audit, and recommendations, if any, by the external auditors are reported to the AC.

The Board has received assurance from the CEO and Group Financial Controller in relation to the financial information and controls for the year, including (i) the financial records have been properly maintained and the financial statements for the financial year ended 31 March 2020 give a true and fair view of SMI's operations and finances; and (ii) SMI's risk management and internal control systems in place are adequate and effective.

Based on the internal controls established and maintained by SMI, work performed by the internal and external auditors and regular reviews performed by Management, the Board and relevant Board Committees, the Board and AC are of the opinion that the Group's risk management and internal control systems were adequate and effective as at 31 March 2020 to address financial, operational, compliance and information technology risks which SMI considers relevant and material to its operations. This is also supported by the assurance statement from the CEO and Group Financial Controller.

The Board and AC notes that the risk management and internal control systems of the Group provide reasonable, but not absolute assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that there is no risk management system and internal controls that can provide absolute assurance in this regards or against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Code of Dealings in Securities

SMI has in place a Code of Dealings in SMI's securities, which prohibits dealings in SMI's securities by all Directors of the Company and its subsidiaries, and certain employees, within certain trading periods. The "black-out" period is 1 month before and up to the date of announcement of SMI's half year and full year results. Directors and employees are also reminded to observe insider trading laws at all times and not to deal in SMI's securities when in possession of any unpublished price-sensitive information regarding the Group or on short-term considerations. SMI issues half-yearly reminders to its Directors, relevant officers and employees on the restrictions in dealing in listed securities of SMI as set out above, in compliance with Rule 1207(19) of the SGX Listing Manual.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively,

The AC comprises the following three members, all of whom are Independent Non-Executive Directors:

1. Mr Wong Yen Siang (AC Chairman)
2. Mr Wee Sung Leng
3. Mr Fong Sing Chak Jack

The AC members are appropriately qualified to discharge their responsibilities and collectively have strong accounting and related financial and legal management expertise and experience. None of the AC members is a former partner or director of the Group's existing auditing firm or auditing corporation. The AC performs the functions as set out in the Code including the following:

- review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to Management and Management's response;

- review the financial statements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;

- review the internal control and procedures and ensure co-ordination between the external auditors and Management, reviewing the assistance given by Management to the auditors to discuss problems and concerns, if any, arising from the interim and final audits and any matters which the auditors may wish to discuss (in the absence of Management where necessary);

- review the adequacy and effectiveness of SMI's risk management and internal control systems (including financial, operations, compliance and information technology controls) and to report to the Board annually;

- review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have material impact on SMI's operating results or financial position and our Management's response;

- consider and recommend the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the auditors;

- review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;

- review potential conflicts of interest, if any;

- undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring attention of AC; and

- generally undertake such other functions and duties as may be required by statute or the Listing Manual, or by such amendments as may be made thereto from time to time.

The AC has explicit authority to investigate any matter within its terms of reference, with full access to and co-operation from Management. The AC also has full discretion to invite any Director or executive officer to attend its meetings and to require Management to provide it with reasonable resources to enable it to discharge its functions properly.

The AC meets with the external auditors, at least once a year, without the presence of Management. The audit partner of the external auditors is rotated every five years, in accordance with the requirements of the SGX Listing Manual.

Half-yearly financial statements and the accompanying announcements are reviewed by the AC before presentation to the Board for approval, to ensure the integrity of information to be released.

During the financial year, the AC reviewed the half-yearly financial statements prior to approving or recommending their release to the Board, as applicable; the auditors' evaluation of the system of internal accounting controls; the adequacy and effectiveness of SMI's internal controls; the annual audit plan of the external and internal auditors and the results of the audits performed by them and potential interested person transactions. It also reviewed the scope, results and effectiveness of the internal and external audit functions; the independence and objectivity of the external auditors and the non-audit services rendered by them and the re-appointment of the external auditors and their remuneration. Management's assessment of fraud risks, adequacy of the whistleblowing arrangements and whistleblowing complains are reviewed by the AC.

Significant matters that were discussed with Management and the external auditors have been included as key audit matters ("KAMs") in the independent auditors' report for the financial year ended 31 March 2020, as set out on pages [xx] to [xx] of this Annual Report.

The AC, considering the report from the external auditors, including their findings and views on the key areas of audit focus, concluded that SMI's accounting treatment and estimates in each of the KAMs were appropriate.

External Auditors

The AC has conducted an annual review of the performance of the external auditor and the volume of non-audit services to satisfy itself that the nature and extent of such services will not prejudice the independency and objectivity of the external auditors, before confirming their re-nomination.

The aggregate amount of fees paid or payable to the external auditors of the Group, broken down into audit and non-audit services for the financial year ended 31 March 2020 are as follows:

- Audit fees: US$125,210
- Non-audit fees: US$1,829

The AC, with concurrence of the Board has recommended RSM Chio Lim LLP for re-appointment as statutory auditors of SMI at the forthcoming AGM.

SMI engages suitable independent auditors to audit its foreign incorporated subsidiaries and joint ventures, as disclosed in [Notes 17 and 18] to the financial statements in this annual report which have been cleared by SMI's external auditors. The Board and AC have reviewed and are satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of SMI.

SMI confirms that the appointment of the external auditors is in accordance with Rules 712 and 715 of the SGX Listing Manual.

Internal Audit

SMI engaged Baker Tilly Consultancy (Singapore) Pte Ltd ("Baker Tilly") to develop a comprehensive set of group policies and procedures ("Group policies") in November 2016. The AC reviewed and approved the Group policies as well as appointed Baker Tilly to be the internal auditor ("IA") in May 2017.

The primary role of IA is to assist the Board to evaluate the reliability, adequacy and effectiveness of the internal controls and risk management processes of the Company, reviewing the internal controls of SMI to ensure prompt and accurate recording of transactions and proper safeguarding of assets and reviewing that the Company complies with the relevant laws, regulations and policies established by the SMI.

The IA have unfettered access to all the Group's documents, records, properties and personnel, including access to the AC. The internal audit function has appropriate standing within the Company. The AC is satisfied with the quality and effectiveness of the IA function and that the IA function is currently adequately resourced and has appropriate independent standing to perform its functions effectively.

Whistleblowing Policy

The Group also has a Whistleblowing Policy to allow staff to raise concerns or observations in confidence to SMI about possible irregularities for independent investigation and appropriate follow up action to be taken. Such concerns include dishonesty, fraudulent acts, corruption, legal breaches and other serious improper conduct; unsafe work practices and any other conduct that may cause financial or non-financial loss to the Group or damage to the Group's reputation. The Whistleblowing Policy encourages staff to identify themselves whenever possible to facilitate investigations but will also consider anonymous complaints, in certain circumstances. It makes available to staff the contact details of the Receiving Officer who may also forward the concern to the respective Heads of Division, CEO, AC Chairman and/or Chairman.

D. SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholders Rights and Responsibilities

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

SMI respects shareholders' rights and promotes the fair and equitable treatment of all shareholders. SMI keeps all of its shareholders sufficiently informed of its corporate affairs and activities, including any changes to SMI or its business which may materially affect the price or value of SMI shares on a timely basis.

All new material price-sensitive information is disclosed on an adequate, accurate and timely basis via SGXNET, which are also posted on the SMI Investor Relation ("IR") website. SMI recognises that the release of timely and relevant information is central to good corporate governance and assists shareholders to make informed investment decisions.

Any notice of a general meeting of shareholders is issued at least 14 days before the scheduled date of such meeting. These notices are published in the local newspaper and posted onto SGXNET and SMI IR website. These notices are also contained in annual reports or circulars which are sent to all shareholders.

All shareholders are entitled to attend and vote at general meetings, afforded the opportunity to participate effectively in the general meetings and informed of the rules governing general meetings of shareholders. The Constitution of the Company allows each shareholder to appoint up to two proxies to attend, speak and vote in their place at general meetings. SMI does not provide for absentia voting methods such as by mail, email or fax due to concerns as to the integrity of such information and authentication of the identity of shareholders voting by such means.

Pursuant to the Companies (Amendment) Act 2014, a shareholder who is a "relevant intermediary", is entitled to appoint more than two proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap 50.

At general meetings of shareholders, each distinct issue is proposed as a separate resolution. Such resolutions include matters of significance to shareholders such as, where applicable, adoption of Audited Financial Statements together with Directors' Statements and Independent Auditors' Report, remuneration of directors, re-election of directors, re-appointment of auditors and assignment of authority to the directors to fix their remuneration and authorisation to issue additional shares. Votes cast for and against and the respective percentages on each resolution will be displayed to shareholders/proxies immediately after each poll conducted. The total number of votes cast for or against the resolutions and the respective percentages are also announced in a timely manner after the general meeting via SGXNET. Each share is entitled to one vote.

All Directors, including the Chairmen of the AC, NC and RC and senior Management, are in attendance at the general meetings of shareholders to allow shareholders the opportunity to air their views and ask Directors or Management questions regarding the Group. The external auditors also attend the AGMs to assist the Directors in answering any queries relating to the conduct of the audit and the preparation and content of the auditors' report. The AGM is held within four months after the close of the financial year.

The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

SMI does not have a fixed dividend policy at present. Key considerations that affect dividend decisions and the level of payouts include the Group's profit growth, level of cash available, projected levels of capital expenditure and investment plans and any other factors as the Board may deem appropriate.

No dividend was paid for the financial year ended 31 March 2020 as the Group reported a net operating loss for the year.

Engagement with Shareholders

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meeting and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

SMI protects and facilitates the exercise of shareholders' rights. In addition to the matters mentioned above in relation to "Access to Information", there are regular, effective and non-discriminatory communications between shareholders and Management who will receive and attend to their queries and concerns.

SMI provides regular and timely information to the investment community regarding the Group's performance, progress and prospects as well as major industry and corporate developments and other relevant information. In addition to shareholders' meetings, the CEO meet with investors, analysts and the media, as well as participate in industry conferences to solicit and understand the views of the investment community. The CEO also travelled widely for non-deal roadshows to meet investors across countries. Such meetings provide useful platforms for the CEO to engage with investors and analysts.

SMI has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders. The policy sets out the mechanism through which shareholders may contact the Company with questions and through which the Company may respond to such questions.

Apart from SGXNET, announcements and the annual report, the SMI IR website at sin-mi.listedcompany.com, which is regularly updated, is the main source of information for shareholders. It houses all media releases, financial results, annual reports, SGXNET announcements, presentation materials as well as other corporate information relating to the Group. However, new material price-sensitive information such as financial results are released via SGXNET before being posted on the SMI IR website or before any media or analyst conferences are conducted. This ensures fair and non-selective disclosure of information to all shareholders.

Shareholders may direct their queries and concerns to SMI at the contact particulars given at the SMI IR website.

E. MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has put in place practices (including the maintenance of a current corporate website) that enable regular communication and engagement with stakeholders, so as to understand and address their needs and interests.

Formal materiality assessment exercises with internal and external stakeholders were also conducted from FY2017/2018 to FY2018/2019 to identify environment, social and governance (ESG) topics that matter to them. The results from the materiality assessments and ongoing engagements continue to influence sustainability efforts in the Company. The basis for and methods of engagement with the stakeholders, along with the key areas of focus for each stakeholder group, can be found on the Sustainability section.

DEALINGS IN SECURITIES

In line with the SGX listing rules, the Company has in place a policy and guidelines on dealings in the Company's securities, which have been disseminated to employees of the Group and Directors of the companies within the Group.

The policy and guidelines applicable for the financial year ended 31 March 2020 provide that Directors and officers of the Group should not deal in the Company's securities during the periods commencing one month before the announcement of the Company's half year and annual results before the date of announcement and ending on the date of the announcement of the relevant results, or if they are in possession of unpublished price-sensitive information on the Group. The Company refrains from purchasing its shares during these periods and at any time after a price or trade sensitive development has occurred or has been the subject of a decision until the price or trade sensitive information has been publicly announced. Directors and officers are also required to comply with insider trading laws at all times even when dealing in the Company's securities outside the prohibited trading period. The policy and guidelines also discourage trading on short-term considerations.

The Company issues periodic reminders to its Directors, relevant officers and employees on the restrictions in dealings in the Company's securities.

MATERIAL CONTRACTS AND LOANS

Pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, SMI confirms that except as disclosed below in the Interested Person Transactions Section, and in the Directors' Statement and Financial Statements, there were no other material contracts and loans of SMI and the Group involving the interests of the CEO or any Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTION

SMI has adopted an internal policy in respect of any transaction with an interested person, which sets out the procedures for review and approval of such transaction.

All interested person transactions will be documented and submitted to the AC for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of SMI and its minority Shareholders.

SMI has not obtained a general mandate from shareholders for interested person transactions ("IPTs").

The aggregate value of interested person transactions ("IPTs") during the reporting year was as follows:

Name of interested person	**Aggregate value of all interested person transactions conducted during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**		**Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**	
	FY2020	**FY2019**	**FY2020**	**FY2019**
Loan from Director and interest accrued thereon - Ho Kwok Wai	US$1,623,844.32	US$1,587,070.44	–	–
Loan from Director and interest accrued thereon - Mark Francis Bedingham	US$5,413,788.50	US$5,291,604.74	–	–

Mr Ho Kwok Wai is the Non-Executive Chairman and Controlling Shareholder of SMI who holds 51.97% of the total issued and paid-up shares (inclusive of both direct and deemed interests) as at the date of this report. During the reporting year, Mr Ho Kwok Wai has granted the following loans to SMI:

Date of Loan Agreement	**Loan Amount (US$)**	**Interest Rate**	**Tenure**
8 January 2018	2,000,000[1]	2.34% per annum	Repayable twenty-four months from the date of first disbursement upon giving seven days' notice by Mr Ho Kwok Wai to SMI

Note:

1 US$1,550,000 has been disbursed with remaining US$450,000 available for disbursement as and when needed by SMI.

CORPORATE GOVERNANCE REPORT

Mr Mark Francis Bedingham is the Executive Director, President and CEO and shareholder of SMI who holds 12.15% of the total issued and paid-up shares (inclusive of both direct and deemed interests) as at the date of this report. During the reporting period, Mr Mark Francis Bedingham has granted the following loans to SMI, all of which have been fully disbursed and remain outstanding.

Date of Loan Agreement	Loan Amount (US$)	Interest Rate	Tenure
28 September 2016	200,000		Repayable two months from the date of disbursement upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
20 April 2017	500,000		Repayable two months from the date of disbursement upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
17 July 2017	500,000		Repayable three months from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
11 December 2017	1,000,000		
16 March 2018	500,000		
16 August 2017	300,000		Repayable 1 month from the date of disbursement upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
17 April 2018	250,000		Repayable three months from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
15 May 2018	500,000	2.34% per annum	Repayable 1 year from the date of disbursement upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
3 July 2018	750,000		Repayable three months from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
14 August 2018	200,000		Repayable three months from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
10 September 2018	150,000		Repayable three months from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI
11 October 2018	300,000		Repayable three months from the date of disbursement, upon giving seven days' notice by Mr Mark Francis Bedingham to SMI

The interest rate for the loan was agreed between the parties having regard to the applicable interest rate of 2.34% charged by United Overseas Bank Limited, being SMI's main banker, for a two-year working capital loan. The loan is unsecured.

STATEMENT BY DIRECTORS

For the reporting year ended 31 March 2020

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 31 March 2020.

1. Opinion of the directors

In the opinion of the directors,

(a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company and, of the financial position and performance of the group for the reporting year covered by the financial statements or consolidated financial statements; and

(b) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors

The directors of the company in office at the date of this statement are:

Ho Kwok Wai
Mark Francis Bedingham
Fong Sing Chak Jack
Wong Yen Siang
Wee Sung Leng

3. Directors' interests in shares or debentures

The directors of the company holding office at the end of the reporting year had no interests in shares in or debentures of the company or other related body corporate as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 ("the Act") except as follows.

	Deemed interest	
Name of directors and companies in which interests are held	**At beginning of the reporting year**	**At end of the reporting year**
The company	Number of shares of no par value	
Ho Kwok Wai	164,749,871	164,749,871
Mark Francis Bedingham	24,508,321	24,508,321
Fong Sing Chak Jack	1,000,000	1,000,000

By virtue of section 7 of the Act, Mr. Ho Kwok Wai with interest is deemed to have an interest in the company and in all the related body corporates of the company.

The directors' interests as at 21 April 2020 were the same as those at the end of reporting year.

4. Arrangements to enable directors to acquire benefits by means of the acquisition shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate except for the options rights and other rights mentioned below.

5. Employee share option scheme and performance share plan

Singapore Myanmar Investco Limited Employee Share Option Scheme

During the reporting year, no option to take up unissued shares of the company or any corporation in the group was granted except as follows:

The company has an employee share option scheme known as the "Singapore Myanmar Investco Limited Employee Share Option Scheme" ("SMI ESOS").

The SMI ESOS was approved and adopted at the Extraordinary General Meeting ("EGM") of the company held on 25 July 2017.

The SMI ESOS is established for the benefit of all personnel in the key management team and its objectives are as follows:

(a) to incentivize all participants;

(b) to motivate participants to optimise performance, efficiency and productivity;

(c) to reward and retain key participants whose contributions are important to the long-term prospect and profitability of the group;

(d) to promote a sense of loyalty amongst the participants to further the growth of the group; and

(e) to align the interests of the participants with the interests of the shareholders.

Subject to the absolute discretion of the Remuneration Committee ("RC"), key employees shall be eligible to participate in the SMI ESOS, provided that as of the offer date such key employees:

(a) have attained the age of 21 years;

(b) are not undischarged bankrupts;

(c) in the opinion of the committee, have contributed or will contribute to the success and development of the group;

(d) must hold such position as may be designated by the company from time to time; and

(e) must have their eligibility confirmed by the company as at each proposed date of grant as determined by the committee.

5. Employee share option scheme and performance share plan (cont'd)

Singapore Myanmar Investco Limited Employee Share Option Scheme (cont'd)

Key employees who are controlling shareholders or their associates shall not participate in the SMI ESOS, unless:

(a) such participation is approved by independent shareholders and that a separate resolution is and will be passed to approve the participation of each such person and further that the resolution will approve the actual number and terms of options to be granted to that participant;

(b) the actual number and terms of any option to be granted to them have been specifically approved by shareholders who are not beneficiaries of the SMI ESOS in a general meeting in separate resolutions for each such controlling shareholder or his associates; and

(c) all conditions for their participation in the SMI ESOS as may be required by the regulations of the SGX-ST from time to time are satisfied. In this regards, pursuant to Rule 845 of the Listing Manual, (1) the aggregate number of SMI shares available to controlling shareholders and their associates must not exceed 25% of the SMI shares available under the SMI ESOS; and (2) the number of SMI shares available to each controlling shareholder or his associates must not exceed 10% of the SMI shares available under the SMI ESOS.

The outstanding number of options at the end of the reporting year were as follows:

Exercise price	**Grant date**	**Exercise period**	**Number of options at 31 March**	
			2020	2019
			No: '000	No: '000
46 Cents	4 October 2017	From 4 October 2019 to 3 October 2022	**437**	843
44 Cents	11 December 2017	From 11 December 2019 to 10 December 2022	**–**	15
31 Cents	26 April 2019	From 25 April 2020 to 25 April 2023	**–**	50
29 Cents	8 June 2018	From 7 June 2020 to 7 June 2023	**380**	575
13 Cents	13 June 2019	From 13 June 2019 to 12 June 2021	**575**	–
Balance at the end of the year			**1,392**	1,483

During the reporting year, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.

Singapore Myanmar Investco Limited Performance Share Plan

The Singapore Myanmar Investco Limited Performance Share Plan ("PSP") was adopted at an Extraordinary General Meeting on 30 June 2014. The PSP is administrated by the RC and contemplates the award of fully paid shares, free of charge, when or after prescribed performance targets are achieved by Directors.

During the reporting year on 13 June 2019, the company granted 4,500,000 share award under the PSP to Mr. Mark Francis Bedingham, a director of the company. The share award has a vesting period of 24 months from 1 April 2019, and hence no share has been issued pursuant to the 4,500,000 share award.

During the reporting year on 27 March 2020, the company granted a further 14,000,000 share award under the PSP to Mr. Mark Francis Bedingham. The share award has no vesting period. Subsequent to the reporting year, 14,000,000 shares were issued pursuant to the PSP.

6. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

7. Report of audit committee

The members of the audit committee at the date of this report are as follows:

Wong Yen Siang (Chairman)
Wee Sung Leng
Fong Sing Chak Jack

The audit committee performs the functions specified by section 201B(5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditor their audit plan.
- Reviewed with the independent external auditor their evaluation of the company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by management to them.
- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor.
- Reviewed the financial statements of the group and the company prior to their submission to the directors of the company for adoption.
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provide non-audit services.

The audit committee has recommended to the board of directors that the independent auditors, RSM Chio Lim LLP, be nominated for re-appointment as the independent auditor at the next annual general meeting of the company.

8. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the company, work performed by the internal and external auditors, and reviews performed by management, other committees of the board, the audit committee and the board are of the opinion that the company's internal controls, addressing financial, operational, compliance risks, are adequate as at the end of the reporting year 31 March 2020.

9. Subsequent developments

There are no significant developments subsequent to the release of the group and the company's preliminary financial statements, as announced on 28 August 2020, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On behalf of the directors

Ho Kwok Wai	Mark Francis Bedingham
Director	Director

9 October 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Myanmar Investco Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Singapore Myanmar Investco Limited (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 March 2020, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and the statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS (I)s") so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 31 March 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the group and the company incurred losses from continuing operations, net of tax of US$10.5 million and US$9.0 million respectively during the reporting year ended 31 March 2020. In addition, as of that date, the current liabilities exceeded the current assets of the group by US$10.9 million, and as disclosed in Note 30E, the company has guaranteed the credit facilities of its subsidiaries amounting to US$2.4 million obtained from financial institutions. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the group's and the company's ability to continue as going concerns. Management is however of the opinion that the use of the going concern basis in the preparation of these financial statements is appropriate, for reasons elaborated in Note 1 in the financial statements. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue recognition for goods sold to a Myanmar retail distributor

Refer to Note 2C on critical judgements, assumptions and estimation uncertainties and Note 2A on revenue recognition.

The group supplies duty free fashion and lifestyle goods to a Myanmar distributor that operates retail businesses at an airport and downtown shopping malls. The group also has agreements with this distributor to provide advice on the merchandising and management of the retail outlets and to lease out retail outlets fixtures and fittings to the distributor. Revenue recognised for the sale of goods to this distributor amounted to US$15.0 million for the reporting year ended 31 March 2020. Management has assessed and concluded that the group is primarily responsible for fulfilling the promise to provide the specified goods or service including the acceptability of the specific good or service as disclosed in Note 2C of the financial statements, and the revenue arising from the sales of goods to the distributor meet the revenue recognition criteria on the basis disclosed in Note 2A of the financial statements.

Key audit matters (cont'd)

(a) Revenue recognition for goods sold to a Myanmar retail distributor (cont'd)

We have read the agreements between the group and the distributor to understand the arrangement for the distribution. To better appreciate the distribution arrangement we performed a site visit to the distributor's retail operation in Myanmar. We have also assessed the adequacy of the disclosures in the financial statements.

(b) Carrying amount of trade receivables

Refer to Note 2C on critical judgements, assumptions and estimation uncertainties, Note 2A on financial instruments and Note 19 on trade and other receivables.

The carrying value of net trade receivables amounted to US$24.1 million, accounting for 58.2% of the group's total assets as at the end of the reporting year. Approximately 91.4% of the gross trade receivables are due from the group's three major distributors in Myanmar. The estimate of impairment loss is based on the historical and forward looking trends of the receivables from these three major distributors, which includes analysis of the age of these receivables, credit worthiness of these debtors and future collectability.

The group worked with the debtors to derive the cash flow projections of the debtors to determine the ability of the debtors to settle the trade receivable amounts. The calculations made use of cash flow projections prepared by the debtors (assisted by the group's management) based on budgets and projections, taking into account initiatives currently undertaken to deliver expected future performance against latest market expectations, and using suitable discount rates for the projections. These estimates require a degree of estimation and judgement. The allowance for expected credit loss is based on the lifetime expected credit loss.

We discussed with management the process over the determination of the recoverability of outstanding trade receivables. As part of our audit, we obtained an understanding of the respective distributors' business models and business environment in which these distributors operate in Myanmar, including confirmation from the distributors on the outstanding trade receivable balances at the end of reporting year. The audit team was supported by our in-house valuation specialists to assess whether the assumptions, factors and inputs used for the projections were appropriate. We have also assessed the adequacy of the disclosures made in the financial statements.

(c) Impairment of carrying amount of plant and equipment

Refer to Note 2C on critical judgements, assumptions and estimation uncertainties, Note 2A on impairment of non-financial assets and Note 14 on plant and equipment.

The group has plant and equipment with a net book value of US$10.1 million, accounting for 24.3% of the group's total assets as at the end of the reporting year. An impairment review is performed when there are indications of impairment. Management used the value-in-use method to determine the recoverable amount of plant and equipment. The value-in-use calculation requires management to estimate the future cash flows expected to arise from each cash generating unit ("CGU") as well as a suitable discount rate in order to calculate present value of the recoverable amount of each CGU. In estimating the future cash flows of each CGU, management forecasted the revenue, growth rates and margins based on presently available information.

We discussed with management the process over the determination of various estimates such as forecasted revenues, growth rates, profit margins, tax rates and discount rates. We assessed management's estimates applied in the value-in-use calculation based on our knowledge of each CGU's operations, and compared them against h istorical forecasts and performance. The audit team was supported by our in-house valuation specialists to perform a review of the management's methodology, estimates and the discount rate used in the impairment assessment. We have also assessed the adequacy of the disclosures made in the financial statements.

Key audit matters (cont'd)

(d) Impairment of cost of investments and net receivable from subsidiaries

Refer to Note 2C on significant judgements, assumptions and estimation uncertainties and Note 2A on impairment of non-financial assets and financial instruments. Also refer to Notes 16 and 19 on investment in subsidiaries and trade and other receivables.

The gross costs of investment in subsidiaries and the receivables from subsidiaries amounted to US$22.3 million and US$40.5 million respectively as at end of the reporting year. A cumulative impairment allowance of US$22.1 million and US$18.8 million have been made as at 31 March 2020 in relation to the investment in subsidiaries and receivables from subsidiaries respectively. The net amounts of US$0.2 million and US$21.7 million are classified as costs of investment in subsidiaries and receivables from subsidiaries respectively. The net carrying amount of the investments and receivables accounted for 82.6% of the company's total assets as at the end of the reporting year. For the non-performing subsidiaries or if they have significant negative equity balances, management has prepared profit forecasts to determine the value-in-use in assessing the recoverable amount of the investments from the subsidiaries concerned, and to determine the allowance for expected credit loss based on lifetime expected credit loss. These allowances have no impact on the group's financial performance.

Of the cumulative impairment allowance in cost of investment in subsidiaries of US$22.1 million an impairment allowance of, US$21.0 million was based on the net assets of a subsidiary where the business of the subsidiary concerned has been discontinued, and hence full impairment allowance has been made for the difference between the cost of investment in and the receivables from subsidiary compared to the net assets of the subsidiary concerned. Where value-in-use calculations were used, we have reviewed and challenged the assumptions and estimations used by management and have also discussed with management on the prospects and future plans of these subsidiaries. We have also assessed the adequacy of the disclosures made in the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the statement by directors and the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Myanmar Investco Limited

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiary corporations incorporated in Singapore of which we are auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Mong Sheong.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

9 October 2020

Engagement partner - effective from reporting year ended 31 March 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2020

	Notes	Group 2020 US$'000	Group 2019 US$'000
Revenue	5	**20,881**	23,370
Cost of sales		**(15,437)**	(17,271)
Gross profit		**5,444**	6,099
Other income and gains	6	**481**	3,172
Distribution costs		**(2,116)**	(1,736)
Administrative expenses	7	**(6,422)**	(6,259)
Finance costs	8	**(1,190)**	(1,302)
Other losses	6	**(6,627)**	(2,439)
Share of loss from equity-accounted associates	17	*****	–
Share of loss from equity-accounted joint ventures	18	**(28)**	(108)
Loss before tax from continuing operations		**(10,458)**	(2,573)
Income tax income (expense)	11	**1**	(16)
Loss from continuing operations, net of tax		**(10,457)**	(2,589)
Loss from discontinued operations, net of tax	12	**(100)**	(2,333)
Loss net of tax		**(10,557)**	(4,922)
Loss attributable to:			
Equity holders of the company		**(10,335)**	(4,741)
Non-controlling interests		**(222)**	(181)
Loss for the year		**(10,557)**	(4,922)
Total comprehensive loss attributable to:			
Equity holders of the company		**(10,335)**	(4,741)
Non-controlling interests		**(222)**	(181)
		(10,557)	(4,922)
Loss per share for loss from continuing and discontinued operations attributable to equity holders of the company		**Cents**	Cents
Basic loss per share	13		
From continuing operations		**(3.45)**	(0.79)
From discontinued operations		**(0.03)**	(0.77)
		(3.48)	(1.56)
Diluted loss per share	13		
From continuing operations		**(3.21)**	(0.79)
From discontinued operations		**(0.07)**	(0.77)
		(3.28)	(1.56)

* Less than US$1,000

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2020

	Notes	Group 2020 US$'000	Group 2019 US$'000	Company 2020 US$'000	Company 2019 US$'000
ASSETS					
Non-current assets					
Plant and equipment	14	**10,102**	12,998	**575**	957
Intangible assets	15	**492**	676	**–**	–
Right-of-use assets	14A	**1,524**	–	**232**	–
Investments in subsidiaries	16	**–**	–	**181**	4,569
Investment in associates	17	**–**	–	**–**	–
Investments in joint ventures	18	**478**	356	**650**	650
Trade and other receivables, non-current	19	**14,599**	–	**15,210**	–
Other non-financial assets, non-current	20	**73**	88	**23**	32
Total non-current assets		**27,268**	14,118	**16,871**	6,208
Current assets					
Inventories	21	**487**	52	**–**	–
Trade and other receivables, current	19	**12,086**	25,472	**8,982**	28,542
Other non-financial assets, current	20	**792**	1,514	**597**	122
Cash and cash equivalents	22	**872**	824	**59**	180
		14,237	27,862	**9,638**	28,844
Assets classified as held for sale	12	**–**	7,927	**–**	–
Total current assets		**14,237**	35,789	**9,638**	28,844
Total assets		**41,505**	49,907	**26,509**	35,052
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	23	**59,862**	59,862	**59,862**	59,862
Accumulated losses		**(45,521)**	(35,186)	**(43,507)**	(34,519)
Employee share option reserve	10	**515**	81	**515**	81
Equity, attributable to owners of the company		**14,856**	24,757	**16,870**	25,424
Non-controlling interests		**(103)**	119	**–**	–
Total equity		**14,753**	24,876	**16,870**	25,424
Non-current liabilities					
Lease liability, non-current	25	**1,662**	908	**168**	–
Other financial liabilities, non-current	26	**–**	1,586	**–**	1,550
Total non-current liabilities		**1,662**	2,494	**168**	1,550
Current liabilities					
Income tax payable		**938**	1,105	**4**	164
Trade and other payables	24	**9,892**	8,525	**2,689**	2,764
Lease liability, current	25	**1,722**	1,858	**78**	–
Other financial liabilities, current	26	**12,538**	11,049	**6,700**	5,150
Total current liabilities		**25,090**	22,537	**9,471**	8,078
Total liabilities		**26,752**	25,031	**9,639**	9,628
Total equity and liabilities		**41,505**	49,907	**26,509**	35,052

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended 31 March 2020

Group	Share capital	Accumulated losses	Employee share option reserves	Total	Non-controlling interests	Total equity
	Equity attributable to owners of the company					
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Current year:						
Opening balance at 1 April 2019	59,862	(35,186)	81	24,757	119	24,876
Changes in equity:						
Total comprehensive loss for the year	–	(10,335)	–	(10,335)	(222)	(10,557)
Share-based payments (Note 10)	–	–	434	434	–	434
Closing balance at 31 March 2020	**59,862**	**(45,521)**	**515**	**14,856**	**(103)**	**14,753**
Previous year:						
Opening balance at 1 April 2018	59,862	(30,445)	29	29,446	300	29,746
Changes in equity:						
Total comprehensive loss for the year	–	(4,741)	–	(4,741)	(181)	(4,922)
Equity share options issued (Note 10)	–	–	52	52	–	52
Closing balance at 31 March 2019	59,862	(35,186)	81	24,757	119	24,876

Company	Share capital	Accumulated losses	Employee share option reserve	Total equity
	US$'000	US$'000	US$'000	US$'000
Current year:				
Opening balance at 1 April 2019	59,862	(34,519)	81	25,424
Changes in equity:				
Total comprehensive loss for the year	–	(8,988)	–	(8,988)
Share-based payments (Note 10)	–	–	434	434
Closing balance at 31 March 2020	**59,862**	**(43,507)**	**515**	**16,870**
Previous year:				
Opening balance at 1 April 2018	59,862	(23,987)	29	35,904
Changes in equity:				
Total comprehensive loss for the year	–	(10,532)	–	(10,532)
Equity share options issued (Note 10)	–	–	52	52
Closing balance at 31 March 2019	59,862	(34,519)	81	25,424

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2020

	Group	
	2020	2019
	US$'000	US$'000
Cash flows from operating activities		
Loss before tax from continuing operations	**(10,458)**	(2,573)
Loss before tax from discontinued operations	**(100)**	(2,333)
Loss before tax, total	**(10,558)**	(4,906)
Adjustments for:		
Depreciation of plant and equipment	**2,468**	4,200
Amortisation of intangible assets	**195**	181
Depreciation of right-of-use assets	**543**	–
Allowance for impairment on trade and other receivables	**4,571**	1,851
Interest income	**(14)**	(41)
Interest expense	**1,190**	1,363
Impairment losses on plant and equipment	**395**	1,320
Loss on disposal of plant and equipment	**22**	432
Plant and equipment written off	**1,159**	18
Inventory written off	**–**	38
Share of results of joint ventures, net of tax	**28**	108
Share based payments	**434**	52
Net effect of exchange rate changes in consolidating subsidiaries	**298**	(500)
Operating cash flows before changes in working capital	**731**	4,116
Inventories	**(435)**	350
Trade and other receivables	**172**	(336)
Other non-financial assets	**727**	698
Trade and other payables, current	**(4,969)**	(4,064)
Net cash flows (used in) from operations	**(3,774)**	764
Income tax paid	**1**	(20)
Net cash (used in) from operating activities	**(3,773)**	744
Cash flows from investing activities		
Purchase of plant and equipment	**(1,644)**	(1,177)
Purchase of intangible assets	**(11)**	(311)
Acquisition of jointly-controlled entity	**(150)**	–
Proceeds from disposal of plant and equipment	**8,496**	1,561
Interest received	**14**	41
Net cash from investing activities	**6,705**	114
Cash flows from financing activities		
Increase in restricted fixed bank deposits	**125**	426
Leases liabilities-principal portion paid	**(949)**	(171)
Decrease in borrowings	**(389)**	(2,693)
Loans from shareholders	**–**	2,700
Interest paid	**(1,517)**	(933)
Net cash used in financing activities	**(2,730)**	(671)
Net increase in cash and cash equivalents	**202**	187
Cash and cash equivalents, consolidated statement of cash flow, beginning balance	**(3,330)**	(3,491)
Effects of exchange rate changes on cash balances held in foreign currencies	**(322)**	(26)
Cash and cash equivalents, consolidated statement of cash flow, ending balance (Note 22A)	**(3,450)**	(3,330)

The accompanying notes form an integral part of these financial statements.

1. General

The company is incorporated in Singapore with limited liability. The financial statements are presented in United States dollars and they cover the company (referred to as "parent") and the subsidiaries.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The principal activity of the company is an investment holding company. The company registered a branch in Myanmar so as to have a stronger business presence to support its Myanmar businesses.

The company is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal activities of its subsidiaries are described in Note 16 to the financial statements below.

The registered office is: 300 Beach Road, #31-03, The Concourse, Singapore 199555. The company is situated in Singapore.

Uncertainties from COVID-19 pandemic and the aftermath

The COVID-19 pandemic and the aftermath of the pandemic globally forced the reporting entity to suspend or limit business operations during the reporting year and the aftermath is expected for the unforeseeable period ahead. Measures were taken by the governments to contain the spread of COVID-19, including travels, social distancing and closure of non-essential services. This has resulted in an economic slowdown, which has adversely impacted on the business of the reporting entity. The economic uncertainties have created questions about the uncertainties relating to the impairment or recoverability of certain assets (including impairment allowances for receivables, plant and equipment, cost of investments and net receivables from subsidiaries) and the completeness or valuation of certain assets and liabilities reflected in these financial statements. An assessment was made by management whether for the current reporting year there were any indications that these assets and liabilities may be impacted adversely. If any such indication of uncertainties existed, an estimate was made of the realisable amount and or fair value of the relevant assets and the completeness of the liabilities (which balances are more fully disclosed in the relevant notes to these financial statements). The recoverability of the assets and the ability of the entity to maintain or pay its debts as they mature are dependent to a large extent on the efficacy of the fiscal and other measures undertaken by Singapore and the affected countries overseas, in particular Myanmar, to successfully meet those economic challenges. As the pandemic continues to progress and evolve, it is extremely challenging to predict the full extent and duration of its impact on the entity's businesses and the countries where the reporting entity operates. The group is monitoring the situation closely and to mitigate the financial impact, it is conscientiously managing its cost by adopting an operating cost reduction strategy and conserving liquidity by working with major creditors to align repayment obligations with receivable collections.

Basis for going concern

The group and the company incurred losses from continuing operations, net of tax of US$10.5 million and US$9.0 million respectively during the reporting year ended 31 March 2020 (2019: US$2.6 million and US$10.5 million respectively) and, as of that date, the group recorded a negative working capital (current liabilities exceeded the current assets) of US$10.9 million as compared to a positive working capital of US$13.3 million as at 31 March 2019. The negative working capital was mainly due to the reclassification of trade receivables of US$14.6 million from current asset to non-current asset as at 31 March 2020. And as disclosed in Note 30E, the company has guaranteed the credit facilities of its subsidiaries amounting to US$2.4 million obtained from financial institutions.

Notwithstanding the negative working capital position, the management is of the view that the working capital available as at 31 March 2020 is sufficient for the group's present cash flow requirements and for the following 12 months. In arriving at this conclusion, management took into account the following:

- The group's ability to generate sufficient cash flows from its operating activities to support its operating expenses in the next 12 months, taking into account the impact that COVID-19 may have on the group's operations based on current available information.

- Management is of the view that the banks will not request for immediate payment of the outstanding loans and will continue to make available the existing overdraft facilities to the group.

1. **General (cont'd)**

Basis for going concern (cont'd)

- Written undertaking from the two substantial shareholders, who are also directors of the company, to provide continued financial support to the group and not to demand payment of the loans outstanding from the group until the group is in a financial position to do so.

Consequently, management is of the opinion that the use of the going concern basis in the preparation of these financial statements is appropriate.

If the group or the company is unable to continue in operational existence for the foreseeable future, the group or the company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the group or the company may need to reclassify non-current assets and may have to provide for further liabilities that may arise. No such adjustments have been made to these financial statements.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and the related Interpretations to SFRS(I) ("SFRS(I) INT") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50 and with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this note to the financial statements, where applicable.

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

1. General (cont'd)

Basis of presentation (cont'd)

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as financial assets that is an equity investment measured at fair value through other comprehensive income in accordance with the financial reporting standard on financial instruments.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the company's separate statement of comprehensive income is not presented.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Sale of goods – Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

Services – Revenue from service orders is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

Distinct goods or services in a series – For distinct goods or services in a series such as routine or recurring service contracts where the promise under the contract is for a specified quantity of goods or services that meets the over time criteria or is a stand-ready or single continuous service and if the nature of each good or service is distinct, substantially the same and has the same pattern of transfer or each time increment is distinct, then revenue is recognised at the amount that the entity has the right to bill a fixed amount for each unit of goods or services provided.

Rental revenue – Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term.

Other income

Interest income is recognised using the effective interest method.

Franchise income is an income for the franchisor that is obtained once the franchise has been established. It is a fixed percentage amount of the gross sales that the franchisee has made.

Commission income and consultancy income is recognised when it becomes entitled.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Share-based compensation

For the equity-settled share-based compensation transactions, the fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed on a straight-line basis over the vesting period is measured by reference to the fair value of the options granted ignoring the effect of non-market conditions such as profitability and sales growth targets. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. The fair value is measured using a relevant option pricing model. The expected lives used in the model are adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. At each end of the reporting year, a revision is made of the number of options that are expected to become exercisable.

It recognises the impact of the revision of original estimates, if any, in profit or loss with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

Benefits to employees are also provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The fair value of the employee services rendered is measured by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of the entity's shares (or an estimated market price, if the entity's shares are not publicly traded). This fair value amount is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vesting, with the corresponding adjustment made in equity. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

Foreign currency transactions

The functional currency is the United States dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Translation of financial statements of other entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency, the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries and branches except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The estimated useful lives are as follows:

Leasehold improvements	-	2 to 10 years
Plant and equipment	-	1 to 10 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Plant and equipment (cont'd)

The gain or loss arising from the derecognition of an item of plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Rights-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment.

Leases of lessee

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and an interest expense on the recognised lease liability (included in finance costs). Short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard whereby the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term a right-of-use asset is recognised. For these leases, a right-of-use asset is recognised.

Leases of lessor

As a lessor the reporting entity classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease, the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease payments from operating leases are recognised as income on either a straight-line basis or another systematic basis over the term of the lease.

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Intangible assets (cont'd)

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Franchises	-	5 to 10 years
Licenses	-	5 to 10 years

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with the financial reporting standard on business combinations. However, the entire carrying amount of the investment is tested under the financial reporting standard on impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in the financial reporting standard on financial instruments indicates that the investment may be impaired.

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of an associate in excess of the reporting entity's interest in the relevant associate are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the reporting entity and an associate are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be an associate and accounts for the investment in accordance with the financial reporting standard on financial instruments from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former associate is measured at fair value at the date that it ceases to be an associate.

In the company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Joint arrangement – joint venture

A joint arrangement (that is, either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the reporting entity is a party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities (that is, activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. In a joint venture, the parties with joint control have rights to the net assets of the arrangement. The reporting interests in joint ventures are recognised using the equity method in accordance with the financial reporting standard on investments in joint ventures.

Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the joint venture are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of a joint venture in excess of the reporting entity's interest in the relevant joint venture are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the reporting entity and a joint venture are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be a joint venture and accounts for the investment in accordance with the financial reporting standard on financial instruments from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former joint venture is measured at fair value at the date that it ceases to be a joint venture.

Business combinations

There were no business combinations during the reporting year.

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Inventories

Inventories are measured at the lower of cost (first in first out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value-in-use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year, non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial assets (cont'd):

3. Financial asset that is an equity investment measured at fair value through other comprehensive income ("FVTOCI"): There were no financial assets classified in this category at reporting year end date.

4. Financial asset classified as measured at fair value through profit or loss ("FVTPL"): All other financial assets are classified as measured at FVTPL. There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss ("FVTPL") in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include bank and cash balances, on demand deposits and any highly liquid debt asset instruments purchased with an original maturity of three months or less. For the statement of cash flows, the item includes cash and cash equivalents less cash subject to restriction and bank overdraft payable on demand that form an integral part of cash management.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2. Significant accounting policies and other explanatory information (cont'd)

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Assets classified as held for sale

Identifiable assets and liabilities and any disposal groups are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, except as permitted by the financial reporting standard on non-current assets held for sale and discontinued operations in certain circumstances. It can include a subsidiary acquired exclusively with a view to resale. Assets that meet the criteria to be classified as held for sale are measured at the lower of carrying amount and fair value less costs of disposal and are presented separately on the face of the statement of financial position. Once an asset is classified as held for sale or included in a group of assets held for sale no further depreciation or amortisation is recorded. Impairment losses on initial classification of the balances as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement.

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Revenue recognition for goods sold to a Myanmar retail distributor:

The group sells duty free, fashion and lifestyle goods to a Myanmar distributor that operates retail business at an airport and downtown shopping malls. The group also has agreements with this distributor to provide advice on the merchandising and management of the retail outlets and to lease retail outlets fixtures and fittings to the distributor. Revenue recognised for the sale of goods to this Myanmar distributor amounted to US$15.0 million for the year ended 31 March 2020 (2019: US$16.3 million). The management has assessed and concluded that the group is primarily responsible for fulfilling the promise to provide the specified goods or services including the acceptability of the specified goods or services, and the revenue arising from the sales of goods to the distributor meet the revenue recognition criteria on the following basis:

(i) the primary responsibility for the operations of the retail outlets rests with the Myanmar distributor. Management views itself as a professional service provider to the Myanmar distributor by advising the distributor on merchandising and management of the duty-free operations. In addition to suppliers from the group, the Myanmar distributor also purchases from local Myanmar sources for the artisan and local produce outlets on its own.

(ii) the group does not have inventory risk. Sales made by the group to the Myanmar distributor are irrevocable and not on a return or consignment basis. There have been no instances of inventory return, save for one or two instances due to defective goods, which the group has in turn, returned these to the suppliers.

(iii) Notwithstanding that the pricing of the products in the duty free shops are set by the group via a price list communicated to the Myanmar distributor, and that the group monitors the inventory turnover at each retail shop at the airport from time to time in order to propose price adjustments or introduce discounts at each retail shop to promote sales of slow-moving products, particularly for the seasonal fashion items, management is of the view that such practises are common in the retail industry whereby the principals of the major brands will provide recommended price list to the retailers. Although the group has the expertise in the duty-free and retail business to make these recommendations, the Myanmar distributor has the final say to accept or reject the group's advice on inventory pricing and replenishments.

Allowance for trade receivables:

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The allowance for expected credit loss is based on the lifetime expected credit loss. The estimate is based on the historical and forward-looking trends of the receivables. The loss allowance was determined accordingly. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount and key assumptions are disclosed in the Note 19 on trade and other receivables.

Plant and equipment:

An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units if applicable is measured based on the fair value less costs of disposal or value in use calculations. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the reporting year affected by the assumption is US$10.1 million. The key assumptions applied in the value-in-use calculation is disclosed in Note 14 on plant and equipment.

2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Useful lives of plant and equipment:

Included in plant and equipment of the group are leasehold improvements with a carrying amount of US$6.6 million (2019: US$8.3 million) as at end of the reporting year. Management has depreciated the leasehold improvements on a straight-line basis over their estimated useful lives of 2 to 10 years. The terms of the lease for these premises however, are less than the estimated useful lives. Management has assumed the group will be able to renew the terms of its lease on its expiry and hence the estimated useful lives for leasehold improvements of 2 to 10 years is appropriate. In the event the group is not able to renew the terms of its lease and the group vacates the relevant premise, the carrying value of leasehold improvements related to the vacated premise would have to be fully impaired.

Impairment of cost of investments and net receivables from subsidiaries:

Where a subsidiary is in net equity deficit and or has suffered losses, a test is made whether the amount receivable from investee has suffered any impairment, in accordance with the stated accounting policy. This determination requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the asset or liability affected. The net carrying amount of the cost of investment in subsidiaries and receivable from subsidiaries at the end of the reporting year affected by assumption is US$0.2 million and US$22.5 million respectively.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

3A. Members of a group:

Related companies in these financial statements include the members of the reporting entity.

The ultimate controlling party is Mr Ho Kwok Wai, a director and significant shareholder.

3B. Related party transactions:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

3. Related party relationships and transactions (cont'd)

3C. Key management compensation:

	Group	
	2020	2019
	US$'000	US$'000
Salaries and other short-term employee benefits	**1,815**	1,527
Contributions to defined contribution plans	**61**	35
Share-based payments (Note 10)	**434**	35

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	Group	
	2020	2019
	US$'000	US$'000
Directors' fees	**177**	177
Remuneration of directors of the company	**859**	550

Further information about the remuneration of individual directors is provided in the report on corporate governance. Key management personnel include directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The above amounts for key management compensation are for all the directors and other key management.

3D. Other receivables from and other payables to related parties:

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	Company	
	2020	2019
	US$'000	US$'000
Subsidiaries		
Balance at beginning of the year	**39,023**	34,501
Amounts paid out and settlement of liabilities on behalf of subsidiaries	**5,691**	11,238
Amounts paid in and settlement of liabilities on behalf of the company	**(22,004)**	–
Allowance for impairment	**(5,909)**	(6,716)
Waiver of payables to subsidiary	**4,273**	–
Balance at end of the year	**21,074**	39,023
Presented in the statement of financial position as follows:		
Other receivables (Note 19)	**21,722**	39,772
Other payables (Note 24)	**(648)**	(749)
At end of the year – net debit	**21,074**	39,023

4. Financial information by operating segments

4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

For management purposes, the group's principal operating businesses are organised according to their nature of activities as follows:-

(a) Travel and fashion retail;

(b) Food and beverages;

(c) Auto services; and

(d) Construction services.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The discontinued operations relate to the proposed disposal of the provision of telecommunication towers and related service (see Note 12).

The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators: (1) earnings from operations before depreciation and amortisation, interests and income taxes (called "Recurring EBITDA") and (2) operating result before interests and income taxes and other unallocated items (called "ORBIT").

4. **Financial information by operating segments (cont'd)**

4B. **Profit or loss from continuing operations and reconciliations**

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

	Travel and fashion retail	Construction services	Auto services	Food and beverages	Unallocated	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2020						
Revenue by segment						
Total revenue by segment	16,302	376	1,569	2,292	342	20,881
Recurring EBITDA	3,862	51	136	25	(5,503)	(1,429)
Interest income	–	6	7	–	1	14
Finance costs	(651)	(65)	(139)	(151)	(184)	(1,190)
Depreciation,amortisation and impairment	(5,897)	(457)	(117)	(1,114)	(240)	(7,825)
ORBIT	(2,686)	(465)	(113)	(1,240)	(5,926)	(10,430)
ORBIT Margin	*(16.5%)*	*N.M.*	*(7.2%)*	*(54.2%)*	*N.M.*	*(49.9%)*
Loss before tax from continuing operations	(2,686)	(465)	(113)	(1,240)	(5,926)	(10,430)
Income tax expenses						1
Share of results of JV – net of tax						(28)
Share of results of Associates – net of tax						*
Loss after tax from continuing operations						(10,457)
Loss from discontinued operations						(100)
Loss for the year						(10,557)

* Less than US$1,000

4. **Financial information by operating segments (cont'd)**

4B. **Profit or loss from continuing operations and reconciliations (cont'd)**

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities. (cont'd)

	Travel and fashion retail	Construction services	Auto services	Food and beverages	Unallocated	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2019						
<u>Revenue by segment</u>						
Total revenue by segment	16,177	2,521	2,345	1,774	553	23,370
Recurring EBITDA	6,602	299	(229)	(439)	(4,587)	1,646
Forfeiture of deposit	–	–	–	–	1,862	1,862
Interest income	–	37	4	–	–	41
Finance costs	(763)	(141)	(238)	–	(160)	(1,302)
Depreciation,amortisation and impairment	(2,810)	(933)	(307)	(186)	(476)	(4,712)
ORBIT	3,029	(738)	(770)	(625)	(3,361)	(2,465)
ORBIT Margin	*18.7%*	*(29.3%)*	*(32.8%)*	*(35.2%)*	*(614.1%)*	*(10.7%)*
Profit (loss) before tax from continuing operations	3,029	(738)	(770)	(625)	(3,361)	(2,465)
Income tax expenses						(16)
Share of results of JV – net of tax						(108)
Loss after tax from continuing operations						(2,589)
Loss from discontinued operations						(2,333)
Loss for the year						(4,922)

4C. **Assets and reconciliations**

	Travel and fashion retail	Construction services	Auto services	Food and beverages	Discontinued operations	Unallocated	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
<u>2020</u>							
Total group assets	**30,339**	**1,660**	**1,465**	**4,471**	**206**	**3,364**	**41,505**
<u>2019</u>							
Total group assets	28,398	4,060	1,788	3,326	10,913(a)	1,422	49,907

Unallocated items comprise cash and cash equivalents, other receivables and prepayments and other investments. Certain assets are not allocated to business segments because they are of general use and they are not directly attributable to the segments or cannot be allocated to the segments on a reasonable basis.

4. **Financial information by operating segments (cont'd)**

4D. **Liabilities and reconciliations**

	Travel and fashion retail	Construction services	Auto services	Food and beverages	Discontinued operations	Unallocated	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2020							
Total group liabilities	**12,001**	**191**	**2,380**	**2,826**	**151**	**9,203**	**26,752**
2019							
Total group liabilities	10,548	964	2,788	830	755[a]	9,146	25,031

[a] For segmental reporting purpose, this includes assets and liabilities of the telecommunication tower business. Also see Note 12.

Unallocated items comprise trade payables and accrued liabilities, other payables, income tax payable, deferred tax expense, long-term borrowings and finance leases. Certain liabilities are not allocated to business segments because they are of general use and they are not directly attributable to the segments or cannot be allocated to the segments on a reasonable basis.

4E. **Other material items and reconciliations**

	Travel and fashion retail	Construction services	Auto services	Food and beverages	Discontinued operations	Unallocated	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Total expenditure for non-current assets:							
2020	**1,197**	**–**	**–**	**275**	**14**	**169**	**1,655**
2019	343	–	1,036	615	109	52	2,155

4. Financial information by operating segments (cont'd)

4F. Geographical information

	Revenue		Non-current assets	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Singapore	**–**	–	**16,888**	1,338
Myanmar	**20,881**	23,370	**10,380**	12,780
	20,881	23,370	**27,268**	14,118

4G. Information about major customers

Revenue from major customers during the reporting year are as follows:

	Group	
	2020	2019
	US$'000	US$'000
Top 1 customer	**16,302**	16,305
Top 2 customers	**16,806**	18,170

5. Revenue

5A. Revenue classified by type of goods or service:

	Group	
	2020	2019
	US$'000	US$'000
Sale of goods	**17,663**	18,433
Rendering of services	**1,577**	2,208
Usage of retail fit-out	**1,299**	2,174
Rental income from serviced offices	**342**	555
	20,881	23,370

5B. Revenue classified by duration of contract:

	Group	
	2020	2019
	US$'000	US$'000
Short-term contracts	**19,240**	20,641
Long-term contracts	**1,641**	2,729
Total revenue	**20,881**	23,370

5. Revenue (cont'd)

5C. Revenue classified by timing of revenue recognition:

	Group	
	2020	2019
	US$'000	US$'000
Point in time	**19,240**	20,641
Over time	**1,641**	2,729
Total revenue	**20,881**	23,370

5D. Revenue classified by type of customer:

	Group	
	2020	2019
	US$'000	US$'000
Retailers	**16,302**	16,311
Individual customers	**4,579**	7,059
Total revenue	**20,881**	23,370

6. Other income and gains and (other losses)

	Group	
	2020	2019
	US$'000	US$'000
Allowance for impairment on trade receivables – loss	**(4,423)**	(1,797)
Impairment allowance on plant and equipment – loss	**(395)**	(220)
Interest income	**14**	41
Commission income	**107**	155
Consultancy income	**172**	185
Franchise income	**46**	109
Foreign exchange transaction (losses) gains	**(364)**	554
Losses on disposal of plant and equipment, net	**(22)**	(172)
Plant and equipment written off	**(1,036)**	–
Royalty income	**142**	99
Forfeiture of deposit received on TPR share sale [a]	**–**	1,862
Donations given	**(195)**	(250)
Others	**(192)**	167
	(6,146)	733
Presented in profit or loss as:		
Other income and gains	**481**	3,172
Other losses	**(6,627)**	(2,439)
	(6,146)	733

[a] The forfeiture of the deposit received of US$1.9 million in other income for the previous year relates to the proposed TPR share sale with Tiger Infrastructure Pte Ltd. (See Note 12).

7. Administrative expenses

The major components include the following:

	Group	
	2020	2019
	US$'000	US$'000
Consultancy fee	**303**	396
Depreciation and amortisation expense (Notes 14, 14A and 15)	**488**	418
Employee benefits expense (Note 9)	**3,250**	3,079
Legal and professional fee	**948**	512
Rental of premises	**123**	239

8. Finance costs

	Group	
	2020	2019
	US$'000	US$'000
Interest expenses:		
Finance leases	**307**	294
Bank loans and others	**883**	1,008
	1,190	1,302

9. Employee benefits expense

	Group	
	2020	2019
	US$'000	US$'000
Short term employee benefits expense	**3,784**	3,984
Contributions to defined contribution plan	**61**	102
Share-based payments (Note 10)	**434**	52
Total employee benefits expense	**4,279**	4,138
The employee benefits expense is charged as follows:		
Cost of sales	**586**	696
Distribution costs	**443**	363
Administrative expenses (Note 7)	**3,250**	3,079
	4,279	4,138

10. Share-based payments

	Group 2020	Group 2019
	US$'000	US$'000
Share options (Note 10A)	**15**	52
Share based payment (Note 10B)	**419**	–
	434	52

10A. Singapore Myanmar Investco Limited Employee Share Option Scheme

During the reporting year, no option to take up unissued shares of the company or any corporation in the group was granted except as follows:

The key objective of the Singapore Myanmar Investco Limited Employee Share Option Scheme ("SMI ESOS" or the "Scheme") is to motivate group's key employees to optimise their performance standards and efficiency and to reward them for their significant contributions with participation in the equity of the group.

The management of the company has underlined the following primary objectives of the implementation of the SMI ESOS, such as:

(a) To incentivize all participants;

(b) To motivate participants to optimise performance, efficiency and productivity;

(c) To reward key participants whose contributions are important to the long-term prospects and profitability of the group;

(d) To promote a sense of loyalty amongst the participants to further the growth of the group; and

(e) To align the interests of the participants with the interests of the shareholders.

Activities under SMI ESOS:

The outstanding number of options at the end of the reporting year were as follows:

Exercise price	Grant date	Exercise period	Number of options at 31 March 2020	Number of options at 31 March 2019
			No: '000	No: '000
46 Cents	4 October 2017	From 4 October 2020 to 3 October 2022	**437**	843
44 Cents	11 December 2017	From 11 December 2020 to 10 December 2022	**–**	15
31 Cents	26 April 2019	From 25 April 2020 to 25 April 2023	**–**	50
29 Cents	8 June 2018	From 7 June 2020 to 7 June 2023	**380**	575
13 Cents	13 June 2019	From 13 June 2019 to 12 June 2021	**575**	–
Balance at the end of the year			**1,392**	1,483

10. Share-based payments (cont'd)

10A. Singapore Myanmar Investco Limited Employee Share Option Scheme (cont'd)

The table below summarises the number of options that were outstanding, their weighted average exercise price as at the end of the reporting year as well as the movements during the reporting year.

			Weighted average exercise price	
	2020	2019	**2020**	2019
	No:'000	No:'000	**cents**	cents
Balance at beginning of the year	**1,483**	1,231	**38**	45
Granted	**1,345**	995	**13**	29
Forfeited	**(1,436)**	(743)	**26**	38
Balance at end of the year	**1,392**	1,483	**26**	38

Accounting for the share options:

The following table summaries information about the share options outstanding at the end of the reporting year.

Exercise price	**Number outstanding**	**Number exercisable**	**Weighted average remaining life (Years)**
	No:'000	**No:'000**	
46 Cents	437	843	2.51
44 Cents	–	15	–
31 Cents	–	50	–
29 Cents	380	575	3.19
13 Cents	575	–	1.20
	1,392	1,483	2.15

Share option reserve:

	Group and company	
	2020	2019
	US$'000	US$'000
At beginning of the year	**81**	29
Grant of share option	**15**	52
At end of the year	**96**	81

The fair value of the options is obtained using binomial model (level 3) at the grant value date of the options. In order to approximate the expectations that would be reflected in a current market or negotiated exchange price for these options, the calculations take into consideration factors like behavioural considerations and non-transferability of the options granted.

10. Share-based payments (cont'd)

10A. Singapore Myanmar Investco Limited Employee Share Option Scheme (cont'd)

The assumptions under the model take into account the following factors:

	2020	2019
	%	%
Historical and expected volatility	**41.8 – 44.4**	41.8 – 42.5
Dividend yield	**0.0**	0.0
Risk-free interest rate	**1.5 – 2.1**	1.5 – 2.1
Forfeiture probability: leaving pre-vesting	**10.0 – 15.0**	10.0 – 15.0

Expected volatility was determined taking into consideration the company's volatility over a three and half-year period prior to each award date. Dividends used are those last known at the date the plan was approved.

10B. Singapore Myanmar Investco Limited Performance Share Plan

The Singapore Myanmar Investco Limited Performance Share Plan ("PSP") was adopted at an Extraordinary General Meeting on 30 June 2014. The PSP is administrated by the RC and contemplates the award of fully paid shares, free of charge, when or after prescribed performance targets are achieved by Directors.

During the reporting year on 13 June 2019, the company granted 4,500,000 share award under the PSP to Mr. Mark Francis Bedingham, a director of the company. The share award has a vesting period of 24 months from 1 April 2019, and hence no share has been issued pursuant to the 4,500,000 share award.

During the reporting year on 27 March 2020, the company granted a further 14,000,000 share award under the PSP to Mr. Mark Francis Bedingham. The share award has no vesting period. Subsequent to the reporting year, 14,000,000 shares were issued pursuant to the PSP.

11. Income tax (income) expense

11A. Components of tax (income) expense recognised in profit or loss includes:

	Group	
	2020	2019
	US$'000	US$'000
Current tax (income) expense	**(1)**	16

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0 % (2019: 17.0 %) to profit or loss before income tax as a result of the following differences:

	Group	
	2020	2019
	US$'000	US$'000
Loss before tax	**(10,458)**	(2,573)
Share of loss from equity-accounted joint ventures	**28**	108
	(10,430)	(2,465)
Income tax income at the above rate	**(1,774)**	(419)
Expenses not deductible for tax purposes	**420**	677
Deferred tax assets not recognised	**1,844**	442
Tax exempt income	**–**	(319)
Over provision in prior year	**(1)**	–
Effect of different tax rates in different countries	**(490)**	(365)
Total income tax (income) expense	**(1)**	16

There are no income tax consequences of dividends to owners of the company.

Unrecognised deferred tax assets:	Tax losses		Unrecognised deferred tax assets	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Unused tax losses available	**26,329**	15,482	**4,476**	2,632

No deferred tax asset for the tax losses (including deductible temporary differences, unused tax losses and unused tax credits) has been recognised in respect of the remaining for the above balance, as the future profit streams are not probable against which the deductible temporary difference can be utilised.

For the Singapore companies, the realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

For the Myanmar companies, the realisation of the future tax benefits from tax loss carry forwards is available for a period of 3 years subject to certain conditions imposed by law. The Myanmar subsidiaries' tax losses carry forwards are not significant as at reporting year-end date.

12. Loss from discontinued operations, net of tax

On 20 October 2016, the company announced an agreement to divest its entire interests of its telecommunication tower business, Myanmar Infrastructure Group Pte Ltd ("MIG") and its subsidiary, TPR Myanmar Limited ("TPR"). This disposal was however terminated on 30 June 2017. The company continued to negotiate with other potential buyers to dispose its interest in TPR and on 1 June 2018, the company entered into a share sale agreement with an independent entity, Tiger Infrastructure Pte. Ltd. ("Tiger"), for the proposed disposal of (i) the entire interest in TPR held by MIG, and (ii) all tower stock and power equipment stock held by TPR for a consideration of US$10.8 million. This proposed disposal was then terminated on 5 April 2019 due to failure to complete on the part of Tiger by 31 March 2019 and the group has recognised the forfeiture of deposit received of US$1.9 million from Tiger as other gains for the reporting year ended 31 March 2019 (Note 6).

On 11 April 2019, MIG entered into a tower transfer agreement with Irrawaddy Green Towers Limited and Irrawaddy Towers Asset Holding Pte. Ltd. (collectively "IGT") for the sale of all TPR's telecommunications towers and tower leases in Myanmar to IGT for an aggregate purchase price in cash of approximately US$8 million. The carrying value of related plant and equipment, net of impairment allowance of US1.1 million, has accordingly been classified as assets held for sale in the group's consolidated financial statements as at 31 March 2019. Further to the extraordinary general meeting held on 18 September 2019 at which shareholders voted in favour of the disposal, all the conditions precedent for the disposal had been fulfilled or waived and the tower sale was completed.

Consistent with the intent to exit from the telecommunication tower business, the entire results from the telecommunication tower business are presented separately in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2019 and 31 March 2020 as "Discontinued Operation".

	2020	2019
	US$'000	US$'000
Revenue	**599**	2,628
Cost of sales	**(134)**	(2,659)
Gross profit (loss)	**465**	(31)
Other income and gains	**8**	30
Distribution costs	**–**	(29)
Administrative expenses	**(260)**	(632)
Other losses	**(313)**	(1,553)
Finance costs	**–**	(118)
Loss before income tax from discontinued operation	**(100)**	(2,333)
Income tax expense	**–**	–
Loss from discontinued operation, net of tax	**(100)**	(2,333)

The cash flow of the discontinued operations which have been included in the consolidated financial statements, were as follows:

	Group	
	2020	2019
	US$'000	US$'000
Net cash flows used in operating activities	**(316)**	(994)
Net cash flows generated from investing activities	**7,986**	898
Total cash flows	**7,670**	(96)

12. Loss from discontinued operations, net of tax (cont'd)

The following table summarises the carrying value of the account balances of the discontinued operations:

	Group		Company	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Plant and equipment	**–**	7,927	**–**	–
Total assets classified as held for sale	**–**	7,927	**–**	–

13. Loss per share

The following table illustrates the numerators and denominators used to calculate basic and diluted losses per share of no par value:

		Group	
		2020	2019
		US$'000	US$'000
A.	Numerators: losses attributable to equity:		
	Continuing operations: attributable to equity holders	**(10,235)**	(2,408)
	Discontinued operations: loss for the year	**(100)**	(2,333)
B.	Total basic losses	**(10,335)**	(4,741)
C.	Diluted losses	**(10,335)**	(4,741)
		No. of shares	
D.	Denominators: weighted average number of equity shares:		
E.	Basic	**302,996,792**	302,996,792
F.	Diluted	**321,496,792**	302,996,792

The weighted average number of ordinary shares refers to shares in circulation during the reporting period.

There is no dilutive effect from the share options as they are anti-dilutive because their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations.

The dilutive effect derives from the 18,500,000 share awards under the PSP (Note 10). The diluted amount per share for the current period is based on the weighted average number of ordinary shares outstanding assuming the share awards were issued at the beginning of the reporting year.

14. Plant and equipment

Group	Leasehold improvements	Plant and equipment	Construction work-in-progress	Total
	US$'000	US$'000	US$'000	US$'000
Cost				
At 1 April 2018	10,997	6,941	2	17,940
Additions	395	1,308	32	1,735
Disposal	–	(1,189)	–	(1,189)
Transfer from assets held for sales	–	29	109	138
At 31 March 2019	11,392	7,089	143	18,624
Additions	1,007	620	17	1,644
Disposal	(230)	(515)	–	(745)
Write-off	(1,580)	(1,012)	(123)	(2,715)
At 31 March 2020	**10,589**	**6,182**	**37**	**16,808**
Accumulated depreciation and impairment losses				
At 1 April 2018	1,727	1,538	–	3,265
Depreciation for the year	1,102	1,424	–	2,526
Disposal	–	(413)	–	(413)
Impairment for the year	220	–	–	220
Transfer from assets held for sales	–	28	–	28
At 31 March 2019	3,049	2,577	–	5,626
Depreciation for the year	1,152	1,316	–	2,468
Disposal	(61)	(166)	–	(227)
Write-off	(593)	(963)	–	(1,556)
Impairment for the year	395	–	–	395
At 31 March 2020	3,942	2,764	–	6,706
Carrying value				
At 1 April 2018	9,270	5,403	2	14,675
At 31 March 2019	8,343	4,512	143	12,998
At 31 March 2020	**6,647**	**3,418**	**37**	**10,102**

Certain assets are leased under operating leases. Also see Note 27 on operating lease income commitments. The management has not entered into contractual obligations for the maintenance or enhancement of the assets or contractual obligations to purchase, construct or develop assets or for repairs, maintenance or enhancements.

14. Plant and equipment (cont'd)

Assets leased out under operating leases are as follows:

Group	Leasehold improvements	Plant and equipment	Construction work-in-progress	Total
	US$'000	US$'000	US$'000	US$'000
Cost				
At 1 April 2018	10,247	5,175	2	15,424
Additions	194	116	32	342
At 31 March 2019	10,441	5,291	34	15,766
Additions	682	518	3	1,203
Disposal	–	(35)	–	(35)
Write-off	(1,196)	(1,012)	–	(2,208)
At 31 March 2020	**9,927**	**4,762**	**37**	**14,726**
Accumulated depreciation and impairment losses				
At 1 April 2018	1,448	1,132	–	2,580
Depreciation for the year	1,033	1,007	–	2,040
Impairment for the year	220	–	–	220
At 31 March 2019	2,701	2,139	–	4,840
Depreciation for the year	1,046	1,069	–	2,115
Disposal	–	(16)	–	(16)
Write-off	(482)	(963)	–	(1,445)
Impairment for the year	395	–	–	395
At 31 March 2020	**3,660**	**2,229**	**–**	**5,889**
Carrying value				
At 1 April 2018	8,799	4,043	2	12,844
At 31 March 2019	7,740	3,152	34	10,926
At 31 March 2020	**6,267**	**2,533**	**37**	**8,837**

Certain items of plant and equipment at a carrying value of US$0.3 million (2019: US$0.7 million) are pledged as security for the bank facilities (Note 26).

During the reporting year, plant and equipment with a carrying amount of US$6.3 million was subject to an impairment allowance of US$0.3 million due to an economic slowdown, resulting from COVID-19 pandemic. The impairment test has been carried out using a discounted cash flow model. Cash flows projections are based on the next five year budgets and plans approved by management; cash flows projections beyond that five-year period have been extrapolated on the basis of a 5.8% growth rate. Such a growth rate does not exceed the long-term average growth rate of the sector. The discount rate applied (weighted average cost of capital "WACC" gross of tax effect) is 15%. Management believes that any reasonably possible change in the key assumptions on which its recoverable amount is based would not cause the carrying amount to exceed its recoverable amount. The value in use is a recurring fair value measurement (Level 3).

14. Plant and equipment (cont'd)

Allocation of the depreciation expense:

	Group	
	2020	2019
	US$'000	US$'000
Cost of sales	**2,151**	2,229
Distribution costs	**110**	38
Administrative expenses	**207**	259
Discontinued operations	**1**	1,674
Total	**2,469**	4,200

Company	**Leasehold improvements**	**Plant and equipment**	**Total**
	US$'000	**US$'000**	**US$'000**
Cost			
At 1 April 2018	750	688	1,438
Additions	–	54	54
At 31 March 2019	750	742	1,492
Additions	139	13	152
Disposal	(169)	–	(169)
Write-off	(384)	–	(384)
At 31 March 2020	**336**	**755**	**1,091**
Accumulated depreciation			
At 1 April 2018	280	102	382
Depreciation for the year	55	98	153
At 31 March 2019	335	200	535
Depreciation for the year	34	107	141
Disposal	(49)	–	(49)
Write-off	(111)	–	(111)
At 31 March 2020	**209**	**307**	**516**
Carrying value			
At 1 April 2018	470	586	1,056
At 31 March 2019	415	542	957
At 31 March 2020	**127**	**448**	**575**

14. Plant and equipment (cont'd)

14A. Right-of-use assets

The right-of-use assets in the statement of financial position. The details are as follows:

Group	**Office premise**	**Shop spaces**	**Total**
	US$'000	**US$'000**	**US$'000**
<u>Cost</u>			
At 1 April 2019	147	–	147
Additions	275	1,718	1,993
Remeasurement	(73)	–	(73)
At 31 March 2020	349	1,718	2,067
<u>Accumulated depreciation and impairment losses</u>			
At 1 April 2019	–	–	–
Depreciation for the year	117	426	543
At 31 March 2020	117	426	543
<u>Carrying value</u>			
At 1 April 2019	147	–	147
At 31 March 2020	**232**	**1,292**	**1,524**

Company	**Office premise**
	US$'000
<u>Cost:</u>	
At 1 April 2019	147
Additions	275
Disposal	(73)
At 31 March 2020	**349**
<u>Accumulated depreciation and impairment losses:</u>	
At 1 April 2019	–
Depreciation for the year	117
At 31 March 2020	**117**
<u>Carrying value:</u>	
At 1 April 2019	147
At 31 March 2020	**232**

14. Plant and equipment (cont'd)

14A. Right-of-use assets (cont'd)

Other information about the leasing activities relating to the right-of-use assets are summarised as follows:

	Office premise	Shop spaces
Number of right-of-use assets	**1**	**5**
Remaining term – range	**3 years**	**2 to 4 years**
Remaining term – average	**3 years**	**3.5 years**

The leases are for office space and restaurants.

There are restrictions or covenants imposed by the leases to sublet the asset to another party. The right-of-use asset can only be used by the lessee. Unless permitted by the owner, the lease prohibits from selling or pledging the underlying leased assets as security. Typically the leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. For leases over properties the leases require those properties in a good state of repair and return the properties in their original condition at the end of the lease. Insurance and maintenance fees on right-of-use assets are usually required under the lease contracts.

Allocation of the depreciation expense:

	Group	
	2020	2019
	US$'000	US$'000
Distribution costs	**426**	–
Administrative expenses	**117**	–
Total	**543**	–

15. Intangible assets

Group	Franchise fee	License fee	Total
	US$'000	US$'000	US$'000
<u>Cost</u>			
At 1 April 2018	440	269	709
Transfer from assets held for sale	–	58	58
Additions	300	11	311
At 31 March 2019	740	338	1,078
Additions	–	11	11
At 31 March 2020	**740**	**349**	**1,089**
<u>Accumulated amortisation</u>			
At 1 April 2018	101	94	195
Transfer from assets held for sale	–	26	26
Amortisation for the year	110	71	181
At 31 March 2019	211	191	402
Amortisation for the year	112	83	195
At 31 March 2020	**323**	**274**	**597**
<u>Carrying value</u>			
At 1 April 2018	339	175	514
At 31 March 2019	529	147	676
At 31 March 2020	**417**	**75**	**492**

Allocation of the amortisation expense:

	Group	
	2020	2019
	US$'000	US$'000
Distribution costs	**19**	10
Administrative expenses	**164**	159
Discontinued operations	**12**	12
Total	**195**	181

Franchise fee and License fee

Relates to the exclusive rights granted by franchisor or licensor to develop and operate the business of the brands in Myanmar. The franchise fee and license fee are amortised over 5 to 10 years.

16. Investment in subsidiaries

	Company	
	2020	2019
	US$'000	US$'000
Movements during the year. At cost:		
Balance at beginning of the year	**4,569**	11,056
Allowance for impairment	**(4,388)**	(6,487)
Net carrying amount	**181**	4,569
Carrying value in the books of the company comprising:		
Unquoted equity shares at cost	**22,322**	22,322
Allowance for impairment	**(22,141)**	(17,753)
Total at cost	**181**	4,569
Movements in allowance for impairment:		
Balance at beginning of the year	**(17,753)**	(11,266)
Impairment loss charge to profit or loss	**(4,388)**	(6,487)
Total at cost	**(22,141)**	(17,753)

Following the sale of tower and related assets, the business of the subsidiary concerned has been discontinued and hence full impairment allowance has been made for the difference between the cost of investment in the subsidiary compared to the net assets of the subsidiary concerned.

The subsidiaries held by the company and subsidiaries are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities	**Cost of investment**		**Percentage of equity held**	
	2020	2019	**2020**	2019
	US$'000	US$'000	**%**	%
Held by the company:				
SMI Construction Services Pte. Ltd. [(b)] Singapore Distribution of heavy equipment and spare parts	**(a)**	(a)	**100**	100
SMI Infrastructure Services Pte. Ltd. [(b)] Singapore Infrastructure engineering services	**(a)**	(a)	**100**	100
Myanmar Infrastructure Group Pte. Ltd. [(b)] Singapore Build, distribution and own telecom infrastructure	**21,023**	21,023	**97**	97
Kinnaya Pte. Ltd. [(b)] Singapore Provider of serviced offices	**1,300**	1,300	**65**	65

16. Investment in subsidiaries (cont'd)

The subsidiaries held by the company and subsidiaries are listed below (cont'd):

Name of subsidiaries, country of incorporation, place of operations and principal activities	Cost of investment		Percentage of equity held	
	2020	2019	**2020**	2019
	US$'000	US$'000	**%**	%
Held by the company: (cont'd)				
SMI F&B Pte. Ltd. (b) Singapore Distribution of food & beverage items	**(a)**	(a)	**100**	100
SMI Auto Services Pte. Ltd. (b) Singapore Provision of car rental & limousine services	**(a)**	(a)	**100**	100
SMI Retail Pte. Ltd. (b) Singapore Distribution of duty free & retail products	**(a)**	(a)	**100**	100
SMI Mobile Pte. Ltd. (b) Singapore Distribution of B2B telecom plans	**(a)**	(a)	**100**	100
Held through Myanmar Infrastructure Group Pte Ltd:				
TPR Myanmar Co Ltd ("TPR") (c) Myanmar Build, lease and own telecom infrastructure	**16,050**	16,050	**97**	97
Held through Kinnaya Pte Ltd:				
YGN Kinnaya Co Ltd (c) Myanmar Provider of serviced offices	**50**	50	**65**	65
Held through SMI F&B Pte Ltd:				
SMI F&B MM Pte Ltd (b) Singapore Distribution of food & beverage items	**434**	434	**100**	100
SMI Food Concepts Ltd (c) Myanmar Consultancy for the food and beverage industry	**50**	50	**100**	100
Held through SMI F&B MM Pte Ltd:				
SMI FB Ltd (c) Myanmar Consultancy and advertising services for the food and beverage industry	**50**	50	**100**	100

16. Investment in subsidiaries (cont'd)

The subsidiaries held by the company and subsidiaries are listed below (cont'd):

Name of subsidiaries, country of incorporation, place of operations and principal activities	Cost of investment		Percentage of equity held	
	2020	2019	**2020**	2019
	US$'000	US$'000	**%**	%
Held through SMI Retail Pte Ltd:				
SMIRS Myanmar Ltd [(c)] Myanmar Management consultancy services	**2,850**	2,850	**100**	100
Held through SMI Mobile Pte Ltd:				
SMIMM Mobile Co Ltd [(c)] Myanmar Consultancy for telecommunication services	**25**	25	**100**	100
Held through SMI Auto Services Pte Ltd:				
SMIRental Services MM Ltd [(c)] Myanmar Equipment rental, vehicle repair and fleet management services	**50**	50	**100**	100

(a) Cost of investment is less than US$1,000.

(b) Audited by RSM Chio Lim LLP.

(c) Audited by MAT Audit & Professional Services, RSM International correspondent firm in Myanmar.

As is required by Rule 716 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the audit committee and the board of the directors of the company have satisfied themselves that the appointment of the different auditors for its overseas subsidiaries would not compromise the standard and the effectiveness of the audit of the group.

There are no subsidiaries that have non-controlling interests that are considered material to the reporting entity.

17. Investment in associates

	Group	
	2020	2019
	US$'000	US$'000
Movement in carrying value:		
Balance at beginning of the year	**–**	–
Additions	*****	–
Share of loss for the year	*****	–
Total at end of the year	**–**	–
Carrying value comprising:		
Unquoted equity shares at cost	*****	–
Share of post acquisition losses	**(*)**	–
	–	–

* Less than USD$1,000

17. Investment in associates (cont'd)

Share of losses of associates exceeding the amount of the investment are not recognised as losses in the group profit or loss. The group's share of losses of such associates not recognised was $30K. The group has not incurred legal or constructive obligations on behalf of these associates.

After the investor's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the investor resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The listing of and information on the associates is given below:

Name of associates, country of incorporation, place of operations and principal activities	Percentage of equity held by the group	
	2020	2019
	%	%
Held by SMI Retail Pte Ltd:		
Star Retail Enterprise Limited [(a)] Myanmar Distribution of retail products	**35**	–
Artisan Concepts Limited [(a)] Myanmar Distribution of retail products	**35**	–

(a) Audited by MAT Audit & Professional Services, RSM International correspondent firm in Myanmar.

There are associates that are considered not material to the reporting entity. The summarised financial information of the non-material associates and the amounts (and not the reporting entity's share of those amounts) based on financial statements of the associates are as follows. These are adjusted to reflect adjustments made by the reporting entity when using the equity method.

	Group	
	2020	2019
	US$'000	US$'000
Aggregate for all non-material associates:		
Loss from continuing operations	**111**	–
Total comprehensive loss	**111**	–
Net liabilities of associates	**(111)**	–

18. Investments in joint ventures

	Group		Company	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Movement in carrying value:				
Balance at beginning of the year	**356**	464	**650**	650
Additions	**150**	*	**–**	*
Share of loss for the year	**(28)**	(108)	**–**	–
Total at end of the year	**478**	356	**650**	650
Carrying value comprising:				
Unquoted equity shares at cost	**800**	650	**650**	650
Share of post acquisition losses	**(322)**	(294)	**–**	–
	478	356	**650**	650

* Less than US$1,000

The listing of and information on the joint ventures is given below:

Name of joint ventures, country of incorporation, place of operations and principal activities	**Percentage of equity held by the group**	
	2020	2019
	%	%
Held by the company:		
SMI-Senko Logistics Pte Ltd [a] Singapore Value added logistics providers and general warehousing	**50**	50
Held by SMI Retail Pte. Ltd.:		
DKSHSMI Pte Ltd [a] Singapore Wholesale of adults' clothing	**50**	50
Held by SMI-Senko Logistics Pte Ltd:		
Senko-SMI Myanmar Co Limited [b] Myanmar Provision of warehousing services	**50**	50
Held by DKSHSMI Pte Ltd:		
DKSHSMI MM Limited [b] Myanmar Wholesale of adults' clothing	**50**	50
MAR Retail MM Limited [b] Myanmar Retailer of adults' clothing	**35**	35

[a] Audited by RSM Chio Lim LLP.

[b] Audited by MAT Audit & Professional Services, RSM International correspondent firm in Myanmar.

18. Investments in joint ventures (cont'd)

There are joint ventures that are considered material to the reporting entity. The summarised financial information of the material group's joint ventures and the amounts (and not the reporting entity's share of those amounts) based on financial statements of the joint venture are as follows. These are adjusted to reflect adjustments made by the reporting entity when using the equity method.

	Group	
	2020	2019
	US$'000	US$'000
Joint venture with Senko Co., Ltd. (Japan):		
Revenue	**726**	756
Loss from continuing operations	**(97)**	(216)
Total comprehensive loss	**(97)**	(216)
Current assets	**258**	514
Non-current assets	**1,534**	1,365
Current liabilities	**(1,085)**	(903)
Non-current liabilities	**(92)**	(264)
Reconcilation:		
Net assets of the joint venture	**615**	712
Proporation of the reporting entity's interest in the joint venture	**50%**	50%
Carrying amount of the interest in the joint venture	**308**	356
Joint venture with DKSH Holding (S) Pte. Ltd. (Singapore):		
Revenue	**596**	–
Profit from continuing operations	**41**	–
Total comprehensive income	**41**	–
Current assets	**945**	–
Non-current assets	**398**	–
Current liabilities	**(1,002)**	–
Reconcilation:		
Net assets of the joint venture	**341**	–
Proporation of the reporting entity's interest in the joint venture	**50%**	–
Carrying amount of the interest in the joint venture	**170**	–

19. Trade and other receivables

	Group 2020 US$'000	Group 2019 US$'000	Company 2020 US$'000	Company 2019 US$'000
Non-current:				
Trade receivables:				
Outside parties	19,019	–	–	–
Less: allowance for impairment				
- individually impaired	(4,420)	–	–	–
Net trade receivables – subtotal	14,599	–	–	–
Other receivables:				
Subsidiary (Note 3)	–	–	20,296	–
Less: allowance for impairment				
- individually impaired	–	–	(5,086)	–
Net other receivables – subtotal	–	–	15,210	–
Sub-total, trade and other receivables, non-current	14,599	–	15,210	–
Current:				
Trade receivables:				
Outside parties	11,549	25,989	104	529
Less: allowance for impairment				
- individually impaired	(2,002)	(1,851)	–	–
Net trade receivables – subtotal	9,547	24,138	104	529
Other receivables:				
Subsidiaries (Note 3)	–	–	20,211	39,772
Joint ventures	949	436	749	436
Associates	948	–	74	–
Deferred consideration from disposal of subsidiaries	575	672	575	672
Less: allowance for impairment				
- individually impaired	(401)	(401)	(13,699)	(12,876)
GST/commercial tax receivable	437	509	176	9
Others	31	118	–	–
Net other receivables – subtotal	2,539	1,334	8,086	28,013
Sub-total, trade and other receivables, current	12,086	25,472	8,190	28,542
Total trade and other receivables	26,885	25,472	23,400	28,542
Movements in above allowance on trade receivables:				
At beginning of the year	1,851	42	–	–
Charge for trade receivables to profit or loss included in:			–	
- other losses (Note 6)	4,423	1,797	–	–
- discontinued operation (Note 12)	148	54	–	–
- used	–	(42)	–	–
At end of the year	6,422	1,851	–	–
Movements in above allowance on other receivables:				
At beginning of the year	401	401	12,876	6,160
Charge for other receivables to profit or loss included in other losses	–	–	5,909	6,716
At end of the year	401	401	18,785	12,876

19. Trade and other receivables (cont'd)

Trade receivables of US$Nil million (2019: US$0.7 million) are pledged as security for the bank facilities (Note 26).

The trade receivables of US$0.2 million (2019: US$0.2 million) are charged interest at 10% to 13% per annum over the repayment period between 5 to 24 months. The carrying amount is a reasonable approximation of fair value (Level 3).

The trade receivables are subject to expected credit loss model under the financial reporting standard on financial instruments. The allowance for expected credit loss is based on the lifetime expected credit loss. The group worked with local distributors to derive the cash flow projections of local distributors to determine the ability of the debtors to settle the trade receivable amounts. The calculations made use of cash flow projections prepared by the debtors, assisted by the group's management, based on budgets and projections, taking into account initiatives currently undertaken to deliver expected future performance against latest market expectations, and using suitable discount rates for the projections. An impairment allowance of US$3.9 million (2019: US$0.8 million) was made for the current reporting year.

In addition to the above, as there has been significant slowdown of construction projects in Myanmar, the group also provided an impairment allowance of US$0.6 million (2019: US$0.9 million) for the trade receivables from an equipment distributor.

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade customers is about 90 days (2019: 90 days). But some customers take a longer period to settle the amounts.

Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

	Group	
	2020	2019
	US$'000	US$'000
91 to 150 days	**2,646**	2,850
151 to 365 days	**10,917**	10,613
Over 365 days	**7,739**	6,114
Total	**21,302**	19,577

Concentration of trade receivable customers as at the end of reporting year:

	Group	
	2020	2019
	US$'000	US$'000
Top 1 customer	**24,596**	17,956
Top 2 customers	**26,041**	22,492
Top 3 customers	**28,897**	23,853

19. Trade and other receivables (cont'd)

The other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

As there is a significant increase in credit risk, a loss allowance of US$5.9 million (2019: US$6.7 million) was made on the amount due from subsidiaries.

20. Other non-financial assets

	Group		Company	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Deposits to secure services	**329**	432	**57**	95
Prepayments	**234**	327	**63**	51
Recoverables	**50**	127	**500**	2
Others	**252**	716	**–**	6
	865	1,602	**620**	154
Presented as:				
Other assets, current	**792**	1,514	**597**	122
Other assets, non-current	**73**	88	**23**	32
	865	1,602	**620**	154

21. Inventories

	Group	
	2020	2019
	US$'000	US$'000
Finished goods	**428**	–
Raw materials and consumables	**59**	52
	487	52
Included in cost of sales:		
Finished goods	**10,576**	9,684

22. Cash and cash equivalents

	Group		Company	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Available for use	**852**	680	**59**	180
Restricted in use [a]	**20**	144	**–**	–
	872	824	**59**	180

[a] This amount is held by bankers as security for financial liabilities (Note 26).

The rate of interest for the cash on interest earning account of US$0.8 million (2019: US$0.6 million) for the group is approximately 0.05% (2019: 0.08%) per annum.

22A. Cash and cash equivalents in the statement of cash flows:

	Group	
	2020	2019
	US$'000	US$'000
As stated above	**872**	824
Fixed bank deposits restricted in use (a)	**(20)**	(144)
Bank overdraft (Note 26)	**(4,302)**	(4,010)
Cash and cash equivalents for statement of cash flows purposes at end of year	**(3,450)**	(3,330)

22B. Non-cash transaction

There were acquisitions of certain assets under plant and equipment of US$Nil (2019: US$0.7 million) acquired by means of finance lease and costs capitalised for right-of-use assets relating to plant and equipment of US$0.3 million (2019: US$Nil).

22C. Reconciliation of liabilities arising from financing activities:

	2019	Cash flows	Non-cash changes	**2020**
	US$'000	US$'000	US$'000	**US$'000**
Shareholders loan (Note 26)	6,700	–	–	**6,700**
Borrowings (Note 26)	1,925	(389)	–	**1,536**
Lease liabilities (Note 25)	2,766	(949)	1,567 [a]	**3,384**
Total liabilities from financing activities	11,391	(1,338)	1,567	**11,620**

	2018	Cash flows	Non-cash changes	2019
	US$'000	US$'000	US$'000	US$'000
Shareholders loan (Note 26)	4,000	2,700	–	6,700
Borrowings (Note 26)	4,618	(2,693)	–	1,925
Finance lease liabilities (Note 26)	2,270	(171)	667 [a]	2,766
Total liabilities from financing activities	10,888	(164)	667	11,391

[a] Acquisition

23. Share capital

	Group and company	
	Number of shares issued	Share Capital
		US$'000
Ordinary shares of no par value:		
At 1 April 2018, 31 March 2019 and 31 March 2020	302,996,792	59,862

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

In order to maintain its listing on the SGX-ST, the company has to have share capital with a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents.

	Group	
	2020	2019
	US$'000	US$'000
Net debt:		
All current and non-current borrowings including finance leases	**15,922**	15,401
Less cash and cash equivalents	**(872)**	(824)
Net debt	**15,050**	14,577
Adjusted capital:		
Total equity	**14,753**	24,876
Debt-to-adjusted capital ratio	**102%**	59%

The unfavourable change as shown by the increase in the debt-to-adjusted capital ratio for the reporting year resulted primarily from the increase accumulated losses.

24. Trade and other payables

	Group		Company	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Trade payables:				
Outside parties	**7,725**	6,362	**928**	792
Total payables - subtotal	**7,725**	6,362	**928**	792
Other payables:				
Subsidiaries (Note 3)	**–**	–	**648**	749
Joint ventures	**29**	7	**–**	7
Accrued liabilities	**1,769**	1,605	**885**	1,016
Deposits from customers	**77**	111	**–**	–
Deferred income	**25**	42	**–**	–
Other payables	**267**	398	**228**	200
Other payables – subtotal	**2,167**	2,163	**1,761**	1,972
Total trade and other payables	**9,892**	8,525	**2,689**	2,764

25. Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

	Group		Company	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Lease liabilities, current	**1,722**	1,858	**78**	–
Lease liabilities, non-current	**1,662**	908	**168**	–
	3,384	2,766	**246**	–

Movements of lease liabilities for the reporting year are as follows:

	Group	Company
	2020	**2020**
	US$'000	**US$'000**
Total lease liabilities recognised at 1 April 2019	**2,913**	**147**
Additions	**1,993**	**275**
Remeasurement	**(266)**	**(57)**
Lease payaments – principal portion paid	**(949)**	**(115)**
Interest paid	**(307)**	**(4)**
Total lease liablities at end of the reporting year	**3,384**	**246**

The new standard on leases has been applied using the modified retrospective transition approach. Therefore no comparative amounts for the year ended 31 March 2019 are presented.

25. Lease liabilities (cont'd)

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets. The right-of-use assets are disclosed in Note 14A.

On transition to the new standard on leases the weighted average incremental borrowing rate applied to lease liabilities recognised was 5.3% to 13%. The finance leases, the right-of-use asset and lease liability before the date of initial application are measured at the same amounts as under the new standard.

Reconciliation of operating lease commitments and lease liability at the date of initial application:

	Group	Company
	US$'000	US$'000
Operating lease commitments as at 31 March 2019	182	182
Other minor adjustments	(30)	(30)
Subtotal - Operating lease liabilities before discounting	152	152
Discounted using incremental borrowing rate	(5)	(5)
Total lease liabilities recognised at 1 April 2019	147	147
Finance lease obligations recognised as at 31 March 2019	2,766	–
Total lease liabilities recognised at 1 April 2019	2,913	147

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is as follows:

Group	**Minimum payments**	**Finance charges**	**Present value**
	US$'000	**US$'000**	**US$'000**
2020			
Minimum lease payments payable:			
Not later than one year	**1,963**	**(241)**	**1,722**
Between 1 and 2 years	**1,152**	**(108)**	**1,044**
Between 2 and 3 years	**418**	**(57)**	**361**
Between 3 and 4 years	**263**	**(18)**	**245**
Between 4 and 5 years	**12**	*****	**12**
	3,808	**(424)**	**3,384**
Carrying value of plant and equipment under finance leases			**275**

* Less than US$1,000

Group	Minimum payments	Finance charges	Present value
	US$'000	US$'000	US$'000
2019			
Minimum lease payments payable:			
Not later than one year	2,397	(539)	1,858
Between 1 and 2 years	951	(43)	908
	3,348	(582)	2,766
Carrying value of plant and equipment under finance leases			718

25. Lease liabilities (cont'd)

The leases liabilities were drawdown by subsidiaries to repay its suppliers for the purchase of heavy equipment and automotive that were leased to the subsidiaries' customers under extended credit terms of up to 24 months. All leases are on a fixed repayment basis. All lease obligations are denominated in United States Dollars. The fair value of the lease obligations approximates to their carrying amount. The obligations under leases liabilities are secured by the subsidiary's plant and equipment (Note 14), the subsidiary's trade receivables (Note 19) and the charge over the heavy equipment sold to the customers.

Company	**Minimum payments**	**Finance charges**	**Present value**
	US$'000	**US$'000**	**US$'000**
2020			
Minimum lease payments payable:			
Not later than one year	**88**	**10**	**78**
Between 1 and 2 years	**88**	**6**	**82**
Between 2 and 3 years	**88**	**2**	**86**
Total	**264**	**18**	**246**

Total cash outflow for the lease for the year ended 31 March 2020 are shown in the statement of cash flows.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Other disclosures on leases:

Apart from the disclosures made in other Notes to the financial statements, amounts relating to leases include the following:

Group and company	**2020**
	US$'000
Expense relating to short-term leases included in cost of sales	**287**
Expense relating to short-term leases included in administrative expenses	**123**

26. Other financial liabilities

	Group		Company	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Non-current:				
Financial instruments with floating interest rates:				
Bank loans (secured) (Note 26A)	**–**	36	**–**	–
Subtotal	**–**	36	**–**	–
Financial instruments with fixed interest rates:				
Shareholders' loan (Note 26B)	**–**	1,550	**–**	1,550
Subtotal	**–**	1,550	**–**	1,550
Total, non-current	**–**	1,586	**–**	1,550
Current:				
Financial instruments with floating interest rates:				
Bank loans (secured) (Note 26A)	**1,536**	1,889	**–**	–
Bank overdrafts (secured) (Note 26C)	**4,302**	4,010	**–**	–
Subtotal	**5,838**	5,899	**–**	–
Financial instruments with fixed interest rates:				
Shareholders' loan (Note 26B)	**6,700**	5,150	**6,700**	5,150
Subtotal	**6,700**	5,150	**6,700**	5,150
Total, current	**12,538**	11,049	**6,700**	5,150
The non-current portion is repayable as follows:				
Due within 1 to 2 years	**–**	1,550	**–**	1,550

The range of floating rate interest rates paid were as follows:

Bank loans (secured)	
2020	5.43% to 6.59%
2019	6.75% to 7.12%
Bank overdrafts (secured)	
2020	13.00%
2019	13.00%

The ranges of fixed rate interest rates paid were as follows:

Shareholders' loan	
2020	2.34%
2019	2.34%

26. Other financial liabilities (cont'd)

26A. Bank loans (secured)

The total for bank loans is US$1.5 million (2019: US$1.9 million) at floating rates of interest. The fair value (Level 2) is a reasonable approximation of the carrying amounts as they are floating rate instruments that are frequently re-priced to market interest rates.

The bank loans are covered by the following:

(a) Personal guarantees from a director of the company; and
(b) Floating charge over a subsidiary's bank account

The bank loans are repayable over 24 monthly instalments, commencing from their drawdown on various dates.

26B. Shareholders' loans

The loan amounts are due to shareholders, who are also directors of the company, are denominated in US Dollars and are unsecured. Interest is accrued on indebtedness at the rate of 2.34% per annum (2019: 2.34% per annum).

26C. Bank overdrafts (secured)

The total for bank overdrafts is US$4.3 million (2019: US$4.0 million) at floating rates of interest at 13% (2019: 13%) per annum.

The bank overdrafts drawdown by a subsidiary to finance the cost of the fixture and fittings that are leased to a Myanmar retail distributor.

The bank overdrafts are covered by the following:

(a) Personal guarantees of US$2.0 million from a director of the company; and
(b) Corporate guarantee from company of US$2.3 million

27. Operating lease income commitments – as lessor

At the end of the reporting year the total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

	Group	
	2020	2019
	US$'000	US$'000
Not later than one year	**271**	324
Between 1 and 2 years	**13**	324
Between 2 and 3 years	**–**	324
Between 3 and 4 years	**–**	324
Between 4 and 5 years	**–**	324
Total	**284**	1,620
Rental income recognised as revenue for the year	**342**	554

Operating lease income commitments represent financial assets – lease receivable by the group for its serviced office.

28. Capital commitments

	Group	
	2020	2019
	US$'000	US$'000
Future payment commitments for new Joint Venture ("DKSH")	**–**	150

In the previous reporting year, investment amounting to US$150,000 in respect of the 50% share in a joint venture with DKSH Holding (S) Pte. Ltd. ("DKSH") to incorporate and operate a Singapore company, DKSHSMI Pte. Ltd. ("DKSHMI") for the purpose of carrying on the business of retailing "Levi Branded Apparel" in Myanmar under the group's subsidiary, SMI Retail Pte. Ltd.

29. Contingent liabilities

Corporate guarantees

The group provided the following guarantees at the the end of the reporting year:

- a corporate guarantee amounting to US$1.3 million (2019: US$1.2 million) to a financial institution to secure a loan for a Myanmar retail distributor.

The company has provided the following guarantees at the end of the reporting year:

- a corporate guarantee amounting to US$2.4 million (2019: US$3.2 million) to financial institutions to secure credit facilities for the group's subsidiaries; and

- a guarantee to its subsidiaries' franchisors in relation to the payments and performance obligations of the subsidiaries. No liability is expected to arise as at 31 March 2020.

Litigation

On 20 June 2018, Golden Infrastructure Group Limited ("GIG") the minority shareholder of Myanmar Infrastructure Group Pte Ltd, ("MIG", a subsidiary of the Group), filed an originating summons against the company, MIG and Tiger seeking, inter alia, an injunction restraining the completion of a Share Sale Agreement dated 1 June 2018 ("SSA"), in that it is a breach of a joint venture shareholder agreement between SMI and GIG ("JVSA").

In August 2018, the company successfully applied for a stay of both the originating summons and the interim injunction application taken out by GIG, in favour of arbitration. GIG subsequently appealed against the court's decision but the appeal was dismissed in September 2018. GIG then commenced arbitration proceedings at the Singapore International Arbitration Centre ("SIAC"). In March 2019, GIG applied for an interim injunction to prevent the completion of the SSA but their injunction was dismissed on 27 March 2019 by the arbitration tribunal. In the arbitration proceedings, GIG sought relief for alleged breaches of the JVSA by the company including damages and/or specific performance. The company brought a counterclaim against GIG in the arbitration and sought relief for alleged breaches of the JVSA by GIG, including damages. Merits hearing took place in December 2019, with closing submissions and clarifications occurred by end January 2020.

29. Contingent liabilities (cont'd)

Litigation (cont'd)

In the Final Award dated 2 June 2020 (the "Award") registered in SIAC, the Tribunal has concluded, among others, the following:

- All claims and counterclaims for damages should be dismissed;

- The company is directed to purchase GIG's 3% shareholding in MIG at a price of US$393,000 (also see Note 31);

- The expenses of the arbitration shall be borne equally by the parties to the arbitration, provide that each party shall pay for and bear the cost of its own experts, evidence and counsel's fees.

30. Financial instruments: information on financial risks

30A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Financial assets:				
Financial assets at amortised cost	**27,557**	26,296	**24,251**	28,722
At end of the year	**27,557**	26,296	**24,251**	28,722

	Group		Company	
	2020	2019	**2020**	2019
	US$'000	US$'000	**US$'000**	US$'000
Financial liabilities:				
Financial liabilities at amortised cost	**25,814**	23,926	**9,635**	9,464
At end of the year	**25,814**	23,926	**9,635**	9,464

Further quantitative disclosures are included throughout these financial statements.

30. Financial instruments: information on financial risks (cont'd)

30B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.

2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.

3. All financial risk management activities are carried out and monitored by senior management staff.

4. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

30C. Fair values of financial instruments

The analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

30D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. The group worked with local distributors to derive the cash flow projections of local distributors to determine the ability of the debtors to settle the trade receivable amounts. The calculations made use of cash flow projections prepared by the debtors (assisted by the group's management) based on budgets and projections, taking into account initiatives currently undertaken to deliver expected future performance against latest market expectations, and using suitable discount rates for the projections. These estimates require a degree of estimation and judgement. The allowance for expected credit loss is based on the lifetime expected credit loss.

Note 22 disclosed the maturity of cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

30. Financial instruments: information on financial risks (cont'd)

30E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity.

There are no liabilities contracted to fall due after twelve months at the end of the reporting year. The average credit period taken to settle trade payables is about 60 to 90 days (2019: 60 to 90 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The following table analysis the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	**Less than 1 year**	**1 – 5 years**	**Total**
	US$'000	**US$'000**	**US$'000**
Non-derivative financial liabilities:			
2020			
Gross borrowings commitments	**12,476**	**2,849**	**15,325**
Gross lease liabilities	**1,963**	**1,845**	**3,808**
Trade and other payables	**9,892**	**–**	**9,892**
At end of year	**24,331**	**4,694**	**29,025**
Non-derivative financial liabilities:			
2019			
Gross borrowings commitments	13,843	2,645	16,488
Gross lease liabilities	2,397	951	3,348
Trade and other payables	8,525	–	8,525
At end of year	24,765	3,596	28,361

Company	**Less than 1 year**	**1 – 5 years**	**Total**
	US$'000	**US$'000**	**US$'000**
Non-derivative financial liabilities:			
2020			
Gross borrowings commitments	**5,271**	**1,586**	**6,857**
Gross lease liabilities	**88**	**176**	**264**
Trade and other payables	**2,689**	**–**	**2,689**
At end of year	**8,048**	**1,762**	**9,810**
Non-derivative financial liabilities:			
2019			
Gross borrowings commitments	5,271	1,586	6,857
Trade and other payables	2,764	–	2,764
At end of year	8,035	1,586	9,621

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

30. Financial instruments: information on financial risks (cont'd)

30E. Liquidity risk – financial liabilities maturity analysis (cont'd)

Financial guarantee contracts - For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the reporting year no claims on the financial guarantees are expected to be payable.

The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

Group	**Less than 1 year**
	US$'000
2020:	
Financial guarantee contracts - bank guarantee in favour of a Myanmar retail distributor	**1,286**
2019:	
Financial guarantee contracts - bank guarantee in favour of a Myanmar retail distributor	1,188

The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

	2020	2019
	US$'000	US$'000
Group		
Corporate guarantee issued to a financial institution to secure a loan for a Myanmar retail distributor	**1,286**	1,188
Company		
Corporate guarantee issued to a financial institutions to secure credit facilities for the group's subsidiaries	**2,418**	3,230

30. Financial instruments: information on financial risks (cont'd)

30F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position.

The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group	
	2020	2019
	US$'000	US$'000
Financial assets with interest:		
Fixed rate	**20**	144
Floating rate	**833**	649
At end of year	**853**	793
Financial liabilities with interest:		
Fixed rate	**17,463**	9,466
Floating rate	**1,668**	5,935
At end of year	**19,131**	15,401

The floating rate debt instruments are with interest rates that are re-set regularly at one, three or six month intervals. The interest rates are disclosed in the respective notes.

Sensitivity analysis for interest rate risk is not disclosed as the effect on the profit or loss is considered not significant with all other variables including tax rate being held constant.

30G. Foreign currency risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Analysis of amounts denominated in non-functional currency:

	Singapore Dollars	**Myanmar Kyats**	**Others**	**Total**
	US$'000	**US$'000**	**US$'000**	**US$'000**
2020:				
Financial assets:				
Cash and cash equivalents	**29**	**435**	**–**	**464**
Loans and receivables	**60**	**108**	**–**	**168**
Total financial assets	**89**	**543**	**–**	**632**
Financial liabilities:				
Borrowings	**–**	**4,302**	**–**	**4,302**
Trade and other payables	**1,465**	**162**	**75**	**1,702**
Total financial liabilities	**1,465**	**4,464**	**75**	**6,004**
Net financial assets (liabilities) at end of year	**(1,376)**	**(3,921)**	**(75)**	**(5,372)**

30. Financial instruments: information on financial risks (cont'd)

30G. Foreign currency risk (cont'd)

Analysis of amounts denominated in non-functional currency (cont'd):

	Singapore Dollars	Myanmar Kyats	Others	Total
	US$'000	**US$'000**	**US$'000**	**US$'000**
2019:				
Financial assets:				
Cash and cash equivalents	68	82	–	150
Loans and receivables	1,049	706	–	1,755
Total financial assets	1,117	788	–	1,905
Financial liabilities:				
Borrowings	–	3,960	–	3,960
Trade and other payables	915	609	23	1,547
Total financial liabilities	915	4,569	23	5,507
Net financial assets (liabilities) at end of year	202	(3,781)	(23)	(3,602)

Sensitivity analysis:

	Group	
	2020	2019
	US$'000	US$'000
A hypothetical 10% strengthening in the exchange rate of the functional currency United States Dollar against Singapore Dollar (SGD) with all other variables held constant would have an adverse effect on pre-tax loss of	**138**	(20)
A hypothetical 10% strengthening in the exchange rate of the functional currency United States Dollar against Myanmar Kyats (MMK) with all other variables held constant would have a favourable effect on pre-tax loss of	**392**	378

The above table shows sensitivity to a hypothetical percentage variation in the functional currency against the relevant material non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction on profit or loss.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the entity has significant exposure at end of the reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

31. Events after the end of the reporting year

Subsequent to the reporing year end:

(a) a term loan facility of US$ 0.2 million was discharged upon repayment;

(b) an additional shareholder loan of US$0.4 million was obtained b the company in June 2020; and

(c) following the Final Award in the arbitration proceedings before the Singapore International Arbitration Centre (see Note 29), the company has acquired the 3% remaining shares in Myanmar Infrastructure Group Pte. Ltd. ("MIG") and MIG has become a wholly owned subsidiary of the company.

32. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

SFRS (I) No.	Title
SFRS (I) 1-19	Amendments: Plan Amendment, Curtailment or Settlement
SFRS (I) 9	Amendments: Prepayment Features with Negative Compensation
SFRS (I) 16	Leases (and Leases - Illustrative Examples & Amendments to Guidance on Other Standards)
SFRS(I) 1-28	Amendments to Long-term Interests in Associates and Joint Ventures
SFRS (I) INT 23	Uncertainty over Income Tax Treatments
SFRS (I) 1-12	Improvements (2017) – Amendments: Income Taxes
SFRS (I) 1-23	Improvements (2017) – Amendments: Borrowing Costs
SFRS (I) 3	Improvements (2017) – Amendments: Business Combinations
SFRS (I) 11	Improvements (2017) – Amendments: Joint Arrangements

SFRS (I) 16 Leases

The group has adopted SFRS (I) 16 Leases from 1 April 2019, but has not restated comparatives for the 2019 reporting period as permitted under the specific transition provisions in the standard, except for certain reclassification made to finance leases, as SFRS (I) 16 eliminates the distinction between operating and finance leases for the lessee. On adoption of SFRS (I) 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases'. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2019. The associated right-of-use assets were measured at the amount equal to the lease liability recognised in the statement of financial position as at 1 April 2019.

In applying SFRS (I) 16 for the first time, the group has used the following practical expedients permitted by the standard:

– the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;

– the accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases;

– the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and

– the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

33. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

SFRS (I) No.	Title	Effective date for periods beginning on or after
SFRS (I) 3	Definition of a Business – Amendments	1 Jan 2020
SFRS (I) 1-1 and 1-8	Definition of Material – Amendments to	1 Jan 2020
SFRS (I) 1-39; 7 and 9	Interest Rate Benchmark Reform – Amendments to	1 Jan 2020
	The Conceptual Framework for Financial Reporting	1 Jan 2020
SFRS (I) 16	COVID-19 Related Rent Concessions - Amendment to (effective from 30 June 2020)	30 Jun 2020
SFRS (I)10 and SFRS (I) 1-28	Sale or Contribution of Assets between and Investor and its Associate or Joint Venture	Not fixed yet

STATISTICS OF SHAREHOLDINGS

As at 23 September 2020

Issued and fully paid share capital	:	S$88,952,762.62**
Total number of shares in issue	:	316,996,792
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

There are no treasury shares held in the issued share capital of the Company.

**This is based on records kept with the Accounting and Corporate Regulatory Authority ("ACRA") and differs from the accounting records of the Company which is S$87,614,775.34 due to certain share issue expenses.

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 35.56% of the issued ordinary shares of the Company were held in the hands of the public as at 23 September 2020 and therefore Rule 723 of the Listing Manual is complied with.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	1	0.11	1	0.00
100 – 1,000	56	6.06	47,200	0.02
1,001 – 10,000	383	41.45	2,730,200	0.86
10,001 – 1,000,000	469	50.76	29,937,598	9.44
1,000,001 and above	15	1.62	284,281,793	89.68
TOTAL	924	100.00	316,996,792	100.00

STATISTICS OF SHAREHOLDINGS

As at 23 September 2020

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	MAYBANK KIM ENG SECURITIES PTE.LTD	119,780,414	37.79
2	RAFFLES NOMINEES (PTE) LIMITED	54,283,271	17.12
3	CITIBANK NOMINEES SINGAPORE PTE LTD	41,994,521	13.25
4	DBS NOMINEES PTE LTD	31,411,487	9.91
5	OCBC SECURITIES PRIVATE LTD	6,236,700	1.97
6	RHB SECURITIES SINGAPORE PTE LTD	6,082,000	1.92
7	HO CHEE TONG	5,000,000	1.58
8	QUAH SUAT LAY NANCY (KE XUELI NANCY)	4,856,600	1.53
9	HSBC (SINGAPORE) NOMINEES PTE LTD	3,838,400	1.21
10	CHONG YEAN FONG	3,000,000	0.95
11	LIU NAN	2,408,500	0.76
12	YUE CHEE YOON	1,615,900	0.51
13	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	1,474,700	0.47
14	UOB KAY HIAN PTE LTD	1,232,300	0.39
15	PHILLIP SECURITIES PTE LTD	1,067,000	0.34
16	OR LAY HUAT DANIEL	650,000	0.21
17	ABN AMRO CLEARING BANK N.V.	600,000	0.19
18	LIM AND TAN SECURITIES PTE LTD	558,400	0.18
19	LEE KEE SAN	523,000	0.16
20	OCBC NOMINEES SINGAPORE PTE LTD	485,500	0.15
		287,096,693	90.59

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
Name	Number of Shares	%	Number of Shares	%
Ho Kwok Wai[1]	–	–	164,749,871	51.97
Mark Francis Bedingham[2]	–	–	38,508,321	12.15
Jet Palace Holdings Limited[3]	–	–	33,400,000	10.54
Taipan Grand Investments Limited[4]	–	–	77,933,000	24.59

Notes:

(1) Mr Ho Kwok Wai is deemed to be interested in the Shares held by Jet Palace Holdings Limited (33,400,000 Shares), Taipan Grand Investments Limited (77,933,000 Shares) and EFG Bank AG (53,416,871 Shares).

(2) Mr Mark Francis Bedingham is deemed to be interested in 38,508,321 Shares held by Bank Julius Baer.

(3) Jet Palace Holdings Limited's 33,400,000 Shares are registered in the name of a nominee account.

(4) Taipan Grand Investments Limited's 77,933,000 Shares are registered in the name of a nominee account.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of SINGAPORE MYANMAR INVESTCO LIMITED (the "Company") will be held by way of electronic means on Monday, 27 October 2020 at 10.00 a.m., for the following purposes:

AS ORDINARY BUSINESS:

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 March 2020 together with the Independent Auditors' Report thereon. (Resolution 1)

2. To approve the payment of Directors' fees of S$160,000 for the financial year ended 31 March 2020. (2019: S$240,000) (Resolution 2)

3. To re-elect Mr Mark Francis Bedingham, a Director retiring under Article 91 of the Company's Constitution and who being eligible, will offer himself for re-election. (Resolution 3)

4. To re-elect Mr Fong Sing Chak Jack, a Director retiring under Article 91 of the Company's Constitution and who being eligible, will offer himself for re-election. (see explanatory note 1) (Resolution 4)

5. To re-appoint Messrs RSM Chio Lim LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 5)

AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following as Ordinary Resolutions with or without any modifications:

6. **Authority to Allot and Issue Shares** (Resolution 6)

"(A) That, pursuant to Section 161 of the Companies Act, Chapter 50, and the listing rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), approval be and is hereby given to the Directors of the Company to:

(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

(ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "**Instruments**") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and/or

(iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues, at any time to such persons and upon such terms and for such purposes as the Directors of the Company may in their absolute discretion deem fit; and

(B) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while the authority was in force, provided always that

(a) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the total number of issued shares (**excluding treasury shares and subsidiary holdings, if any**) of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares (**excluding treasury shares and subsidiary holdings, if any**) of the Company (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the total number of issued shares (**excluding treasury shares and subsidiary holdings, if any**) shall be based on the total number of issued shares (**excluding treasury shares and subsidiary holdings, if any**) of the Company at the time this Resolution is passed, after adjusting for:

    (i) new shares arising from the conversion or exercise of any convertible securities;

    (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed; and

    (iii) any subsequent bonus issue, consolidation or subdivision of shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

(see explanatory note 2)

7. **Authority to allot and issue shares pursuant to the awards granted under SMI Performance Share Plan** (Resolution 7)

"That, pursuant to Section 161 of the Companies Act, approval be and is hereby given to the Directors to allot and issue from time to time such number of shares as may be required to be issued pursuant to the vesting of the awards under SMI Performance Share Plan ("**SMI PSP**"), provided always that the aggregate number of shares to be allotted and issued pursuant to SMI PSP, when aggregated together with shares to be allotted and issued pursuant to any other existing employee share schemes of the Company shall not exceed 15 per cent (15%) of the total number of issued shares (**excluding treasury shares and subsidiary holdings**) from time to time."

(see explanatory note 3)

8. **Authority to allot and issue shares pursuant to the exercise of options under SMI Employee Share Option Scheme** (Resolution 8)

"That, pursuant to Section 161 of the Companies Act, approval be and is hereby given to the Directors to allot and issue from time to time such number of shares as may be required to be issued pursuant to the vesting of the options under SMI Employee Share Option Scheme ("**SMI ESOS**"), provided always that the aggregate number of shares to be allotted and issued pursuant to SMI ESOS, when aggregated together with shares to be allotted and issued pursuant to any other existing employee share schemes of the Company shall not exceed 15 per cent (15%) of the total number of issued shares (**excluding treasury shares and subsidiary holdings**) from time to time."

(see explanatory note 4)

9. To transact any other business that may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Lee Wei Hsiung
Wang Shin Lin, Adeline
Company Secretaries
Singapore

12 October 2020

EXPLANATORY NOTES:

1. Mr Fong Sing Chak Jack will, upon re-election as a Director of the Company, continue to serve as a member of the Audit, Remuneration and Nominating Committees. He will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. He does not have any relationships, including immediate family relationships with the Directors of the Company, the Company or its 5% shareholders.

2. The proposed Ordinary Resolution 6, if passed, will authorise and empower the Directors from the date of this Meeting until the conclusion of the next Annual General Meeting, or the date by which the next Annual General Meeting of the Company is required by law to be held, or when revoked or varied by the Company in general meeting, whichever is earlier, to allot and issue shares in the Company. The maximum number of shares which the Directors may issue under this resolution shall not exceed the quantum as set out in the resolution.

3. The proposed Ordinary Resolution 7, if passed, will empower the Directors to allot and issue shares in the capital of the Company, pursuant to the vesting of the awards under SMI PSP which was approved at the extraordinary general meeting of the Company on 30 July 2014, provided always that the aggregate number of shares to be issued under SMI PSP, when aggregated with shares to be issued under any other existing share scheme of the Company, does not exceed 15 per cent (15%) of the total number of issued shares (**excluding treasury shares and subsidiary holdings**) for the time being.

4. The proposed Ordinary Resolution 8, if passed, will empower the Directors to allot and issue shares in the capital of the Company, pursuant to the vesting of the options under SMI ESOS which was approved at the extraordinary general meeting of the Company on 23 July 2017, provided always that the aggregate number of shares to be issued under SMI ESOS, when aggregated with shares to be issued under any other existing share scheme of the Company, does not exceed 15 per cent (15%) of the total number of issued shares (**excluding treasury shares and subsidiary holdings**) for the time being.

NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT NOTES:

1. The Annual General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **Printed copies of this Notice will not be sent to members.** Instead, this Notice will be sent to members by electronic means via publication on the Company's website at http://sin-mi.listedcompany.com/newsroom.html. This Notice will also be made available on the SGX website at https://www.sgx.com/securities/company-announcements.

2. Alternative arrangements relating to attendance at the Annual General Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the Annual General Meeting, addressing of substantial and relevant questions at the Annual General Meeting and voting by appointing the Chairman of the Meeting as proxy at the Annual General Meeting, are set out in the accompanying Company's announcement dated 12 October 2020. This announcement may be accessed at the Company's website at http://sin-mi.listedcompany.com/newsroom.html, and will also be made available on the SGX website at https://www.sgx.com/securities/company-announcements.

3. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting.** The accompanying proxy form for the Annual General Meeting may be accessed at the Company's website at http://sin-mi.listedcompany.com/newsroom.html, and will also be made available on the SGX website at https://www.sgx.com/securities/company-announcements.

4. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

5. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 15 October 2020, being 7 working days before the date of the Annual General Meeting.

6. The Chairman of the Meeting, as proxy, need not be a member of the Company.

7. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be deposited at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com.

   in either case not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

8. The Annual Report 2020 may be accessed at the Company's website at http://sin-mi.listedcompany.com/newsroom.html, and will also be made available on the SGX website at https://www.sgx.com/securities/company-announcements.

IMPORTANT REMINDER

Due to the constantly evolving COVID-19 situation, the Company may be required to change its Annual General Meeting arrangements at short notice. Members are advised to regularly check the Company's website or announcements released on SGXNET for updates on the Annual General Meeting.

PERSONAL DATA PRIVACY

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Mark Francis Bedingham and Mr Fong Sing Chak Jack are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 27 October 2020 ("AGM") (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

Name of Director	**MR MARK FRANCIS BEDINGHAM**	**MR FONG SING CHAK JACK**
Date of Appointment	23 January 2015	6 November 2013
Date of last re-appointment	25 July 2017	31 July 2018
Age	65	56
Country of principal residence	Singapore	Hong Kong
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the past contribution and suitability of Mr Mark Francis Bedingham ("Mark") for re-appointment as Executive Director of the Company. The Board has reviewed and concluded that Mark possess the experience, expertise, knowledge and skills to continue contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the past contribution and performance of Mr Fong Sing Chak Jack ("Jack") for re-appointment as Independent Director of the Company. The Board has reviewed and concluded that Jack possess the experience, expertise, knowledge and skills to continue contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive, responsible for the Group's corporate plans, policies and business development as well as the general management of the Group's operations	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director, President and Chief Executive Director	Independent Director, Member of the Nominating, Remuneration and Audit Committees
Professional qualifications	Master's degree in Agricultural and Forest Sciences from the School of Biological Sciences of Oxford University	Bachelor of Law (Hons) Degree and a Post Graduate Certificate in Law from the University of Hong Kong
Working experience and occupation(s) during the past 10 years	1995 to 2014 - Regional Managing Director of Moet Hennessy Asia Pacific	1 April 2004 to present Sole Proprietor of Messrs Jack Fong & Co., Solicitors 1st February 2010 to present Notary Public HKSAR
Shareholding interest in the listed issuer and its subsidiaries	Deemed Interest - 38,508,321 shares held by the nominee Bank Julius Baer	Deemed Interest - 1,000,000 shares are registered in the name of a nominee account

Name of Director	**MR MARK FRANCIS BEDINGHAM**	**MR FONG SING CHAK JACK**
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments including Directorships		
Past (for the last 5 years)	1. Myanmar Infrastructure Group Pte. Ltd. 2. TPR Myanmar Limited	1. Longking Trading Limited 2. China Team Properties Limited 3. ICO Group Limited
Present	1. Kinnaya Pte. Ltd. 2. SMI Construction Services Pte. Ltd. 3. SMI Infrastructure Services Pte. Ltd. 4. SMI F&B Pte. Ltd. 5. SMI F&B MM Pte. Ltd. 6. SMI Auto Services Pte. Ltd. 7. SMI Retail Pte. Ltd. 8. SMI Mobile Pte. Ltd. 9. SMI-Senko Logistics Pte. Ltd. 10. Singapore Myanmar Investco Limited 11. Crystal Jade Culinary Concepts Holding Pte. Ltd. 12. SMIFB Ltd 13. SMIRS Myanmar Limited 14. SMIMM Mobile Company Limited 15. SMIRental Services MM Limited 16. SenkoSMI Myanmar Co Ltd 17. Iconic Locations Limited 18. DKSHSMI Pte. Ltd. - Director 19. Crystal Jade Group Holdings Pte. Ltd. 20. Birdwing Investments Ltd 21. Artisinal Spirits Company Ltd 22. Asami Investments Ltd 23. Asami Properties Ltd	1. Singapore Myanmar Investco Limited 2. Trade Honour Limited 3. Atelier Fashion Limited

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director		MR MARK FRANCIS BEDINGHAM	MR FONG SING CHAK JACK
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.			
(a)	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b)	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No
(d)	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

Name of Director	MR MARK FRANCIS BEDINGHAM	MR FONG SING CHAK JACK
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	MR MARK FRANCIS BEDINGHAM	MR FONG SING CHAK JACK
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

Name of Director	MR MARK FRANCIS BEDINGHAM	MR FONG SING CHAK JACK
Disclosure applicable to the appointment of Director only.		
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Yes He is currently an Executive Director of Singapore Myanmar Investco Limited.	Yes He is currently an Independent Director of Singapore Myanmar Investco Limited.

SINGAPORE MYANMAR INVESTCO LIMITED

(Company Registration Number 200505764Z)
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Annual General Meeting in person.** A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting if such member wishes to exercise his/her/its voting rights at the Annual General Meeting. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment for that resolution will be treated as invalid.
2. This Proxy Form is not valid for use by CPF/ SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/ SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators by 5.00 p.m. on 15 October 2020 to submit their votes.
3. By submitting an instrument appointing the Chairman of the Meeting as proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 October 2020.

PROXY FORM
ANNUAL GENERAL MEETING

This proxy form has been made available on SGXNet and the Company's website at http://sin-mi.listedcompany.com/newsroom.html. A printed copy of this proxy form will NOT be despatched to members.

I/We, ____ (Name)

(NRIC/Passport/Co. Reg. No.) ______________________ of ______________________________________ (Address)

being a member/members of SINGAPORE MYANMAR INVESTCO LIMITED (the "**Company**"), hereby appoint the **Chairman of the Meeting** as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be convened and held by way of electronic means on 27 October 2020 at 10.00 a.m. (Singapore time) and at any adjournment thereof in the following manner:

No.	Ordinary Resolutions	For	Against	Abstain
ORDINARY BUSINESS				
1.	Adoption of Directors' Statements and Audited Financial Statements for financial year ended 31 March 2020 together with the Independent Auditors' Report thereon			
2.	Approval of Directors' fees amounting to S$160,000 for financial year ended 31 March 2020			
3.	Re-election of Mr Mark Francis Bedingham as a Director			
4.	Re-election of Mr Fong Sing Chak Jack as a Director			
5.	Re-appointment of RSM Chio Lim LLP as Auditors and authorise the Directors to fix their remuneration			
SPECIAL BUSINESS				
6.	Authority to allot and issue new shares in the Company and make/grant/offer Instruments			
7.	Authority to allot and issue shares pursuant to the awards granted under SMI Performance Share Plan			
8.	Authority to allot and issue shares pursuant to the exercise of options under SMI Employee Share Option Scheme			

Note: Voting will be conducted by poll. If you wish the Chairman of the Meeting as your proxy to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of ordinary shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

Dated this ______________ day of __________________ 2020

Total No. of Shares in	No. of Shares
CDP Register	
Register of Members	

____
Signature of member(s) or
Common Seal of Corporate Member

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy shall be deemed to relate to all the shares held by you.

2. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Annual General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Annual General Meeting** if such member wishes to exercise his/her/its voting rights at the Annual General Meeting. This proxy form may be accessed at the Company's website at http://sin-mi.listedcompany.com/newsroom.html, and will also be made available on the SGX website at https://www.sgx.com/securities/company-announcements.

3. Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

4. CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 15 October 2020, being 7 working days before the date of the Annual General Meeting.

5. The Chairman of the Meeting, as proxy, need not be a member of the Company.

6. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairman of the Meeting as proxy is submitted by post, be lodged with the instrument of proxy or, if the instrument appointing the Chairman of the Meeting as proxy is submitted electronically via email, be emailed with the instrument of proxy, failing which the instrument may be treated as invalid.

7. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:

   (a) if submitted by post, be deposited at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road #11-02, Singapore 068898; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com,

   in either case not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

   A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

8. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment). In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged or submitted if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

SINGAPORE
MYANMAR
INVESTCO

Singapore Myanmar Investco Limited

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