



**ANNUAL GENERAL MEETING  
(AGM)  
25 JULY 2017 , SINGAPORE**

**MARK BEDINGHAM  
President & CEO**

# TAKE-OFF IN MYANMAR



 **smi** SINGAPORE  
MYANMAR  
INVESTCO  
Annual Report 2017



# OUR BUSINESS APPROACH IN MYANMAR

Five pillars to our future



## TRAVEL & FASHION RETAIL

Duty-free travel retail stores and concepts at Yangon International Airport (including more than 30 international mono-brand stores) and new retail stores in the domestic market



## FOOD & BEVERAGE

F&B franchises of well-known brands  
Import and distribution of F&B products



## AUTO SERVICES

Car rental and limousine services (sole franchisee of EUROPCAR in Myanmar)



## CONSTRUCTION SERVICES

Distribution of heavy equipment for the construction industry (sole distributor of SANY in Myanmar)



## LOGISTICS

Logistics and warehousing services (SMI-Senko JV)



# SMI Travel & Fashion Retail



- ✓ With over 6,700 square metres of duty-free commercial space at the new terminal of the Yangon International Airport (YIA) managed by SMI Retail on a long-term basis, the Group operates over 2,200 sqm of classic multi-category duty free supplying a comprehensive portfolio of international wines & spirits, tobacco & beauty products. In addition, the Group has introduced more than 30 international fashion & lifestyle brands to create an outstanding retail experience to meet the expected rapid rise in international travelers & domestic outbound travelers.
- ✓ At Junction City, 8 mono-brand stores have been opened, featuring brands that are present at the airport, this is the new upscale mall developed by the Shwe Taung Group and Keppel Land. SMI is in discussion with a number of other real estate developers for additional new retail opportunities.



## SMI Travel & Fashion Retail



- ✓ SMI looks forward to the development of counters and stores for Shiseido, after having successfully signed a nation-wide distribution agreement, in line with this leading cosmetic brand's global image and positioning.
- ✓ SMI will continue to look for other retail brands and concepts which we believe will fit the market opportunity in Myanmar and align with SMI's strengths, particularly its high quality international brand management capabilities.





# SMI Food & Beverage



- ✓ The group's F&B interests are undertaken through its 2 main entities; SMI F&B Pte Ltd and SMI F&B MM Pte Ltd.
- ✓ The primary focus for F&B is and will be the roll out of its F&B franchises.
- ✓ We have been very encouraged by the launch of Crystal Jade Kitchen at Junction City and the remarkable debut of Ippudo.

- ✓ SMI will actively look for new locations for these franchises as well consider any new franchise which can complement the already impressive portfolio.





## SMI Food & Beverage



- ✓ Coffee Bean and Tea Leaf has performed well in its airport locations and there are discussion about further opportunities
- ✓ SMI is revamping its portfolio of fresh food, packaged foods and wines with a view to roll out this expanded portfolio in the near future. This initiative will initially be focused on hotels and international restaurants before broadening out into the retail consumer market in Myanmar.

- ✓ Tourism Ministry estimates that tourist volume will continue to increase significantly, leading to an increased demand for premium F&B products.





# SMI Auto



✓ Following on from the signing of a master franchise agreement with Europcar, our Auto business presence has expanded across a wide customer base.

✓ Capitalising on Europcar being the only international car rental brand operating in Myanmar, we expect this business segment to develop strongly by taking advantage of its widening customer base and geographical reach.

✓ Europcar was recently awarded the 'Leading car rental Company Myanmar 2017' at the recent World Travel awards Asia and Australia.

✓ SMI is looking at new partnerships as some of the new 'ride-sharing' concepts are being tested in Myanmar.

✓ Growth is expected to be rapid as Europcar offers highly differentiated services in terms of well qualified drivers, excellent car maintenance and a trusted international brand name.





# SMI Logistics



- ✓ Joint venture with Japan-listed logistics group, Senko Co., Ltd., a major logistics group listed on the Japanese Stock Exchange, has got off to very promising start.
- ✓ Customers' reaction to the provision of first class cold, chilled and cool and dry storage at our warehouse in INSEIN district (Yangon) have been excellent and the business is operating at close to 100% of its capacity.
- ✓ A land search has already been initiated with a leading real estate consultancy for a second site in Yangon.
- ✓ Supported by state-of-the-art Japanese technology, the vision for this business is a network of warehouses, with a focus on cold and chilled storage, across Myanmar in key locations providing international standard logistics including trucking and other transport related services.



# SMI Construction Services



- ✓ SMI is the Exclusive Dealer for SANY (China's leading construction equipment/manufacturer) in Myanmar and we have strengthened our working relationship with SANY.
- ✓ With a strengthened management team in our construction services business unit and improved financing for our customers, it has led to a good revenue growth in FY2017 and this is expected to continue in FY2018 and beyond.
- ✓ SANY already has a good market position in Cranes, Concrete equipment, Port Handling Machinery, Drilling Rigs, and SMI will continue to increase its market share in Road Machinery Excavators.



# SMI Construction Services



- ✓ With growing economic development in Myanmar and extensive infrastructure projects being planned, the country's construction sector is expected to grow rapidly.
- ✓ In FY2018, SMI will broaden its commercial sales model by offering products for sale ex-factory, from stock in Yangon and SMI will look to develop the appropriate servicing and maintenance facilities which should boost spare parts sales to the large and growing population of SANY machines in Myanmar.



# SMI Telecom Towers



- ✓ SMI's subsidiary Myanmar Infrastructure Group Pte. Ltd. ("MIG") and its wholly owned subsidiary TPR Myanmar Limited ("TPR") has signed a Master Lease Agreement with mobile network operator, Ooredoo Myanmar Limited ("OML"), for the construction of 500 telecommunications towers across Myanmar.
- ✓ The Group has completed the construction of almost 100 towers for OML and has been successful in achieving co-lease up on more than half of these constructed towers.
- ✓ With the proposed disposal of our telecom towers business unit having lapsed, as announced on 1 July 2017, the Company intends to review our tower telecommunications business with a view to restructuring it to improve operational efficiencies and business performance.



# SMI Serviced Offices



- ✓ Joint venture with Arcc Offices, a Singapore based serviced office provider to manage the largest serviced office space, of about 1,500 square metres in size, in Yangon with the most modern facilities and business-friendly fit-out in a convenient mid-town location.
- ✓ Occupancy continue to rise as more international businesses develop an entry strategy for Myanmar



# SMI's Financial Highlights

In USD mil	2017	2016	Change
<b>Revenue</b>	<b>23.3</b>	<b>7.5</b>	<b>211%</b>
Loss from continuing operations	(4.3)	(6.8)	37%
Loss from discontinued operations	(3.0)	(2.8)	7%
Gain on disposal	-	8.8	
<b>Net loss</b>	<b>(7.3)</b>	<b>(0.8)</b>	<b>(813)%</b>

In US cents	2017	2016	Change
<b>Earnings / (Loss) per share</b>			
Continuing Operations	(1.95)	(4.08)	52%
Discontinued Operations	(1.40)	3.87	(136)%
	<b>(3.35)</b>	<b>(0.21)</b>	<b>(1495)%</b>

# SMI's Financial Highlights

In USD mil	2017	2016	Change
Total assets	59.3	33.5	77%
Total liabilities	(35.1)	(23.3)	51%
<b>Net assets</b>	<b>24.2</b>	<b>10.2</b>	<b>137%</b>
Non-controlling interests	0.01	0.30	
<b>Attributable to owners</b>	<b>24.2</b>	<b>9.9</b>	<b>144%</b>

	2017	2016	Change
NAV per share in USD cents	9.54	5.66	69%
Market capitalization in SGD mil	131.8	68.6	92%
Number of shares at 31 March	253,437,492	175,870,000	44%
Share price at 18 July in SGD cents	52	39	33%



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**Thank You!**