



Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements Announcement For The Third Quarter and 9 Months Ended 31 December 2018

1(a) A statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding reporting year.

(In US\$'000)	Note	Group		%	Group		%
		3 months ended 31/12/2018 FY2019	3 months ended 31/12/2017 FY2018	Increase/ Decrease	9 months ended 31/12/2018 FY2019	9 months ended 31/12/2017 FY2018	Increase/ Decrease
Revenue	1	5,492	6,588	(16.6)	17,599	18,227	(3.4)
Cost of Sales		(4,029)	(4,807)	(16.2)	(12,877)	(13,539)	(4.9)
Gross Profit	2	1,463	1,781	(17.9)	4,722	4,688	0.7
Gross Profit Margin		26.6%	27.0%		26.8%	25.7%	
Other Items of Income							
Other Income	3	174	425	(59.1)	496	701	(29.2)
Other Gains	4	(35)	-	N.M	663	-	N.M
Other Items of Expenses							
Selling & Distribution Costs	6	(540)	(385)	40.3	(1,370)	(855)	60.2
Administrative Expenses	7	(1,564)	(1,703)	(8.2)	(4,698)	(5,769)	(18.6)
Finance Costs	8	(306)	(333)	(8.1)	(1,000)	(1,062)	(5.8)
Other Charges	5	(218)	6	N.M	(350)	(111)	N.M
Share of results of jointly-controlled entities, net of tax		(39)	(27)	44.4	(82)	(94)	(12.8)
Loss Before Income Tax from Continuing Operations		(1,065)	(236)	N.M	(1,619)	(2,502)	(35.3)
Income Tax Expenses		-	-	N.M	(92)	(9)	N.M
Loss from Continuing Operations, Net of Tax		(1,065)	(236)	N.M	(1,711)	(2,511)	(31.9)
Loss from Discontinued Operations, Net of Tax	9	(226)	(203)	11.3	(921)	(2,129)	(56.7)
Loss, Net of Tax and total comprehensive loss		(1,291)	(439)	193.8	(2,632)	(4,640)	(43.3)
Loss, Net of Tax and total comprehensive loss, Attributable to:-							
Equity holders of the Company		(1,253)	(432)	190.0	(2,541)	(4,540)	(44.1)
Non-Controlling Interests		(38)	(7)	442.9	(91)	(100)	(9.0)
Loss, Net of Tax and total comprehensive loss		(1,291)	(439)	194.1	(2,632)	(4,640)	(43.3)

N.M. denotes not meaningful

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(In US\$'000)	Note	Group		%	Group		%
		3 months ended 31/12/2018 FY2019	3 months ended 31/12/2017 FY2018	Increase/ (Decrease)	9 months ended 31/12/2018 FY2019	9 months ended 31/12/2017 FY2018	Increase/ (Decrease)
1(a)(ii) Loss included the following:							
Depreciation and amortisation of property, plant and equipment and intangible assets	10	(646)	(540)	19.6	(2,035)	(1,553)	31.0
Penalty and dues	9	-	(220)	N.M	-	(1,320)	N.M
Management fees	7	(24)	(18)	35.7	(71)	(207)	(65.5)
Other income							
- Interest income	3	9	22	(59.1)	31	89	(65.2)
Other Gains	4	(35)	-	N.M.	663	-	N.M.
Loss on disposal of property, plant and equipment (net)	5	(163)	-	N.M.	(163)	-	N.M.
Finance costs							
- Interest expense	8	(306)	(333)	(7.9)	(1,000)	(1,062)	(5.8)

N.M. denotes not meaningful

1(a)(iii) Income tax expenses included the following:

	Group		%	Group		%
	3 months ended 31/12/2018 FY2019	3 months ended 31/12/2017 FY2018	Increase/ (Decrease)	9 months ended 31/12/2018 FY2019	9 months ended 31/12/2017 FY2018	Increase/ (Decrease)
Current taxation						
Provision for current year	-	-	N.M	(92)	-	N.M
Underprovision in respect of prior year	-	-	N.M	-	(9)	N.M
Total	-	-	N.M	(92)	(9)	N.M

Explanatory notes on performance for 3QFY2019:

1. Revenue

For Q3FY2019, the Group reported revenue of US\$5.5 million, a decrease of US\$1.1 million or 16.6% from the corresponding period ended Q3FY2018. This was mostly attributable to reduced retail sales as disruptions at Myanmar Customs restricted some key duty free supplies, which impacted October and November sell-in to the airport. However, December saw a strong recovery. Retail sales to airport travellers have continued to grow throughout the year.

Tightening of credit extended to Construction Services customers also restricted new sales; this tightening will continue.

2. Gross Profit

The Group reported gross profit of US\$1.5 million for Q3FY2019. Gross margin decreased slightly from 27.0% in Q3FY2018 to 26.6% in Q3FY2019.

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3. Other Income
Other income relates to the finance leases offered to customers, commission income, consultancy fees charged to the joint venture, franchise income and office usage fees.
4. Other Gains
This relates mainly to the net exchange gain from the revaluation of the Myanmar Kyat denominated loans due to the strengthening of the US Dollar.
5. Other Charges
Represents donations to Room to Read charity program, SMI's major CSR program, which commenced in January 2018.
6. Selling & Distribution Costs
Selling & Distribution costs increased due to F&B subsidiary which started operations in November 2017, partially offset by lower delivery cost in Retail business as a result of effective cost control.
7. Administrative Expenses
Administrative expenses decreased US\$1.1 million mainly due to lower staff costs for the nine month period.
8. Finance Costs
Finance costs represents interest costs on shareholder loans and bank borrowings.
9. Discontinued operations
As at 1 June 2018, the Company, together with its subsidiary, Myanmar Infrastructure Group Pte Ltd. ("MIG") entered into a share sale agreement with Tiger Infrastructure Pte. Ltd. for the proposed disposal of its 99.9 per cent-owned subsidiary, TPR and all tower and power equipment stock, for a sale consideration of US\$10.8 million. As such, the disposal group's classification as held for sale is still appropriate. The entire assets and liabilities related to TPR are classified as a disposal group held for sale in the statement of financial position and the entire results from the disposal group are presented separately in the consolidated income statement as "Discontinued operation".

(In US\$'000)		9 months ended 31/12/2018 (FY2019)	(Restated) 9 months ended 31/12/2017 (FY2018)
Description	Note		
Revenue		1,974	1,932
Cost of Sales	a	(2,030)	(3,126)
Gross Profit		(56)	(1,194)
Other Items of Income			
Other Gains		26	-
Other Items of Expenses			
Distribution Costs		(26)	(13)
Administrative Expenses		(397)	(736)
Finance Costs		(88)	(87)
Other Charges	b	(380)	(99)
Loss Before Income Tax from Discontinued Operations		(921)	(2,129)
Income Tax Expenses		-	-
Loss from Discontinued Operations, Net of Tax		(921)	(2,129)

- a. Includes a US\$1.1 million penalty cost payable to a Tower supplier and \$0.2 million custom penalty in the comparative figures
 - b. Includes a \$0.3 million loss on disposal of equipment during Q2FY2019
10. Depreciation and Amortisation
The increase in depreciation was mainly due to fit-out of the domestic retail shops (Junction City and Myanmar Plaza) and amortization of franchise fees.

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- 1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding reporting year.

(In US\$'000) Description	Note	Group		Company	
		31/12/2018	31/03/2018	31/12/2018	31/03/2018
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	11	13,666	14,675	998	1,056
Intangible Assets	12	694	514	-	-
Investments in Subsidiaries		-	-	11,056	11,056
Investments in Jointly-Controlled Entities		382	464	650	650
Trade and Other Receivables, Non-Current	13	-	170	-	-
Other Assets, Non-Current	14	82	84	32	33
Total Non-Current Assets		14,824	15,907	12,736	12,795
Current Assets					
Inventories	15	66	440	-	-
Trade and Other Receivables	13	31,029	24,965	33,854	30,339
Other Assets, Current	14	1,435	1,764	125	173
Cash and Cash Equivalents		1,748	1,429	58	158
Assets classified as held for sale	18	12,240	14,743	801	130
Total Current Assets		46,518	43,341	34,838	30,800
Total Assets		61,342	59,248	47,574	43,595
EQUITY AND LIABILITIES					
Equity Attributable to equity holders of the company					
Share Capital		59,862	59,862	59,862	59,862
Accumulated Losses		(32,986)	(30,445)	(22,465)	(22,654)
Employee share option reserve		29	29	29	29
Total Equity attributable to Owners of the Parent		26,905	29,446	37,426	37,237
Non-Controlling Interests		209	300	-	-
Total Equity		27,114	29,746	37,426	37,237
Non-Current Liabilities					
Other Payables, Non-Current	16	-	416	-	416
Other Financial Liabilities, Non-Current		3,526	2,513	1,550	1,000
Total Non-Current Liabilities		3,526	2,929	1,550	1,416
Trade and Other Payables, Current	16	14,337	9,873	3,228	1,827
Income and Other Tax Payable, Current		883	586	91	111
Other Financial Liabilities, Current	17	13,245	12,919	5,150	3,000
Liabilities associated with assets classified as held for sale		2,237	3,195	129	4
Total Current Liabilities		30,702	26,573	8,598	4,942
Total Liabilities		34,228	29,502	10,148	6,358
Total Equity and Liabilities		61,342	59,248	47,574	43,595

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1(b)(i) Explanatory notes on financial position for 3QFY2019:

11. Property, Plant and Equipment
Decrease in property, plant and equipment in 3QFY2019 is due to depreciation of net book value.
12. Intangible Assets
The increase in intangible assets in 3QFY2019 is due to addition of CBTL franchise fees for the domestic market.
13. Trade and Other Receivables
Trade and Other Receivables increased as a result of increased retail sales for the 9 months ended 31 December 2018.
14. Other Assets
Other assets relate mainly to advance payments to suppliers.
15. Inventories
Inventories relate mainly to stock in transit to Myanmar.
16. Trade and Other Payables
Trade and other payables increased in tandem with increased purchases to support higher sales and also included the US\$1.0 million deposit for the Tower sale and accrued interest.
17. Financial Liabilities
Increase in financial liabilities was mainly due to increase in shareholders' loans, partially offset by decrease in bank loans.
18. Assets classified as held for sale
Decrease in assets classified as held for sale was mainly due to depreciation of property, plant and equipment.

1(b)(ii) Aggregate amount of group's borrowing and debt securities.

(In US\$'000)	As at 31/12/2018	As at 31/03/2018
	Secured	Secured
Amount repayable in one year or less, or an demand	8,095	9,919
Amount repayable after one year	1,976	1,513
Total	10,071	11,432

Details of any collateral

The banking facilities of the Group as at 31 December 2018 comprise loans and overdrafts. These facilities are secured by:

- (i) corporate and bank guarantees from the Company
- (ii) charge over its subsidiaries' fixed deposit and trade receivables
- (iii) assignment of its subsidiaries commercial contracts

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding reporting year.

(In US\$'000)	Group		Group	
	3 months ended 31/12/2018 (FY2019)	3 months ended 31/12/2017 (FY2018)	9 months ended 31/12/2018 (FY2019)	9 months ended 31/12/2017 (FY2018)
Cash Flows from Operating Activities				
Loss before tax from Continuing Operations	(1,065)	(236)	(1,619)	(2,502)
Loss before tax from Discontinued Operations	(226)	(203)	(921)	(2,129)
	(1,291)	(439)	(2,540)	(4,631)
Adjustments for:				
Depreciation of property, plant and equipment	1,014	904	3,176	2,633
Amortisation of intangible assets	46	29	134	88
Interest income	(9)	(22)	(31)	(89)
Interest expense	335	362	1,088	1,149
Loss on disposal of property, plant and equipment	156	-	423	-
Property, plant and equipment written off	18	0	18	-
Share of results of jointly-controlled entity - net of tax	39	27	82	94
Net effect of exchange rate changes	140	(50)	(606)	15
Operating Cash Flows before Changes in Working Capital	448	811	1,744	(741)
Changes in working capital				
Inventories	(24)	817	375	1,088
Trade and Other Receivables	281	14,230	(5,893)	6,571
Other Assets	(130)	(579)	452	(1,197)
Trade and Other Payables	262	(17,259)	3,046	(13,462)
Net Cash Flows generated from/(used in) Operations	837	(1,980)	(276)	(7,741)
Income tax paid	(9)	(8)	(20)	(8)
Net Cash Flows generated from/(used in) Operating Activities	828	(1,988)	(296)	(7,749)
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(112)	(518)	(1,631)	(2,450)
Purchase of intangible assets	-	-	(305)	(20)
Proceeds from disposal of property, plant and equipment	469	-	1,469	15
Interest received	9	21	31	100
Net Cash Flows generated/(used in) Investing Activities	366	(497)	(436)	(2,355)
Cash Flows from Financing Activities				
Proceeds from share placement	-	3,534	-	8,739
(Increase)/decrease in restricted fixed bank deposits	(92)	151	(196)	1,013
Additions/(repayment) of finance leases	569	(2,465)	(223)	(3,579)
(Repayment)/drawdown of borrowings	(441)	(5,189)	110	(597)
Loans from shareholders	300	(500)	2,700	5,500
Interest paid	(483)	(78)	(968)	(807)
Net Cash Flows (used in)/generated from Financing Activities	(147)	(4,547)	1,423	10,269
Net increase/(decrease) in Cash and Cash Equivalents	1,047	(7,032)	691	165
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	(3,153)	4,717	(3,491)	(2,407)
Effect of exchange rate changes on cash balances held in foreign currencies	(722)	28	(28)	(45)
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	(2,828)	(2,287)	(2,828)	(2,287)

*Denotes lesser than USD \$1,000

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Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts:

(In US\$'000)	Group	
	As at 31/12/2018	As at 31/03/2018
Cash and bank balances	1,748	1,429
Bank overdraft	(3,920)	(4,544)
Restricted fixed bank deposits	(766)	(570)
Discontinued operations	110	194
	(2,828)	(3,491)

Note: Restricted fixed bank deposits refer to monies pledged to bankers to cover short-term and long-term borrowings

Cash flow statement

As at the end of the reporting period, the Group's cash and cash equivalents improved by US\$0.7 million from a deficit of US\$3.5 million as at 31 March 2018 to a deficit of US\$2.8 million as at 31 December 2018.

Net cash flows generated from operating activities for Q3FY2019 amounted to US\$0.8 million. Net cash flows used in operating activities of US\$0.3 million for YTD Q3FY2019 was also a significant improvement compared to net cash outflow of US\$7.8 million for correspondingly period YTD Q3FY2018 as the losses from discontinued operations narrowed from US\$2.1 million for YTD Q3FY2018 to US\$0.9 million for YTD Q3FY2019.

Net cash flows generated from investing activities of US\$0.4 million for Q3FY2019 was mainly due to proceeds of US\$0.5 million from disposal of motor vehicles and equipment, partially offset with purchase of franchise rights for a F&B franchise.

Net cash flows used in financing activities amounted to US\$0.1 million for Q3FY2019. This was mainly due to additional US\$0.3 million of shareholders' loans and additions of US\$0.6 million of finance lease partially offset by repayment of US\$0.4 million of borrowings and US\$0.5 million of finance costs.

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- 1(d) (i) A statement (for the issuer and group) showing either
 (i) all changes in equity or
 (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding reporting year.

Group (In US\$'000)	Share Capital A	Accumulated Losses B	Employee share option reserve C	Attributable to Parent D = A + B + C	Non- Controlling Interests E	Total Equity F = D + E
Opening Balance at 1 April 2018	59,862	(30,445)	29	29,446	300	29,746
Movement in Equity:						
Total comprehensive loss for the year	-	(2,541)	-	(2,541)	(91)	(2,632)
Closing Balance at 31 December 2018	59,862	(32,986)	29	26,905	209	27,114
Opening Balance at 1 April 2017	43,256	(19,070)	-	24,186	12	24,198
Movement in Equity:						
Disposal of subsidiary without a change in control		647	-	647	(647)	0
Total comprehensive loss for the year	-	(4,540)	-	(4,540)	(100)	(4,640)
Debt conversion	8,739	-	-	8,739	-	8,739
Closing Balance at 31 December 2017	51,995	(22,963)	-	29,032	(735)	28,297

Company (In US\$'000)	Share Capital	Accumulated losses	Employee share option reserve	Total Equity
Opening Balance at 1 April 2018	59,862	(22,654)	29	37,237
Movement in Equity:				
Total comprehensive loss for the year	-	189	-	189
Closing Balance at 31 December 2018	59,862	(22,465)	29	37,426
Opening Balance at 1 April 2017	43,256	(10,658)	-	32,598
Movement in Equity:				
Issue of Share Capital	-	-	-	-
Total comprehensive loss for the year	-	(752)	-	(752)
Debt conversion	8,739	-	-	8,739
Closing Balance at 31 December 2017	51,995	(11,410)	-	40,585

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(A) Employee Share Option Plan

The Group's Employee Share Option Scheme ("SMI ESOS") was approved and adopted at the Extraordinary General Meeting ("EGM") of the Company held on 25 July 2017. Under the SMI ESOS, 995,000 share options (31 March 2018: 1,360,000) were granted by the Company during the reporting period ended 31 December 2018.

The movement of share options of the Company during the reporting period ended 31 December 2018 is as follows:

Date of grant	Balance outstanding at 1 April 2018	Number of share options granted	Number of share options forfeited*	Balance outstanding at 30 September 2018
26/04/2018	1,230,900	50,000	-	1,280,900
08/06/2018	-	945,000	-	945,000
28/06/2018	-	-	(205,500)	(205,500)
15/08/2018	-	-	(167,000)	(167,000)
30/09/2018	-	-	(370,000)	(370,000)
Total	1,230,900	995,000	(742,500)	1,483,400

* Share options forfeited/lapsed due to termination of employment

- (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Company	31/12/2018	31/03/2018
The total number of issued shares	302,996,792	302,996,792

The Company did not hold any treasury shares as at 31 December 2018 and 31 March 2018.

- (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures are unaudited.

- 3 Where the figures have been audited and reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies adopted and methods of computation used are consistent with those followed in the preparation of the Group's audited financial statements for the year ended 31 March 2018 and the adoption of these new/revised FRSs and the related Interpretations of FRS ("INT FRSs") to its operations does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change. Please refer to item 4 above.

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- 6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

(In US cents)	Group	
	9 months ended 31/12/2018 (FY2019)	9 months ended 31/12/2017 (FY2018)
Loss per share ("EPS") for the period (Based on the average number of ordinary shares)		
<i>Basic</i>		
Continuing operations	(0.53)	(0.89)
Discontinued operations	(0.30)	(0.80)
	(0.84)	(1.69)
Weighted average number of shares	302,996,792	268,449,864
<i>On a fully diluted basis</i>		
Continuing operations	(0.53)	(0.89)
Discontinued operations	(0.30)	(0.80)
	(0.84)	(1.69)
Weighted average number of shares	302,996,792	268,449,864

- 7 Net assets value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the: -
- current reporting period reported on; and
 - immediately preceding reporting year.

(In US cents)	Group		Company	
	31/12/2018	31/03/2018	31/12/2018	31/03/2018
Net asset value per ordinary share	8.88	9.72	12.35	12.29

Net asset value per ordinary share was calculated based on the total number of issued shares of 302,996,792 as at 31 December 2018 (31 March 2018: 302,996,792).

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -
- any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

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Review of YTD Dec 2018 vs YTD Dec 2017

Segmental Performance

YTD 31 Dec 2018 (In US\$'000)	Travel and fashion retail	Construction services	Auto services	Food and beverages	Unallocated	Total
Total revenue by Segment	11,553	2,511	1,858	1,230	447	17,599
Recurring EBITDA	5,291	314	(164)	(520)	(3,454)	1,467
Interest income	-	31	(0)	-	0	31
Finance costs	(587)	(110)	(187)	-	(116)	(1,000)
Depreciation and amortisation	(1,453)	-	(265)	(129)	(188)	(2,035)
ORBIT	3,251	235	(616)	(649)	(3,758)	(1,537)
<i>ORBIT Margin</i>	28.1%	9.3%	(33.1%)	(52.8%)	(840.4%)	(8.7%)
Profit/(loss) before tax from continuing operations	3,251	235	(616)	(649)	(3,758)	(1,537)
Income tax expenses						(92)
Share of results of JV - net of tax						(82)
Loss after tax from continuing operations						(1,711)
Loss from discontinued operations						(921)
Loss for the year						(2,632)
YTD 31 Dec 2017 (In US\$'000)	Travel and fashion retail	Construction services	Auto services	Food and beverages	Unallocated	Total
Total revenue by Segment	11,476	3,856	1,731	611	553	18,227
Recurring EBITDA	4,655	264	(103)	(286)	(4,412)	118
Interest income	-	89	0	0	-	89
Finance costs	(648)	(175)	(129)	-	(110)	(1,062)
Depreciation and amortisation	(1,239)	-	(85)	(78)	(151)	(1,553)
ORBIT	2,768	178	(317)	(364)	(4,673)	(2,408)
<i>ORBIT Margin</i>	24.1%	4.6%	(18.3%)	(59.6%)	(845.5%)	(13.2%)
Profit/(loss) before tax from continuing operations	2,768	178	(317)	(364)	(4,673)	(2,408)
Income tax expenses						(9)
Share of results of JV - net of tax						(94)
Loss after tax from continuing operations						(2,511)
Loss from discontinued operations						(2,129)
Loss for the year						(4,640)

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The Group EBITDA was US\$1.5 million for YTD 31 Dec 2018 (YTD 31 Dec 2017: US\$0.1 million), which was mainly contributed by better retail margins and cost savings at Head office.

Strong cost control measures put in place over the last 12 months continue to show good results as evident from the reduction in administrative expenses from US\$5.8 million for YTD 31 Dec 2018 to US\$4.7 million for YTD 31 Dec 2019.

Sales to a Myanmar distributor for duty free and fashion retail decreased 23.8% q-o-q. This was attributable to customs clearance issues in October and November. However, December saw an increase of 97.8% m-o-m as compared to November.

Construction Services – The decrease in revenue in Q3FY2019 of US\$0.6 million from US\$1.4 million in Q2FY2019 is due to slowdown in the Construction sector. And a result of tightening of credit.

Auto Services - Revenue remains stable at US\$0.6 million for Q3FY2019 (Q2FY2019: US\$0.6 million).

F&B – Revenue from F&B business remains stable at US\$0.4 million for Q3FY2019 (Q2FY2019: US\$0.4 million)

Administrative expenses decreased significantly by 22.8% or US\$1.1 million to US\$4.7 million for YTD 31 Dec 2018 (YTD 31 Dec 2017: US\$4.1 million), due to lower staff costs of US\$0.9 million and absence of National Program Manager Fees (“NPM”) and lower travelling expenses, partially offset by higher depreciation expenses. Head count and other cost controls are in place to ensure that costs are strictly controlled.

The increase in Distribution expenses of US\$0.5 million is mainly due to operating costs of the newly set up subsidiary to operate the F&B Franchise business in the domestic market; which commenced operations in November 2017, partially offset by lower delivery charges.

In January 2018, the company sponsored “Room to Read” program to promote literacy in Myanmar. This sponsorship contributed to the increase in Other Charges.

The Group’s tower business remains for sale, with effective measures having been put in place to improve underlying profitability.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement was disclosed to shareholders previously.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

- World Bank and Asia Development Bank have confirmed that the domestic Myanmar economy is growing at around 6% in the current year
- In spite of some adverse publicity for the country, traveller numbers have continued to grow

SMI has continued to develop and expand the following areas of its businesses which will impact on the next quarter and in the future:

- The Group, through its retail subsidiary, has entered into a Joint Venture Agreement to incorporate and operate a Singapore Company, DKSHSMI, to carry on the business of retailing “Levi Branded Apparel” in Myanmar
- The Group, through its retail subsidiary, has signed a distributorship agreement in September to launch the new footwear brand, Havaianas, in domestic market
- Closure of the old International Terminal (T2) at the end of July, at Yangon International Airport has boosted passenger traffic at the new International Terminal (T1) by over 60%, which is benefiting retail at the airport travel retail stores
- Expansion of Coffee Bean and Tea Leaf, Ippudo Ramen and Crystal Jade Kitchen outlets in domestic market is planned and three new openings are scheduled
- Expansion of Shiseido and Pandora concept stores is planned

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11 Dividend

(a) Any dividend recommended for the current financial period reported on?

None.

(b) Any dividend recommended for the corresponding period of the immediately preceding financial year?

Not applicable.

(c) Date Payable

Not applicable.

(d) Books Closure Date

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared/recommended for the financial year ended 31 December 2018.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPTs.

14 Negative confirmation pursuant to Rule 705(5).

The Directors of Singapore Myanmar Investco Limited (the "Company"), do hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results of the quarter ended 31 December 2018 to be false or misleading in any material aspect.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Mark Francis Bedingham

Executive Director

12 February 2019