FOCUS & GROWTH IN

MYANMAR

SINGAPORE MYANMAR INVESTCO

Annual Report 2019

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.

CONTENTS

VISION

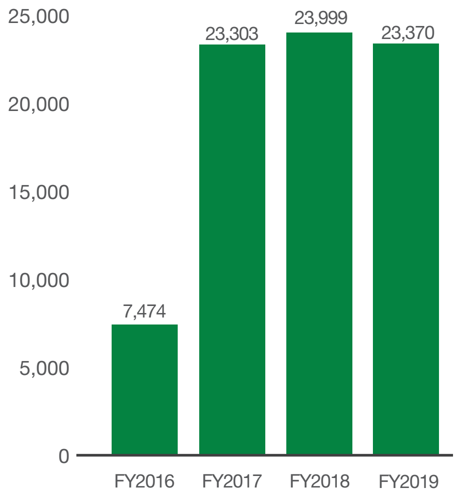
To bring ground breaking international products and services to Myanmar to meet emerging consumer and development demand.

MISSION

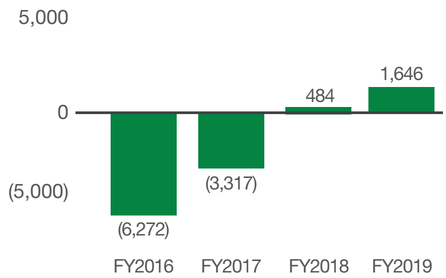
To play an active and pioneering role in the modernization and growth of Myanmar.

FINANCIAL HIGHLIGHTS

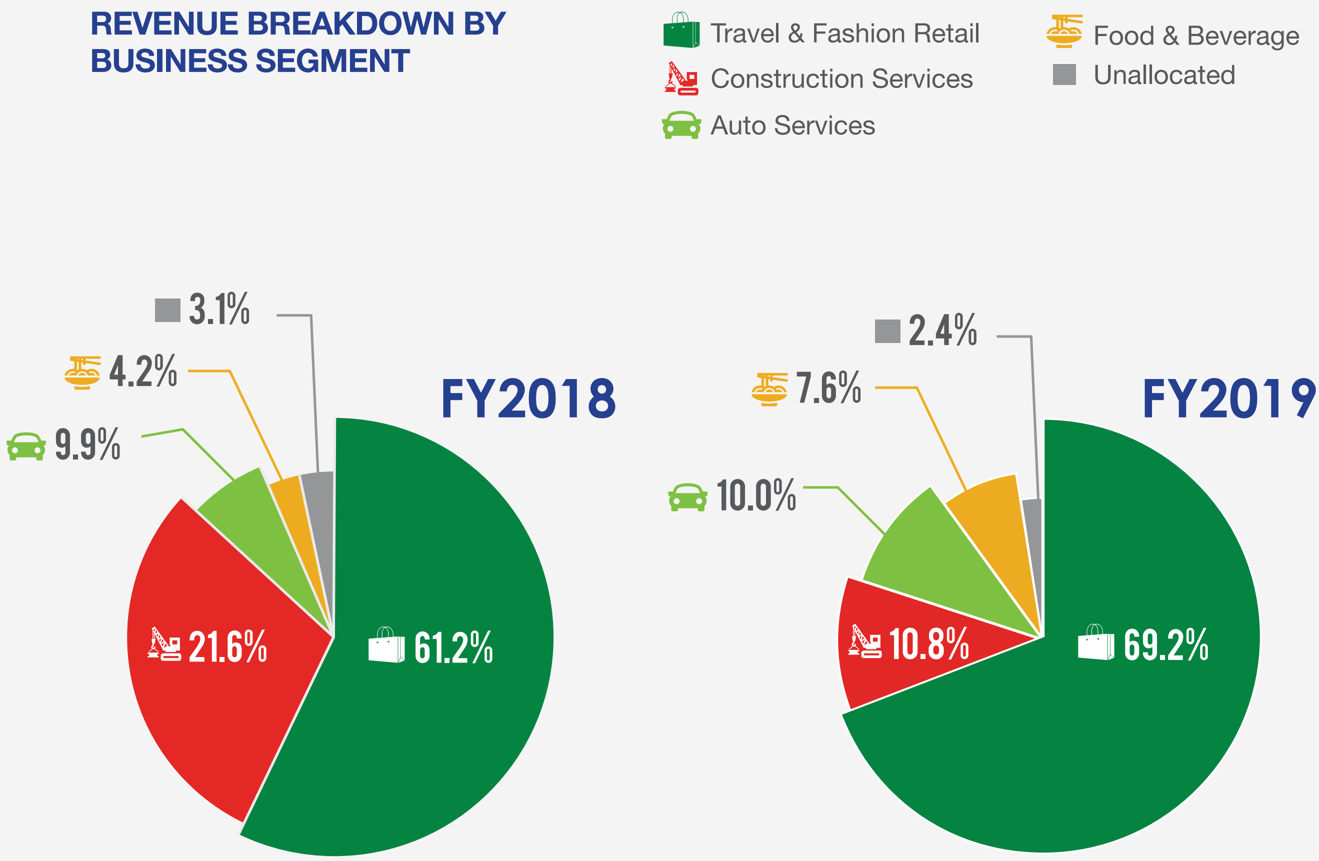
REVENUE (US$'000)



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



REVENUE BREAKDOWN BY BUSINESS SEGMENT



THREE CORE BUSINESS PILLARS OF SMI

TRAVEL & FASHION RETAIL
Duty-free travel retail stores and concepts at Yangon International Airport (“YIA”) and new retail stores in the domestic market

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

LOGISTICS
Logistics and warehousing services (SMI-Senko JV)

SPECIALISED BUSINESSES

- AUTO SERVICES
- SERVICED OFFICES
- CONSTRUCTION SERVICES
- TELECOM TOWERS

OUR BUSINESS AND STRATEGIES

TRAVEL & FASHION RETAIL

In 2015, SMI was awarded the management of the entire retail space of 72,000 square feet to create a completely new consumer and retail experience for international travellers at the brand-new terminal of Yangon International Airport.

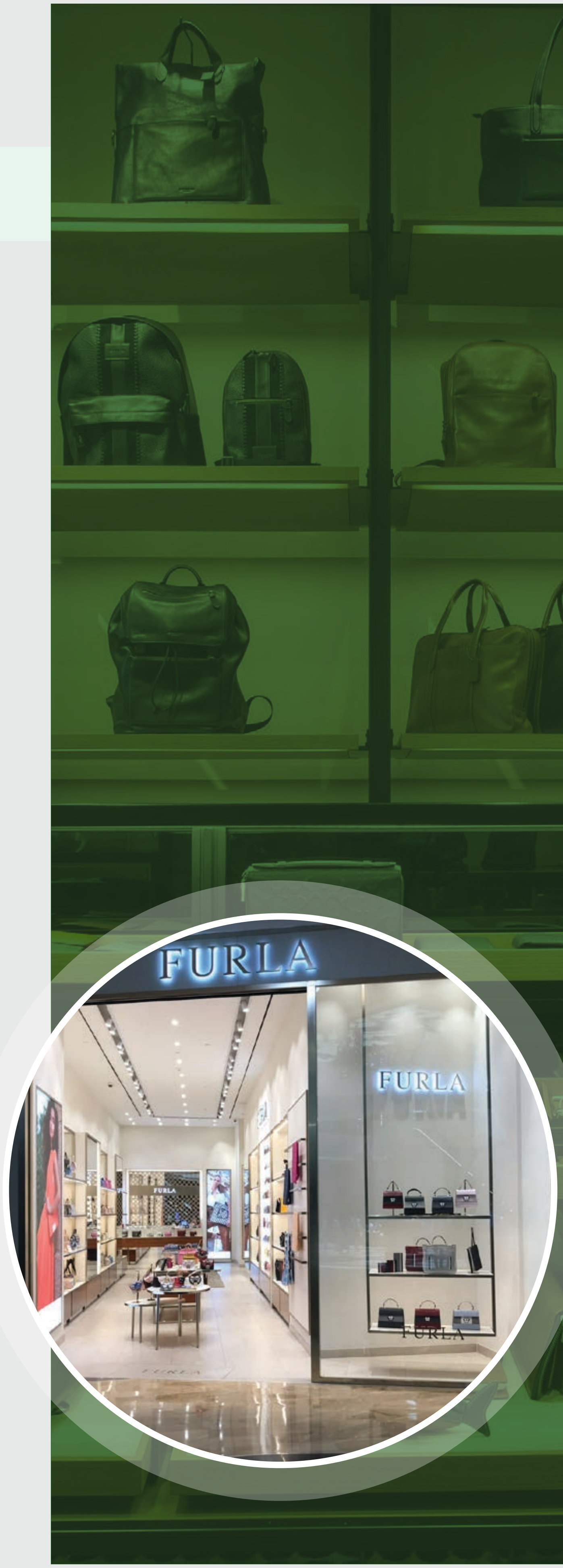
Taking Myanmar's luxury travel retail environment to another level, SMI has introduced world class multi-category duty free brands supplied by DFS and also a wide range of international fashion and lifestyle brands most of which had not been present in Myanmar previously.

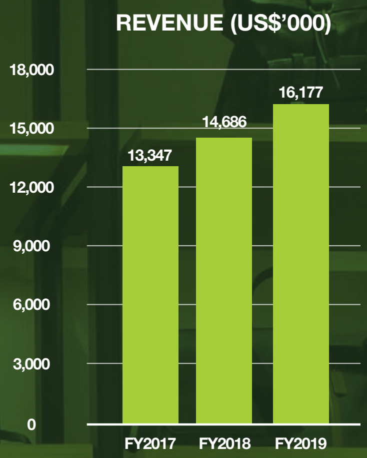
It is worth noting that FY2019 was the first year in which SMI's duty-free business has benefited from the closure of the old international terminal which has diverted passengers to the main terminal where our duty-free business is located as well as a boost in the number of travellers from China.

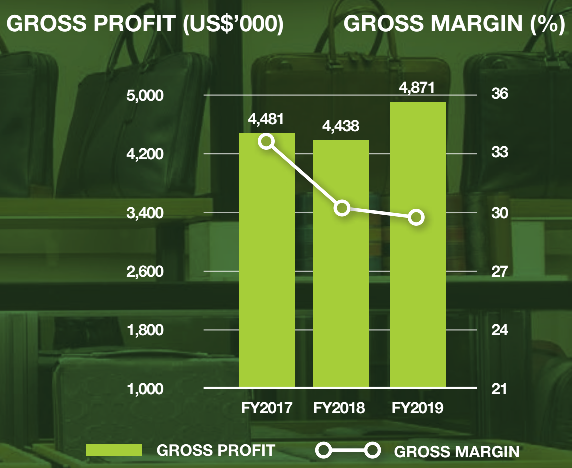
Operationally, there were a number of regulatory hurdles but our team on the ground has swiftly addressed them to ensure that there is minimal disruption to our operations. We continue to prudently manage and control our stock ordering to ensure that our brands are being managed at optimum inventory levels.

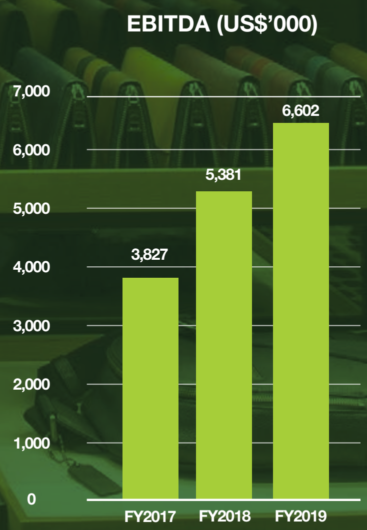
The fashion and cosmetic stores that were opened in Junction City in 2017 have performed well, particularly, sales from Shiseido, Pandora and Coach have exceeded our initial expectations. Building on this momentum, we opened two more stores in Myanmar Plaza in 2018 and we will soon open additional stores in various new mall locations in Yangon.

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





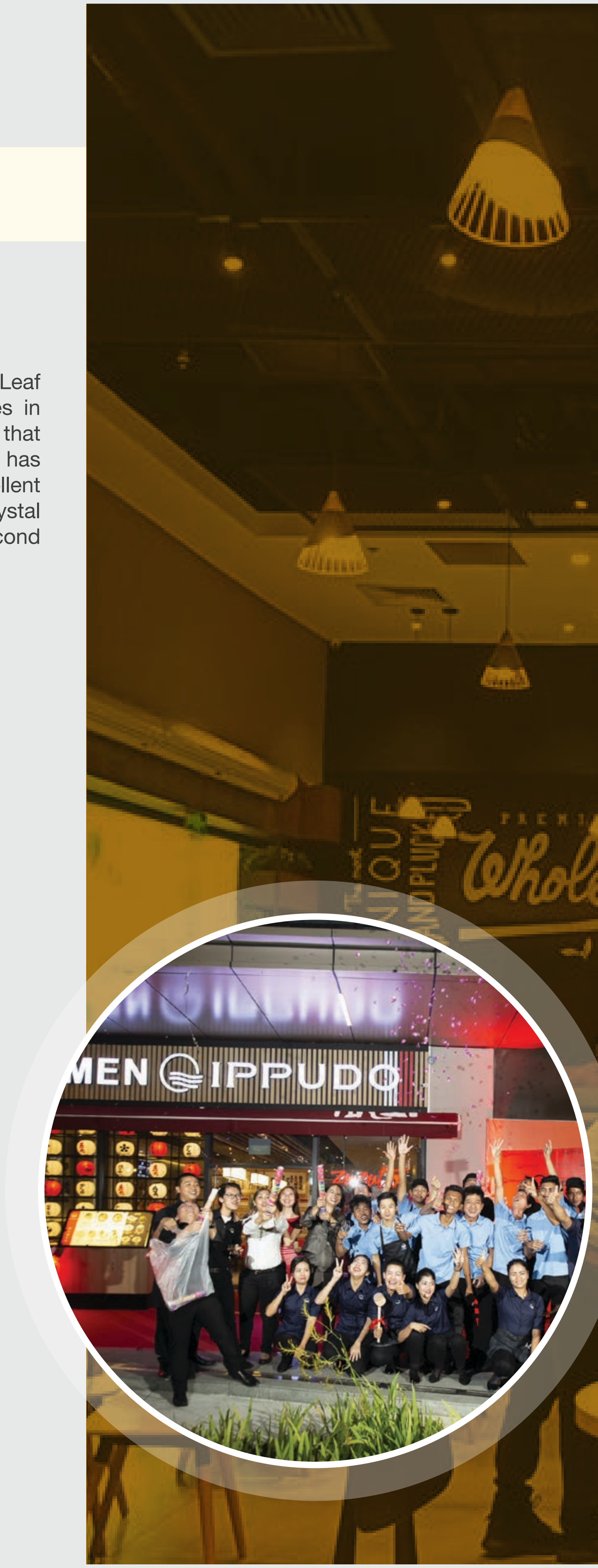




SMI has been able to conclude agreements with Alpargatas for the distribution of Havaianas footwear and a joint venture with DKSH for the distribution of Levi's jeans/apparel in Myanmar. Since then, we have launched Havaianas in January 2019 while the distribution of Levi's jeans/apparel was started in May 2019. With our growing track record and retail management expertise in Myanmar, SMI continues to be approached by brands that are looking to enter the Myanmar market, however we will look selectively to increase the portfolio of brands that we represent to ensure that it will be well-received by the targeted consumer segments in Myanmar.

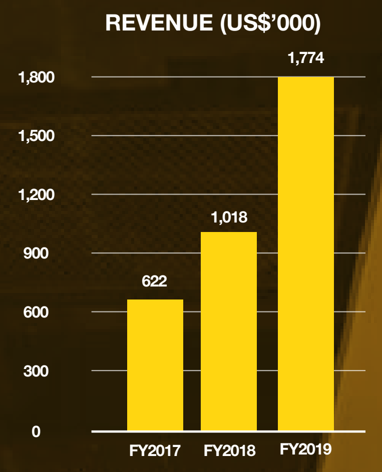
OUR BUSINESS AND STRATEGIES

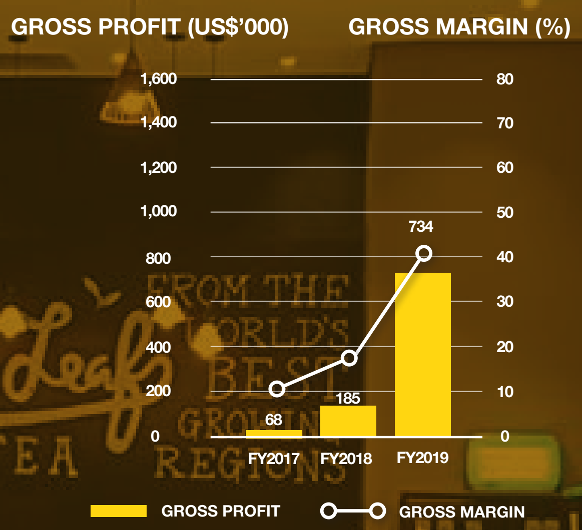
FOOD & BEVERAGE

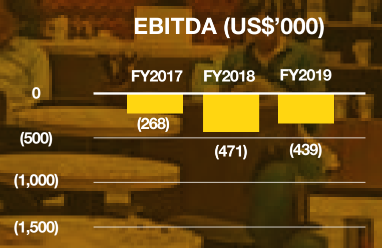


SMI has expanded the number of Coffee Bean and Tea Leaf stores under management by opening two more stores in central Yangon locations, complementing the stores that we started at the Yangon International Airport. Ippudo has continued to grow its customer base and recorded excellent revenue levels and a second store has been planned. Crystal Jade is winning plaudits in the domestic market and the second restaurant has been opened at Union Business Centre.

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







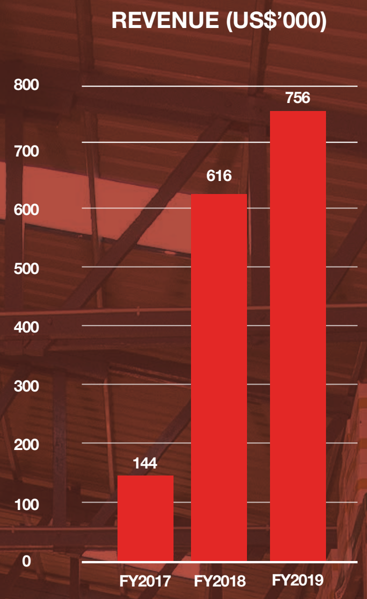
SMI has decided to focus exclusively on beverage distribution in Myanmar; wine sales through its distribution agreement with MMI (which is part of the Emirates Leisure and Retail group), water sales that comprises the San Pellegrino brand and Monin Syrups. The targeted customer base of our beverage distribution activities will be focused on hotels and restaurants, patisseries and coffee shops in Myanmar.

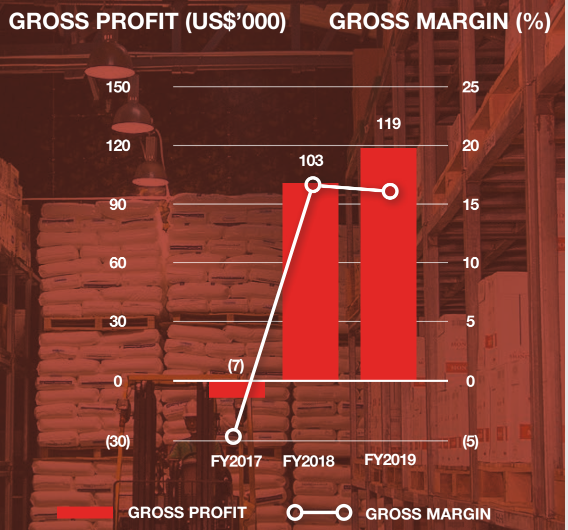
OUR BUSINESS AND STRATEGIES

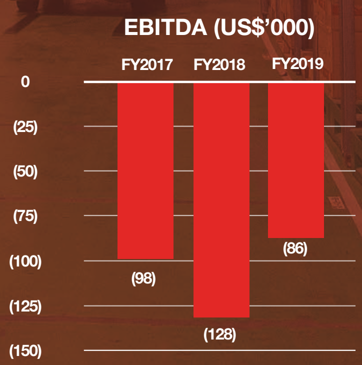
LOGISTICS

SMI's joint venture with Senko has validated our initial expectations. Customers have been positive and highly receptive to the provision of our first-class cold, cool and dry storage solutions and the business is operating at close to maximum capacity. Plans are being drawn up for a major expansion at its current location in FY2020.

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







Note: Logistics is not consolidated but included here for information only.

OUR BUSINESS AND STRATEGIES

AUTO SERVICES

We are taking a more cautious approach to this business segment as new corporate account opportunities are limited and our operating margins may come under pressure.

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

CONSTRUCTION SERVICES

The construction industry in Myanmar is seeing limited growth currently and hence our focus has been on collection and stock depletion in this business segment.

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

SERVICED OFFICES

Occupancy levels have taken a downturn during the year and we are adjusting the size of rented office space for this business segment to better align with market demand.

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

TELECOM TOWERS

This has been designated a non-core business as it is being held for sale. SMI's telecom tower-related subsidiaries MIG and TPR have built up nearly 100 telecom towers in Myanmar and we have achieved almost 80% co-lease-up rate of these telecom towers under our management. At the same time, we have taken significant steps to reduce operating costs in this market segment to improve our operating margins.

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

CHAIRMAN'S STATEMENT

"Our Group is optimistic about the long-term economic potential in the country and we are prepared to make a long-term commitment."

"Myanmar is still early in its transformation and our team will continue to work tirelessly to establish lasting business relationships in Myanmar and build market share into a leadership position in our respective business segments."

DEAR SHAREHOLDERS,

It has been nearly five years when we started our business journey in Myanmar and since then, we have been progressively expanding our business presence in this last frontier market in Southeast Asia.

As the country opened up rapidly after a series of political and economic reforms, we have identified unique opportunities within Myanmar's consumer market whereby the Group has firmly established its business foundation with 3 core business pillars, comprising of travel and fashion retail, food and beverage and logistics.

According to the World Bank's projections, Myanmar's GDP growth rate has the potential to increase from 6.7% in 2018 to 7.1% in 2020. As such, Myanmar is expected to remain an outperformer in Asia.

Despite favourable long-term prospects, Myanmar's growth is estimated to "remain below potential" due to on-going reforms to the legal and regulatory frameworks. Particularly, 2018 has been a challenging year for Myanmar due to external sentiments towards the country.

To attract more foreign direct investments into the country, the Myanmar Companies Law, replacing the 1914 Myanmar Companies Act, was finally implemented in August 2018, which allows foreigners to invest up to 35% in local companies, as well as hold stakes of up to 35% in Myanmar companies traded on the Yangon Stock Exchange.

In addition, the Myanmar Investment Promotion Plan ("MIPP") was introduced by the Myanmar Investment Commission in October 2018, to promote investments for better development in economy, institutions, infrastructure, industries and human resources in the country. Under the MIPP, Myanmar targets to attract more than US$200 billion in the next 20 years.

While there are short-term challenges in Myanmar, our Group is optimistic about the long-term economic potential in the country and we are prepared to make a long-term commitment to Myanmar and to play a part in training the talent pool and develop the business environment over there.

With a growing young population (within a large population of more than 50 million) and urbanisation in Myanmar, the consumer trend in the country is rising and our business activities are calibrated around it, spearheaded by our Group's President and CEO, Mark Bedingham and experienced management team of the various business units.

Myanmar is still early in its transformation and our team will continue to work tirelessly to establish lasting business relationships in Myanmar and build market share into a leadership position in our respective business segments.

A Note of Thanks & Appreciation

Our employees are our most important asset and on behalf of the Board of Directors, I would like to take this opportunity to extend my appreciation for their continued efforts and professionalism as we endeavour to stay ahead amid Myanmar's economic transformation.

The support of our stakeholders and local partners is another cornerstone of our progress in Myanmar and we thank them for their confidence in us.

Last but certainly not least, I would like to express my gratitude to our shareholders for their support as we focus on added value creation for our core businesses and steer new horizons ahead in the last frontier market in Southeast Asia.

Thank You!

Ho Kwok Wai
Non-Executive Chairman

CEO'S MESSAGE

"We continue to expand our relationship with the major Mall and Real Estate developers in Yangon to create differentiated retail experience and offerings."

DEAR SHAREHOLDERS,

SMI has continued to improve significantly EBITDA levels of profitability in FY2019 and positioned ourselves firmly as consumer-centred business in Myanmar. Our focus on consumers and international travellers has intensified over the last twelve months and these areas will be core to our future growth. 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, a 3.15% increase over the 3.44 million in 2017.

This focus on the international traveller as well as the local consumer and therefore the growth of tourism fits well with the announced government policy to promote tourism, which have attracted premium hotel brands such as Wyndham Hotel Group and Marriott International to enter the hospitality market in Myanmar. The current number of hotel rooms in the country will almost double from just over 6,000 to just under 12,000 once those under construction and those permitted are complete. This is despite a reduction in FDI directed at communications and transport.

Notably, SMI's duty-free business has benefited from the closure of the old international terminal which has diverted passengers to the main terminal where our duty-free business is located. In addition, the mix of visitors to Myanmar has improved with visa free travel extended beyond ASEAN to Japan and Korea, while Chinese travellers can apply for visa upon arrival.

We continue to expand our relationship with the major Mall and Real Estate developers in Yangon to create differentiated retail experience and offerings with our comprehensive portfolio of well-known brands in the international retail and F&B industry, and work with our overseas business partners in the retail and F&B sectors.

We now have responsibility for over 800 staff in Myanmar and we are intensifying our efforts to broaden their work place skills, introduce international business practices as well as to bring onboard returning Myanmar nationals who want to participate in the growth of their domestic economy.

The overall economic environment has evolved, possibly less favourably or less quickly than might have been hoped and yet there are grounds for cautious optimism. Myanmar as a member of ASEAN is well placed to benefit from increased intra-regional trade and movement of capital. Whilst Myanmar is not a member, the creation of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership ("CPTPP") should boost regional economies in Southeast Asia and there are a number of investment initiatives in Myanmar which are linked to the Belt and Road Initiative ("BRI") of the People's Republic of China ("PRC").

It has been noted, in the Oxford Business Group's Myanmar Report (2019) that the economy strengthened in 2018 as a result of a recovery in commodity prices ranging from Agriculture through to Oil and Gas. The GDP is still growing by at least 6% a year, and would grow faster if improvements in the power supply can be realised. Myanmar's reclassification as a lower-middle income country is a confirmation of rising wealth levels among the population of more than 50 million. We will look at the opportunities offered by the new Myanmar Companies Law to further integrate with our local business partners.

Therefore, whilst there are headwinds for the Myanmar economy, we believe that the increasing sophistication of the urban consumer, the rapid growth and penetration of mobile communications and the recovery of Asian led tourism augurs well for SMI's future growth.

Moving Ahead

The underlying improved performance of our core businesses in FY2019 gives us strong confidence for the next financial year; we see very limited need for capital investments going forward and our 3 core business pillars are poised to further expand and entrench our business presence in Myanmar. We look forward to delivering the next chapter in our growth story.

MARK BEDINGHAM
President and Chief Executive Officer

CORPORATE HIGHLIGHTS

2016

JANUARY

Signs 5-Year franchise agreement to operate The Coffee Bean & Tea Leaf outlets in Yangon Airport

SEPTEMBER

Starts duty-free retail operations in YIA terminal 1 for 10 years – over 6,000 sqm of fashion retail outlets, for 30 brands

OCTOBER

SMI's JV with SENKO opens new modern warehouse to provide logistics and warehouse services in Yangon

2017

FEBRUARY

Signs 3-Year exclusive distribution agreement with Shiseido Asia Pacific

APRIL

Starts 7 fashion retail outlets, Shiseido flagship outlet (September), United Colors of Benetton (October), Crystal Jade Kitchen and Ippudo Ramen restaurant in Junction City, Yangon

JANUARY

SHISEIDO

PANDORA

Opening of Shiseido and Pandora stores at Myanmar Plaza

2018

OCTOBER

mmi
bringing more to life

Signs 3-Year exclusive Distribution Agreement with Maritime & Mercantile International (MMI), the World's largest wine supplier

JANUARY

THE COFFEE BEAN & TEA LEAF

Signs 5-Year National Distribution franchise agreement to operate CBTL outlets across Myanmar, in addition to the International franchise rights inked in January 2016

CORPORATE HIGHLIGHTS

2019

MAY

Winning of the Luxury Retail category in Singapore Business Review's Listed Companies Awards 2018, which further reaffirms SMI's strong strides in Myanmar

JULY

Signs 3-Year merchandising for Jim Thompson at YIA

SEPTEMBER

Signs 5-Year exclusive distribution for Havaianas

Opening of CBTL, the first downtown outlet at Myanmar Plaza

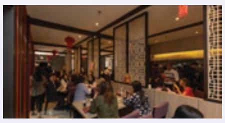
DECEMBER

Opening of CBTL store at Junction Square

Opening of Bering Store at Myanmar Plaza

JANUARY

Signs 3-Year Monin Asia import & distribution agreement



Operates second domestic Crystal Jade Kitchen Restaurant at Union Business Centre

Signs 5-Year Kate Spade retail distribution at YIA

FEBRUARY

Signs JV Agreement to incorporate and operate LEVI'S branded apparel

Opening of first Havaianas store at Junction City

Signs 2-Year retail extension for Charles & Keith at YIA

MARCH

Signs 2-Year retail extension for Fossil at YIA

Signs 2-Year franchising extension for Mandarina Duck at YIA

MAY

Operates second IPPUDO Ramen Restaurant at Junction Square

Operates third domestic Pandora store at Junction Square

Operates second Havaianas domestic store at Junction Square

MAY

Operates second domestic Shiseido Store at Junction Square

Operates first International Levi's store at YIA

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.

SENIOR MANAGEMENT

ALAN LO
SVP Corporate Development

Appointed in October 2014, Alan is our Senior Vice President, Corporate Development and he is responsible for the Group's corporate affairs and expanding our strategic business alliances. Working at various well-known financial institutions in Singapore and Hong Kong (including Maybank Kim Eng Securities Pte Ltd, Deutsche Securities Asia Limited, Morgan Stanley Asia Limited among others), Alan has accumulated more than 20 years of capital markets experience and corporate finance-related knowledge.

Alan holds a Master of Business Administration from the Columbia Business School in New York, NY, USA. During his course of studies at Columbia Business School, he was in the Dean's List as well as the Beta Gamma Sigma for his outstanding academic achievements. Alan also obtained a Bachelor in Electrical Engineering (cum laude) from Yale University CT, USA.

LUCY CHER
Finance Director

Appointed in November 2015, Lucy is our Finance Director and is responsible for the Group's accounting, finance, tax and compliance. She is a Chartered Accountant and a finance professional with more than 25 years experience across Asia Pacific covering audit, accounting, finance, credit management, treasury, forecasting and controls. She worked in Caterpillar, Aegion Corporation, PriceWaterHouse Singapore and was the Group CFO for New Toyo International Holdings Limited prior to joining SMI.

Lucy gained her Six Sigma and Lean certification experience during Caterpillar and uses it effectively to improve processes. She is a Chartered Accountant with the Institute of Chartered Accountants of England and Wales (ICAEW) and the Institute of Singapore Chartered Accountants (ISCA). She holds a Masters of Applied Finance from Macquarie University in Sydney, Australia and a Bachelor of Accountancy from the National University of Singapore.

JOHN PIKE
General Counsel

John has been our General Counsel since May 2015 and is responsible for the Group's legal and regulatory affairs. He graduated with a Masters Degree in Economics from Oxford University and a Diploma in Law from the London College of Law. He also holds qualifications in mediation and arbitration. He has had a 15 year career in American, Japanese and German banks as well as careers in law, investment management, shipping, development and agriculture, working in London, Tokyo, Frankfurt and Phnom Penh.

He worked with the Citibank group and in Tokyo was active in trade and project finance transactions including developing ship finance in various jurisdictions. As director of global economic Investment research at Commerzbank heading a team of 60 specialists, he advised on the investment of US$140bn. John qualified as a barrister and was called to the London bar in 2003 where he practised for 7 years out of Lincoln's Inn, specialising in contract, commercial law and fraud cases. He has published academically on competition law and is a leading authority on anti-trust issues in UK law as well as having experience in contract and war crimes law in Cambodia.

KEY OPERATIONAL MANAGERS

HELEN KANG
SVP, Travel & Fashion Retail

SATHEEISHWARAN SUBRAMANIAM
Director, Retail Operations

WILLIAM LEE
Director, F&B

SHUJI HOTTA
Director, Logistics, Auto Services and Construction Services

STEPHEN DENG
COO, Telecom Towers

TUN TUN LATT
Director, Corporate Affairs and Government Relations

NAW MAY LYAN
Senior Manager, Human Resources

KHIN CHAW SU WIN
Director, Budget and Management Accounting

FINANCIAL CONTENTS

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 2 May 2012. 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 2019 ("FY2019"), 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").

The new Code of Corporate Governance 2018 was issued on 6 August 2018 (the "Revised Code"), and will only take effect for annual reports covering financial years commencing from 1 January 2019. As such, the Revised Code will not affect the Company's latest financial year ended 31 March 2019, and accordingly, SMI will only make reference to the Code in reviewing and implementing its corporate governance structures and practices.

A. BOARD MATTERS

Principle 1: Board's Conduct of Affairs

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.

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 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 FY2019, the Board held a total of 5 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.

A summary of the number of Board and Board Committee meetings held in FY2019 and the attendance of the Directors at these meetings is set out in the table below:

<u>Directors' attendance at Board and board committee meetings during FY2019</u>

Directors	Board Meetings	Board Committee Meetings		
		AC	NC	RC
Number of Meetings held	5	4	1	1
Ho Kwok Wai	5	n.a.	n.a.	n.a.
Fong Sing Chak Jack	5	4	1	1
Wong Yen Siang	5	4	1	1
Wee Sung Leng	5	4	1	1
Mark Francis Bedingham	5	n.a.	n.a.	n.a.

n.a. – not a member

Induction and training of 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, two of the Independent Directors, Fong Sing Chak Jack 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.

Principle 2: Board Composition and Guidance

Strong and Independent Element on the Board

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	25 July 2017	Chairman	Member	Member	Nil
Wee Sung Leng	Independent Director	6 November 2013	26 July 2016	Member	Chairman	Chairman	Independent Non-Executive Director of Combine Will International Holdings Limited (listed on SGX)
Fong Sing Chak Jack	Independent Director	6 November 2013	31 July 2018	Member	Member	Member	Independent Non-Executive Director of ICO Group Limited (listed on HKEx)

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 20 to 21 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 is considered independent if he has no relationship with the Group, its related corporations, officers or its shareholders with shareholdings of 10% or more in the voting shares of SMI which could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independent business judgement in the best interests of the Group.

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	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, 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, 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 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 Ho Kwok Wai as the Chairman in 2013 and 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 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

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.

Principle 3: Chairman and Chief Executive Officer

Clear division of responsibilities between Chairman and Chief Executive Officer to ensure a balance of power and authority

In SMI, there is a clear division in responsibilities between the leadership of the Board and Management. The Chairman and CEO functions in SMI are assumed by different individuals, ensuring an appropriate balance of powers, increased accountability and greater capacity for the Board to make independent decisions.

The Chairman is 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 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.

Given that the Non-Executive Chairman is not an Independent Director, Wong Yen Siang has been appointed as the Lead Independent Director with effect from 27 June 2016. The function of a Lead Independent Director is to be available to shareholders of the Company where they have concerns and for which contact through the normal channels of the Non-Executive Chairman, the CEO or the Chief Financial Officer has failed to resolve or is inappropriate. The Lead Independent Director also provides feedback to the Non-Executive Chairman after meetings of Independent Directors.

Principle 4: Board Membership

Formal and transparent process for appointment and re-appointment of directors to the Board

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

1. Wee Sung Leng (NC Chairman)
2. Wong Yen Siang
3. 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 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 and CEO;
- 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 Mark Francis Bedingham and 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.

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 FY2019 and will continue to do so in FY2020. 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.

The Board does not have alternate Directors as recommended by Guideline 4.5 of the Code.

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 29 July 2019:

- Wong Yen Siang (retiring pursuant to Article 91)
- Wee Sung Leng (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 Wong Yen Siang, Wee Sung Leng and Fong Sing Chak Jack based on the guidelines set out in the Code. The Board, with the concurrence of the NC, concludes that Wong Yen Siang, Wee Sung Leng and Fong Sing Chak Jack remain independent.

The information relating to the date of last election of the Directors are set out under "Principle 2" on page 27.

Key information regarding the Directors are set out under section of "Board of Directors" on pages 20 to 21 of this Annual Report.

Principle 5: Board Performance

Formal assessment of the effectiveness of the Board and Board Committees and the contribution by each Director to the effectiveness of the Board

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 FY2019, 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.

Principle 6: Access to Information

Board members to have complete, adequate and timely information prior to Board meetings and on an on-going basis

Complete, adequate and timely information

SMI fully recognises that the flow of relevant information on an accurate and timely basis is critical for the Board to be effective in the discharge of its duties. Management is therefore expected to provide the Board with accurate information in a timely manner concerning SMI's progress or shortcomings in meeting its strategic business objectives or financial targets and other information relevant to the strategic issues facing SMI.

At least five business days prior to each Board and Board Committee meeting, Management provides the Directors with timely information that is relevant to matters on the agenda for the meeting, except for sensitive matters to be tabled at the meeting itself. The Directors have separate and independent access to the Company Secretary and Management at all times. Directors are entitled to request from Management and be provided with such additional information as needed to make informed and timely decisions.

The quarterly financial results and annual budget are presented to the Board for approval. In respect of budgets, any material variances between the projections and actual results are disclosed and explained to the Board. The monthly internal financial statements are made available to members of the Board.

Management's proposals to the Board for approval provide background and explanatory information such as facts, resources needed, risk analysis and mitigation strategies, financial impact, regulatory implications, expected outcomes, conclusions and recommendations. Employees who can provide additional insight into matters to be discussed will be present at the relevant time during the Board and Board Committee meetings. The Board also receives regular updates on the industry and technological developments.

Company Secretary

The Company Secretary coordinates and attends all Board meetings, ensures that proper minutes of the same are taken and kept and advises on board procedures, rules, regulations and corporate governance practices. Where the Company Secretary is unable to attend any Board meeting, he ensures that a suitable replacement is in attendance.

The Constitution provides that the appointment and removal of the Company Secretary is subject to the approval of the Board.

Should Directors, whether as a group or individually, need independent professional advice in furtherance of their duties, the Directors have access to relevant professional advice, with such costs to be borne by SMI.

B. REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

Formal and transparent procedure for fixing remuneration packages of Directors

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

1. Wee Sung Leng (RC Chairman)
2. Wong Yen Siang
3. 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.

Principle 8: Level and Mix of Remuneration

Appropriate remuneration to attract, retain and motivate Directors and key management personnel

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

The details are set out under Principle 9 below.

Principle 9: Disclosure on Remuneration

Clear disclosure of remuneration policy, level and mix of remuneration

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.

Non-Executive Directors, 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$240,000 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 FY2019 is as follows:

Name of Director	Fixed Salary	Fees[1]	Benefits in kind	Share-based incentives	Total
S$500,000 to S$750,000					
Mark Francis Bedingham	100%	–	–	–	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 2019.

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 benefits in kind include housing and car benefits.

The remuneration paid to or accrued to the top eight key management personnel (who are not Directors or the CEO) for FY2019 is as follows:

Name of Key Executives	Fixed Salary	Bonus	Benefits in kind	Share-based incentives	Total
S$250,000 to S$500,000					
Cher Soon Eng Lucy	82%	15%	0%	3%	100%
John Anthony Pike	67%	10%	17%	6%	100%
Kang Liang Yio Helen	70%	14%	16%	0%	100%
Lo Chi Chung Alan	92%	8%	0%	0%	100%
Shuji Hotta	76%	8%	12%	4%	100%
Stephen Deng	84%	0%	16%	0%	100%
Below S$250,000					
Lee Wai Leong William	74%	11%	15%	0%	100%
Satheeish Subramaniam	62%	17%	14%	7%	100%

The annual aggregate remuneration paid to the top eight key management personnel of SMI (excluding the CEO) for FY2019 is US$1,597,834 (S$2,177,426). 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.

No employee of the Group was an immediate family member of any Director or the CEO and whose remuneration exceeded S$50,000 per annum during this financial year.

Share-based Incentive Plan

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

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 executives 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. AUDIT COMMITTEE

Principle 10: Accountability and Audit

Board presents SMI's performance, position and prospects

The Board announces its quarterly and full-year financial results which present a balanced and informed assessment of SMI's performance, position and prospects via public announcements and through the SGXNET.

The Board reviews and approves the results as well as any announcements before its release. Results for the first three quarters are released to shareholders within 45 days after the quarter end and full year results are released within 60 days after the financial year end. In presenting the quarterly and full-year results to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of the Group's position and prospects. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

The Board takes adequate steps through the establishment of appropriate internal policies to ensure compliance with legislative and regulatory requirements, including requirements under the SGX Listing Manual.

SMI recognises the importance of providing the Board with accurate and relevant information on a timely basis. Hence, Management provides the Board with management accounts and such explanation and information on a regular basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment of SMI's performance, position and prospects.

Principle 11: Risk Management and Internal Controls

Sound system of Risk Governance and Internal Controls

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.

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 Finance Director 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 2019 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 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 systems and internal controls were adequate and effective as at 31 March 2019 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 Finance Director.

The Board and AC notes that the risk management system and internal controls 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 securities by all Directors of the Company and its subsidiaries, and certain employees, within certain trading periods. The "black-out" period is 2 weeks and 1 month before and up to the date of announcement of SMI's first three quarters and full year results respectively. Directors and employees are also reminded to observe insider trading laws at all times and not to deal in SMI securities when in possession of any unpublished price-sensitive information regarding the Group or on short-term considerations. SMI issues quarterly 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.

Principle 12: Audit Committee

Establishment of an Audit Committee with written terms of reference

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

1. Wong Yen Siang (AC Chairman)
2. Wee Sung Leng
3. 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. 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.

Quarterly 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 quarterly 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 2019, as set out on pages 50 to 54 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 2019 are as follows:

- Audit fees: US$130,115
- Non-audit fees: US$6,745

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 16 and 17 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.

None of the AC members is a former partner or director of the Group's existing auditing firm.

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.

Principle 13: Internal Audit

Establishment of an internal audit function that is independent of the functions it audits

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. Baker Tilly adopts a risk-based approach in its auditing activities and developed a two-year audit plan using a structured risk and control assessment framework through which the inherent risk and control effectiveness of each auditable entity in the Group is assessed.

The AC approved the two year Internal Audit plan presented by Baker Tilly in May 2017 and received their report. IA observations on control, operational and human lapses and recommendations to address them were reviewed and discussed at the AC meeting. The AC was satisfied that recommendations made were dealt with by the Management in a timely manner, with outstanding exceptions or recommendations being monitored and reported back to the AC. The IA has unfettered access to the AC, the Board and management, as well as the right to seek information and explanation. 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.

Principle 14: Shareholders Rights and Responsibilities

Fair and equitable treatment of shareholders

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 and are afforded the opportunity to participate effectively in the general meetings. 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.

Principle 15: Communication with Shareholders

Regular, effective and fair communication with shareholders

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.

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.

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 2019 as the Group reported a net operating loss for the year.

Principle 16: Conduct of Shareholder Meetings

Greater shareholder participation at general meetings

SMI is in full support of shareholder participation at general meetings. The general meeting procedures allow shareholders to raise questions relating to each resolution tabled for approval and to participate, engage and openly communicate their views on matters relating to the Group.

At shareholders' meetings, 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 AGMs and EGMs 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 Secretaries prepare minutes of shareholders' meetings, which incorporates substantial comments or queries from shareholders and responses from the Board and Management. These minutes are available to shareholders upon their requests.

D. 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.

E. 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)	
	FY2019	FY2018	**FY2019**	FY2018
Loan from Director and interest accrued thereon - Ho Kwok Wai	US$1,587,070.44	US$1,002,570.22	–	–
Loan from Director and interest accrued thereon - Mark Francis Bedingham	US$5,291,604,74	US$3,032,621.92	–	–

Ho Kwok Wai is the Non-Executive Chairman and Controlling Shareholder of SMI who holds 54.37% 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, 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	2.34% per annum	Repayable twenty-four months from the date of first disbursement upon giving seven days' notice by 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.

Mark Francis Bedingham is the Executive Director, President and CEO and shareholder of SMI who holds 8.09% 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, Mark Francis Bedingham has granted the following loans to SMI, all of which have been fully disbursed and remain outstanding.

<table>
<tr><th>Date of Loan Agreement</th><th>Loan Amount (US$)</th><th>Interest Rate</th><th>Tenure</th></tr>
<tr><td>28 September 2016</td><td>200,000</td><td rowspan="13">2.34% per annum</td><td>Repayable two months from the date of disbursement upon giving seven days' notice by Mark Francis Bedingham to SMI</td></tr>
<tr><td>20 April 2017</td><td>500,000</td><td>Repayable two months from the date of disbursement upon giving seven days' notice by Mark Francis Bedingham to SMI</td></tr>
<tr><td>17 July 2017</td><td>500,000</td><td rowspan="3">Repayable three months from the date of disbursement, upon giving seven days' notice by Mark Francis Bedingham to SMI</td></tr>
<tr><td>11 December 2017</td><td>1,000,000</td></tr>
<tr><td>16 March 2018</td><td>500,000</td></tr>
<tr><td>16 August 2017</td><td>300,000</td><td>Repayable one month from the date of disbursement upon giving seven days' notice by Mark Francis Bedingham to SMI</td></tr>
<tr><td>17 April 2018</td><td>250,000</td><td>Repayable three months from the date of disbursement, upon giving seven days' notice by Mark Francis Bedingham to SMI</td></tr>
<tr><td>15 May 2018</td><td>500,000</td><td>Repayable one year from the date of disbursement upon giving seven days' notice by Mark Francis Bedingham to SMI</td></tr>
<tr><td>3 July 2018</td><td>750,000</td><td>Repayable three months from the date of disbursement, upon giving seven days' notice by Mark Francis Bedingham to SMI</td></tr>
<tr><td>14 August 2018</td><td>200,000</td><td>Repayable three months from the date of disbursement, upon giving seven days' notice by Mark Francis Bedingham to SMI</td></tr>
<tr><td>10 September 2018</td><td>150,000</td><td>Repayable three months from the date of disbursement, upon giving seven days' notice by Mark Francis Bedingham to SMI</td></tr>
<tr><td>11 October 2018</td><td>300,000</td><td>Repayable three months from the date of disbursement, upon giving seven days' notice by Mark Francis Bedingham to SMI</td></tr>
</table>

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.

During the year ended 31 March 2018, the Company completed debt conversion exercises on 2 June 2017 ("May 2017 Debt Conversion") and 22 February 2018 ("December 2017 Debt Conversion"), details of which are as follows:

1. **May 2017 Debt Conversion** - conversion of an aggregate amount of US$3,533,867.43 (being the principal amount of shareholders' loans of US$3,500,000 and interest accrued thereon of US$33,867.43) owed by SMI to Mr Ho Kwok Wai and Mr Mark Bedingham into 11,885,573 Shares.

   Further details of the May 2017 Debt Conversion may be found in the circular to shareholders dated 4 May 2017.

2. **December 2017 Debt Conversion** - conversion of an aggregate amount of US$7,889,708.48 (being the principal amount of shareholders' loans of US$7,800,000 and interest accrued thereon of US$89,708.48 owed by SMI to Mr Ho Kwok Wai and Mr Mark Bedingham into 22,262,127 Shares.

   Further details of the December 2017 Debt Conversion may be found in the circular to shareholders dated 21 December 2017.

F. USE OF PROCEEDS

SMI raised the net proceeds of approximately S$7.0 million from the placement of 15,411,600 ordinary shares in SMI's capital at an issue price of S$0.48 for each share which was completed on 11 September 2017. Such proceeds have been utilised for various purposes as follows:-

a. US$1.44 million has been utilised for purchase of duty-free, retail and F&B merchandise;

b. US$0.08 million has been utilised for payment of F&B franchise and royalty fees;

c. US$0.12 million has been utilised for expansion of the Group's car rental and limousine services business;

d. US$0.71 million has been used to finance telecommunication towers business;

e. US$2.83 million has been used as working capital. The breakdown of the amount of US$2.83 million used as working capital is as follows:

	US$'Million
Salaries and related costs	2.15
Office rent, travel and expenses	0.15
Professional fees and IT costs	0.12
Loan repayments	0.24
Others	0.17
Total	**2.83**

For the reporting year ended 31 March 2019

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 2019.

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 were not interested 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 2019 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.

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

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

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

(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 was:

Exercise price	Grant date	Exercise period	Number of options at 31 March 2019 No: '000	2018 No: '000
46 Cents	4 October 2017	From 4 October 2019 to 3 October 2022	**843**	1,216
44 Cents	11 December 2017	From 11 December 2019 to 10 December 2022	**15**	15
31 Cents	26 April 2018	From 25 April 2020 to 25 April 2023	**50**	–
29 Cents	8 June 2018	From 7 June 2020 to 7 June 2023	**575**	–
Balance at the end of the year			**1,483**	1,231

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.

	2019	2018	Weighted average exercise price **2019**	2018
	No:'000	No:'000	**cents**	cents
Balance at beginning of the year	**1,231**	–	**45**	–
Granted	**995**	1,360	**29**	45
Forfeited	**(743)**	(129)	**38**	45
Balance at end of the year	**1,483**	1,231	**38**	45

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.

Subsequent to the reporting year ended 31 March 2019, the company has on 13 June 2019, granted 1,345,000 share options, at an exercise price of S$0.13 per share under the SMI ESOS.

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.

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

Singapore Myanmar Investco Limited Performance Share Plan (cont'd)

During the reporting year, no shares were issued pursuant to the PSP.

Subsequent to the reporting year ended 31 March 2019, the company on 13 June 2019, granted a total of 4,500,000 share award under the SMI Performance Share Plan to Mr. Mark Francis Bedingham, a director of the company. The share has a vesting period of 24 months from 1 April 2019.

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 2019.

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 30 May 2019, 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 Director	Mark Francis Bedingham Director

1 July 2019

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 2019, 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 2019 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.

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 significant 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 a downtown shopping mall. 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$16.3 million for the reporting year ended 31 March 2019. Management has assessed and concluded that the distributor is not acting as an agent of the group, 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.

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.

Key audit matters (cont'd)

(b) Carrying amount of trade receivables

Refer to Note 2C on significant judgements, assumptions and estimation uncertainties, Note 2A on financial instruments and Note 18 on trade and other receivables.

The carrying value of net trade receivables amounted to US$24.1 million, accounting for 48.4% of the group's total assets as at the end of the reporting year. Approximately 91.8% of the receivables are due from the group's three major distributors in Myanmar. The group determines expected credit losses of trade receivables, and using an allowance matrix for remaining trade receivables that is based on its historical credit loss experience, and adjusted for forward-looking information. This assessment involved significant judgement.

We have reviewed management's process over the recoverability of outstanding trade receivables, including the payments made by the customers during and subsequent to the reporting year end. 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 receivables balances at year end. We calculated the assumptions and inputs used in determining the allowance matrix through aging analyses, considered the data and information used to make forward-looking adjustments and checked the arithmetic accuracy of the computations of expected audit losses. We have also assessed the adequacy of the disclosures in the financial statements.

(c) Impairment of carrying amount of assets classified as held for sale

Refer to Note 2C on significant judgements, assumptions and estimation uncertainties, Note 2B on assets classified as held for sale and Note 12 on loss from discontinued operations.

The assets classified as held for sale amounted to US$7.9 million as at end of the reporting year. An impairment allowance of US$1.1 million has been made in the current reporting year in relation to the carrying amount of the assets classified as held for sale. The net carrying amount of the assets classified as held for sale accounted for 15.9% of the group's total assets as at 31 March 2019. Management has assessed the recoverable amount of the assets classified as held for sale based on the estimated fair value less costs to sell from expected disposal.

We have reviewed the assumptions and estimates used by management to determine the fair value less costs to sell of the assets classified as held for sale and have also discussed with the management on the investee's business, industry outlook, background of the buyer and the purchase price. We have also assessed the adequacy of the disclosures in the financial statements.

(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 18 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$39.8 million respectively as at end of the reporting year. A cumulative impairment allowance of US$17.8 million and US$12.9 million have been made as at 31 March 2019 in relation to the investment in subsidiaries and receivables from subsidiaries respectively. The net amounts of US$4.6 million and US$26.9 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 89.8% 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. The expected credit loss on other receivables from subsidiaries are determined by making debtor-specific assessment of expected impairment loss for long overdue receivables, and using an allowance matrix for remaining receivables that is based on its historical credit loss experience, and adjusted for forward-looking information.

Key audit matters (cont'd)

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

Of the cumulative impairment allowance in cost of investment in subsidiaries of US$17.8 million, US$16.6 million is based on the estimated fair value less cost to sell of the subsidiary's assets classified as held for sale. See our work done on the assets classified as held for sale in key audit matter (c) above. Where value-in-use calculations are 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 evaluated the assumptions and inputs used in determining the allowance matrix through ageing analyses, considered the data and information used to make forward-looking adjustments and checked the arithmetic accuracy of the computation of expected credit losses. We have also assessed the adequacy of the disclosures 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.

Auditor's responsibilities for the audit of the financial statements (cont'd)

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

1 July 2019

Engagement partner - effective from reporting year ended 31 March 2019.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2019

	Notes	Group 2019	Group 2018
		US$'000	US$'000
Revenue	5	**23,370**	23,999
Cost of sales		**(17,271)**	(18,567)
Gross profit		**6,099**	5,432
Other income and gains	6	**3,172**	1,528
Distribution expenses		**(1,736)**	(1,139)
Administrative expenses	7	**(6,259)**	(7,395)
Finance costs	8	**(1,302)**	(1,333)
Other losses	6	**(2,439)**	(331)
Share of loss from equity-accounted joint ventures	17	**(108)**	(115)
Loss before tax from continuing operations		**(2,573)**	(3,353)
Income tax expense	11	**(16)**	(50)
Loss from continuing operations, net of tax		**(2,589)**	(3,403)
Loss from discontinued operations, net of tax	12	**(2,333)**	(7,581)
Loss net of tax		**(4,922)**	(10,984)
Loss from continuing operations for the year		**(4,922)**	(10,984)
Loss attributable to:			
Equity holders of the Company		**(4,741)**	(10,730)
Non-controlling interests		**(181)**	(254)
Loss for the year		**(4,922)**	(10,984)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(4,741)**	(10,730)
Non-controlling interests		**(181)**	(254)
		(4,922)	(10,984)
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		**(0.79)**	(1.15)
From discontinued operations		**(0.77)**	(2.77)
		(1.56)	(3.92)
Diluted loss per share	13		
From continuing operations		**(0.79)**	(1.15)
From discontinued operations		**(0.77)**	(2.77)
		(1.56)	(3.92)

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

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2019

	Notes	Group 31/03/2019 US$'000	Group 31/03/2018 US$'000	Group 01/04/2017 US$'000	Company 31/03/2019 US$'000	Company 31/03/2018 US$'000	Company 01/04/2017 US$'000
ASSETS							
Non-current assets							
Plant and equipment	14	12,998	14,675	14,881	957	1,056	1,029
Intangible assets	15	676	514	611	–	–	–
Investments in subsidiaries	16	–	–	–	4,569	11,056	1,397
Investments in joint ventures	17	356	464	579	650	650	650
Trade and other receivables	18	–	170	477	–	–	–
Other assets	19	88	84	33	32	33	33
Total non-current assets		14,118	15,907	16,581	6,208	12,795	3,109
Current assets							
Inventories	20	52	440	1,592	–	–	–
Trade and other receivables	18	25,472	24,965	15,816	28,542	30,339	36,791
Other assets	19	1,514	1,764	1,049	122	173	155
Cash and cash equivalents	21	824	1,429	3,372	180	158	1,813
		27,862	28,598	21,829	28,844	30,670	38,759
Asset classified as held for sale	12	7,927	14,743	20,888	–	130	740
Total current assets		35,789	43,341	42,717	28,844	30,800	39,499
Total assets		49,907	59,248	59,298	35,052	43,595	42,608
EQUITY AND LIABILITIES							
Equity attributable to owners of the parent							
Share capital	22	59,862	59,862	43,256	59,862	59,862	43,256
Accumulated losses		(35,186)	(30,445)	(19,070)	(34,519)	(22,654)	(10,658)
Employee share option reserve	10	81	29	–	81	29	–
Equity, attributable to owners of the company		24,757	29,446	24,186	25,424	37,237	32,598
Non-controlling interests		119	300	12	–	–	–
Total equity		24,876	29,746	24,198	25,424	37,237	32,598
Non-current liabilities							
Trade and other payables	23	–	416	33	–	416	–
Other financial liabilities	24	2,494	2,513	2,945	1,550	1,000	1,900
Total non-current liabilities		2,494	2,929	2,978	1,550	1,416	1,900
Current liabilities							
Income tax payable		1,105	586	227	164	111	–
Trade and other payables	23	8,525	9,873	9,798	2,764	1,827	3,182
Other financial liabilities	24	12,907	12,919	18,138	5,150	3,000	4,900
		22,537	23,378	28,163	8,078	4,938	8,082
Liabilities directly associated with disposal group classified as held for sale	12	–	3,195	3,959	–	4	28
Total current liabilities		22,537	26,573	32,122	8,078	4,942	8,110
Total liabilities		25,031	29,502	35,100	9,628	6,358	10,010
Total equity and liabilities		49,907	59,248	59,298	35,052	43,595	42,608

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

Year ended 31 March 2019

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 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**
Previous year:						
Opening balance at 1 April 2017	43,256	(19,070)	–	24,186	12	24,198
Changes in equity:						
Total comprehensive loss for the year	–	(10,730)	–	(10,730)	(254)	(10,984)
Issue of share capital (Note 22)	16,606	–	–	16,606	–	16,606
Equity share options issued (Note 10)	–	–	29	29	–	29
Acquisition of non-controlling interests without a change in control	–	5	–	5	(105)	(100)
Dilution of interest in subsidiary without a change in control	–	(650)	–	(650)	647	(3)
Closing balance at 31 March 2018	59,862	(30,445)	29	29,446	300	29,746

Company	Total equity	Share capital	Accumulated losses	Employee share option reserve
	US$'000	US$'000	US$'000	US$'000
Current year:				
Opening balance at 1 April 2018	37,237	59,862	(22,654)	29
Adjustments to beginning balance (Note 34)	(1,333)	–	(1,333)	–
Restated opening balance at 1 April 2018	35,904	59,862	(23,987)	29
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	25,424	59,862	(34,519)	81
Previous year:				
Opening balance at 1 April 2017	32,598	43,256	(10,658)	–
Changes in equity:				
Total comprehensive loss for the year	(11,996)	–	(11,996)	–
Issue of share capital (Note 22)	16,606	16,606	–	–
Equity share options issued (Note 10)	29	–	–	29
Closing balance at 31 March 2018	37,237	59,862	(22,654)	29

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2019

	Group	
	2019	2018
	US$'000	US$'000
Cash flows from operating activities		
Loss before tax from continuing operations	(2,573)	(3,353)
Loss before tax from discontinued operations	(2,333)	(7,581)
Loss before tax, total	(4,906)	(10,934)
Adjustments for:		
Depreciation of property, plant and equipment	4,200	3,568
Amortisation of intangible assets	181	116
Impairment losses on trade and other receivables	1,851	42
Interest income	(41)	(135)
Interest expense	1,363	1,450
Impairment losses on property, plant and equipment	1,320	5,500
Loss on disposal of property, plant and equipment	432	–
Property, plant and equipment written off	18	1
Inventory written off	38	26
Share of results of joint ventures, net of tax	108	115
Share based payments	52	29
Net effect of exchange rate changes in consolidating subsidiaries	(500)	224
Operating cash flows before changes in working capital	4,116	2
Inventories	350	1,126
Trade and other receivables	(336)	(11,329)
Other assets	698	(1,033)
Trade and other payables, current	(4,064)	3,032
Net cash flows from (used in) operations	764	(8,202)
Income tax paid	(20)	–
Net cash from (used in) operating activities	744	(8,202)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,177)	(3,248)
Purchase of intangible assets	(311)	(35)
Proceeds from disposal of property, plant and equipment	1,561	15
Interest received	41	157
Net cash flow from (used in) investing activities	114	(3,111)
Cash flows from financing activities		
Capital contribution from share placement (Note 22)	–	5,227
Increase in restricted fixed bank deposits	426	953
Repayments of finance leases	(171)	(2,436)
Decrease in borrowings	(2,693)	(505)
Loans from shareholders	2,700	8,500
Acquisition of subsidiary, net of cash	–	(100)
Interest paid	(933)	(1,336)
Net cash (used in) from financing activities	(671)	10,303
Net increase (decrease) in cash and cash equivalents	187	(1,010)
Cash and cash equivalents, consolidated statements of cash flow, beginning balance	(3,491)	(2,407)
Effects of exchange rate changes on cash balances held in foreign currencies	(26)	(74)
Cash and cash equivalents, consolidated statements of cash flow, ending balance (Note 21A)	(3,330)	(3,491)

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 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 Notes 16 to the financial statements below.

The registered office is: 300 Beach Road, #29-01, The Concourse, Singapore 199555. The company is situated in Singapore.

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 service provided.

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.

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

2A. Significant accounting policies (cont'd)

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.

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.

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.

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

2A. Significant accounting policies (cont'd)

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.

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.

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

2A. Significant accounting policies (cont'd)

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.

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.

Leases

Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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

2A. Significant accounting policies (cont'd)

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.

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.

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.

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

2A. Significant accounting policies (cont'd)

Joint arrangement – joint venture (cont'd)

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.

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.

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

2A. Significant accounting policies (cont'd)

Financial instruments

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.

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$16.3 million for the year ended 31 March 2019. (2018: US$15.9 million).

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

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

The management has assessed and concluded that the Myanmar distributor is not acting as an agent of the group, 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 expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of certain months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. 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 is disclosed in the Note 18 on trade and other receivables.

Impairment of carrying amount of assets classified as held for sale:

Assets classified as held for sale should be measured at the lower of its carrying amount or fair value less cost to sell. The determination of fair value less cost to sell requires significant judgement to be made by the management and therefore there is significant measurement uncertainty involved in determining the amount. An estimate is made of the fair value of the assets based on the financial health and the near term business outlook of the investee, including factors such as industry and sector performance, and operating and financing cash flow, and through discussion with potential buyers of the investee. It is impractical to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year are different from the assumptions and could require a material adjustment to the carrying amount of the asset affected. The carrying value of the asset classified as held for sale is disclosed in Note 12.

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$0.2 million (2018: US$0.5 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 the group's premise however is 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. For receivables relating to subsidiary that is classified under asset held for sale, an estimate is made based on the net recoverable amount from the sale of the subsidiary. 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$4.6 million and US$27.3 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	
	2019	2018
	US$'000	US$'000
Salaries and other short-term employee benefits	**1,527**	2,541
Contributions to defined contribution plans	**35**	59
Share-based payments (Note 10)	**35**	27

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

	Group	
	2019	2018
	US$'000	US$'000
Directors' fees	**177**	180
Remuneration of directors of the company	**550**	483

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	
	31/03/2019	31/03/2018	31/03/2017
	US$'000	US$'000	US$'000
Subsidiaries			
Balance at beginning of the year	**34,501**	40,557	18,641
Amounts paid out and settlement of liabilities on behalf of subsidiaries	**4,522**	–	21,916
Amounts paid in and settlement of liabilities on behalf of the company	**–**	(6,056)	–
Balance at end of the year	**39,023**	34,501	40,557
Presented in the statement of financial position as follows:			
Other receivables (Note 18)	**39,772**	35,016	41,257
Other payables (Note 23)	**(749)**	(515)	(700)
At end of the year – gross debit (credit)	**39,023**	34,501	40,557

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").

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

4. Financial information by operating segments

4B. Profit or loss from continuing operations and reconciliations

	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						
Revenue by segment						
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)
2018						
Revenue by segment						
Total revenue by segment	14,686	5,187	2,374	1,018	734	23,999
Recurring EBITDA	5,381	578	(104)	(471)	(4,900)	484
Interest income	–	102	–	–	33	135
Finance costs	(858)	(196)	(136)	–	(143)	(1,333)
Depreciation, amortisation and impairment	(1,673)	–	(114)	(100)	(637)	(2,524)
ORBIT	2,850	484	(354)	(571)	(5,647)	(3,238)
ORBIT Margin	15.6%	(3.0%)	(18.2%)	(79.8%)	(562.2%)	(13.5%)
Profit/(loss) before tax from continuing operations	2,850	484	(354)	(571)	(5,647)	(3,238)
Income tax expenses						(50)
Share of results of JV – net of tax						(115)
Loss after tax from continuing operations						(3,403)
Loss from discontinued operations						(7,581)
Loss for the year						(10,984)

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

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
2019							
Total group assets	**28,398**	**4,060**	**1,788**	**3,326**	**10,913**[a]	**1,422**	**49,907**
2018							
Total group assets	30,227	5,780	2,677	2,758	14,743	3,063	59,248

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.

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
2019							
Total group liabilities	**10,548**	**964**	**2,788**	**830**	**755**[a]	**9,146**	**25,031**
2018							
Total group liabilities	15,455	1,915	1,935	644	3,195	6,358	29,502

[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.

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

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:							
2019	**343**	**–**	**1,036**	**615**	**109**	**52**	**2,155**
2018	1,575	–	68	35	1,449	156	3,283

4F. Geographical information

	Revenue		Non-current assets	
	2019	2018	**2019**	2018
	US$'000	US$'000	**US$'000**	US$'000
Singapore	**–**	1	**1,338**	2,205
Myanmar	**23,370**	23,998	**12,780**	13,702
	23,370	23,999	**14,118**	15,907

4G. Disaggregation of revenue from contracts with customers

	Group	
	2019	2018
	US$'000	US$'000
Goods recognised at point in time – supplies	**15,913**	13,041
Goods recognised at point in time – equipment	**2,520**	5,187
Services recognised at point in time	**2,208**	2,300
Services recognised over time	**2,729**	3,471
Total continuing operations	**23,370**	23,999

4H. Information about major customers

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

	Group	
	2019	2018
	US$'000	US$'000
Top 1 customer	**16,305**	15,852
Top 2 customers	**18,170**	20,623

5. Revenue

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

	Group	
	2019	2018
	US$'000	US$'000
Sale of goods	**18,433**	18,228
Rendering of services	**2,208**	2,300
Usage of retail fit-out	**2,174**	2,738
Rental income from serviced offices	**555**	733
	23,370	23,999

5B. Revenue classified by duration of contract:

	Group	
	2019	2018
	US$'000	US$'000
Short-term contracts	**20,641**	20,528
Long-term contracts	**2,729**	3,471
Total revenue	**23,370**	23,999

5C. Revenue classified by timing of revenue recognition:

	Group	
	2019	2018
	US$'000	US$'000
Point in time	**20,641**	20,528
Over time	**2,729**	3,471
Total revenue	**23,370**	23,999

5D. Revenue classified by type of customer:

	Group	
	2019	2018
	US$'000	US$'000
Retailers	**16,311**	14,761
Individual customers	**7,059**	9,238
Total revenue	**23,370**	23,999

6. Other income and gains and (other losses)

	Group	
	2019	2018
	US$'000	US$'000
Allowance for impairment on trade receivables – loss	**(1,797)**	(42)
Impairment allowance on plant and equipment – loss	**(220)**	–
Interest income	**41**	135
Commission income	**155**	123
Consultancy income	**185**	202
Franchise income	**109**	356
Foreign exchange transaction gains (losses)	**554**	(224)
Losses on disposal of plant and equipment, net	**(172)**	–
Royalty income	**99**	24
Write-back of accrued NPM fee [a]	**–**	688
Forfeiture of deposit received on TPR share sale [b]	**1,862**	–
Donations to Room to read (CSR Program)	**(250)**	(65)
Others	**167**	–
	733	1,197
Presented in profit or loss as:		
Other income and gains	**3,172**	1,528
Other losses	**(2,439)**	(331)
	733	1,197

(a) The group has written back accrued National Program Manager ("NPM") of US$0.7 million in the previous reporting period as no services was performed. The NPM agreement for the construction and maintenance of a subsidiary's telecom towers in Myanmar was terminated on 15 September 2017.

(b) The forfeiture of the deposit received of US$1.9 million in other income 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	
	2019	2018
	US$'000	US$'000
Consultancy fee	**396**	286
Depreciation and amortisation expense (Notes 14 and 15)	**418**	337
Employee benefits expense (Note 9)	**3,079**	4,713
Legal and professional fee	**512**	324
Rental of premises	**239**	287

8. Finance costs

	Group	
	2019	2018
	US$'000	US$'000
Interest expenses:		
Finance leases	294	373
Bank loans and others	1,008	960
	1,302	1,333

9. Employee benefits expense

	Group	
	2019	2018
	US$'000	US$'000
Short term employee benefits expense	3,984	5,264
Contributions to defined contribution plan	102	146
Share-based payments (Note 10)	52	29
Total employee benefits expense	4,138	5,439
The employee benefits expense is charged as follows:		
Cost of sales	696	526
Distribution expenses	363	200
Administrative expenses (Note 7)	3,079	4,713
	4,138	5,439

10. Share-based payments

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.

10. Share-based payments (cont'd)

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

Activities under SMI ESOS:

The outstanding number of options at the end of the reporting year was:

Exercise price	Grant date	Exercise period	Number of options at 31 March 2019 No: '000	2018 No: '000
46 Cents	4 October 2017	From 4 October 2019 to 3 October 2022	**843**	1,216
44 Cents	11 December 2017	From 11 December 2019 to 10 December 2022	**15**	15
31 Cents	26 April 2018	From 25 April 2020 to 25 April 2023	**50**	–
29 Cents	8 June 2018	From 7 June 2020 to 7 June 2023	**575**	–
Balance at the end of the year			**1,483**	1,231

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.

	2019	2018	Weighted average exercise price 2019	2018
	No:'000	No:'000	cents	cents
Balance at beginning of the year	**1,231**	–	**45**	–
Granted	**995**	1,360	**29**	45
Forfeited	**(743)**	(129)	**38**	45
Balance at end of the year	**1,483**	1,231	**38**	45

Subsequent to the reporting year ended 31 March 2019, the company has on 13 June 2019, granted 1,345,000 share options, at an exercise price of S$0.13 per share under the SMI ESOS.

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
	No:'000	No:'000	(Years)
46 Cents	843	843	3.51
44 Cents	15	15	3.70
31 Cents	50	50	4.07
29 Cents	575	575	4.19
	1,483	1,483	3.86

10. Share-based payments (cont'd)

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

Share option reserve

	Group and company	
	2019	2018
	US$'000	US$'000
At beginning of the year	29	–
Grant of share option	52	29
At end of the year	81	29

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.

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

	2019	2018
Historical and expected volatility	41.8% - 44.4 %	44.4 %
Dividend yield	0.0 %	0.0 %
Risk-free interest rate	1.5 - 2.1 %	1.5 %
Forfeiture probability: leaving pre-vesting	10.0 - 15.0 %	10.0 %

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 Performance Share Plan

The Singapore Myanmar Investco 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, no shares were issued pursuant to the PSP.

Subsequent to the reporting year ended 31 March 2019, the company on 13 June 2019, granted a total of 4,500,000 share award under the SMI Performance Share Plan to Mr. Mark Francis Bedingham, a director of the company. The share has a vesting period of 24 months from 1 April 2019.

11. Income tax expense

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

	Group	
	2019	2018
	US$'000	US$'000
Current tax expense	16	50

11. Income tax expense (cont'd)

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

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 % (2018: 17.0 %) to profit or loss before income tax as a result of the following differences:

	Group	
	2019	2018
	US$'000	US$'000
Loss before tax	(2,573)	(3,353)
Share of loss from equity-accounted joint ventures	108	115
	(2,465)	(3,238)
Income tax income at the above rate	(419)	(550)
Expenses not deductible for tax purposes	677	536
Deferred tax assets not recognised	442	201
Tax exempt income	(319)	(1)
Tax rebate/incentives	–	(14)
Utilisation of previously unrecognised deferred tax assets	–	(28)
Over provision in prior year	–	(3)
Effect of different tax rates in different countries	(365)	(91)
Total income tax expense	16	50

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

Unrecognised deferred tax assets:	Tax losses		Unrecognised deferred tax assets	
	2019	2018	2019	2018
	US$'000	US$'000	US$'000	US$'000
Unused tax losses available	15,482	12,882	2,632	2,190

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 carryforwards is available for a period of 3 years subject to certain conditions imposed by law. The Myanmar subsidiaries' tax losses carry forward is 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 the 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 forteiture 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 telecommunication towers and tower leases in Myanmar to IGT for a consideration of approximately US$8 million.

The entire assets and liabilities related to MIG and TPR were classified as a disposal group held for sale in the statement of financial position as at 1 April 2017 and 31 March 2018. However, under the tower transfer agreement, only the towers are available for immediate sale in their present condition and classified as assets held for sale in the group's consolidated financial statements as at 31 March 2019. The remaining assets and liabilities of TPR ceased to be classified as held for sale as at 31 March 2019. 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 2018 and 31 March 2019 as "Discontinued Operation".

The group has made an impairment allowance of US$1.1 million for the reporting year 31 March 2019 (2018: US$5.5 million) on the carrying value of TPR's property, plant and equipment under other losses.

	2019	2018
	US$'000	US$'000
Revenue	**2,628**	2,529
Cost of sales	**(2,659)**	(2,454)
Gross (loss) profit	**(31)**	75
Other income and gains	**30**	–
Distribution costs	**(29)**	(46)
Administrative expenses	**(632)**	(1,893)
Other losses	**(1,553)**	(5,600)
Finance costs	**(118)**	(117)
Loss before income tax from discontinued operation	**(2,333)**	(7,581)
Income tax expense	**–**	–
Loss from discontinued operation, net of tax	**(2,333)**	(7,581)

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

	2019	2018
	US$'000	US$'000
Net cash flows (used in) from operating activities	**(994)**	1,445
Net cash flows from (used in) investing activities	**898**	(1,449)
Total cash flows	**(96)**	(4)

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		
	31/03/2019	31/03/2018	01/04/2017	**31/03/2019**	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000	**US$'000**	US$'000	US$'000
Plant and equipment	**7,927**	13,472	19,073	**–**	–	–
Intangible assets	**–**	31	43	**–**	–	–
Other assets	**–**	471	195	**–**	–	–
Trade and other receivables	**–**	575	1,379	**–**	130	740
Cash and cash equivalents	**–**	194	198	**–**	–	–
Total assets classified as held for sale	**7,927**	14,743	20,888	**–**	130	740
Trade and other payables	**–**	3,195	3,959	**–**	4	28
Total liabilities associated with disposed group classified as held for sale	**–**	3,195	3,959	**–**	4	28

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	
		2019	2018
		US$'000	US$'000
A.	Numerators: losses attributable to equity:		
	Continuing operations: attributable to equity holders	**(2,408)**	(3,149)
	Discontinued operations: (losses)/gains for the year	**(2,333)**	(7,581)
B.	Total basic losses	**(4,741)**	(10,730)
C.	Diluted losses	**(4,741)**	(10,730)
		No. of shares	
D.	Denominators: weighted average number of equity shares:		
E.	Basic	**302,996,792**	273,775,383
F.	Diluted	**302,996,792**	273,775,383

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.

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 2017	8,188	4,883	3,060	16,131
Additions	10	243	1,575	1,828
Disposals	–	(16)	–	(16)
Write-offs	–	(3)	–	(3)
Reclassified	2,799	1,834	(4,633)	–
At 31 March 2018	10,997	6,941	2	17,940
Additions	395	1,308	32	1,735
Disposals	–	(1,189)	–	(1,189)
Transfer from assets held for sales	–	29	109	138
At 31 March 2019	**11,392**	**7,089**	**143**	**18,624**
Accumulated depreciation				
At 1 April 2017	735	515	–	1,250
Depreciation for the year	992	1,026	–	2,018
Disposal	–	(1)	–	(1)
Write-offs	–	(2)	–	(2)
At 31 March 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**
Net carrying value				
At 1 April 2017	7,453	4,368	3,060	14,881
At 31 March 2018	9,270	5,403	2	14,675
At 31 March 2019	**8,343**	**4,512**	**143**	**12,998**

Certain items of plant and equipment at a carrying value of US$0.7 million (2018 : US$1.3 million) are pledged as a security for the bank facilities (Note 24).

14. Plant and equipment (cont'd)

The depreciation expense is charged as follows:

	Cost of sales	Distribution costs	Administrative expenses	Discontinued operations	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
2019	**2,229**	**38**	**259**	**1,674**	**4,200**
2018	1,767	13	238	1,550	3,568

Company	Leasehold improvements	Plant and equipment	Total
	US$'000	US$'000	US$'000
Cost			
At 1 April 2017	702	583	1,285
Additions	10	144	154
Disposal	–	(1)	(1)
Reclass	38	(38)	–
At 31 March 2018	750	688	1,438
Additions	–	54	54
At 31 March 2019	**750**	**742**	**1,492**
Accumulated depreciation			
At 1 April 2017	222	34	256
Depreciation for the year	58	68	126
At 31 March 2018	280	102	382
Depreciation for the year	55	98	153
At 31 March 2019	**335**	**200**	**535**
Net carrying value			
At 1 April 2017	480	549	1,029
At 31 March 2018	470	586	1,056
At 31 March 2019	**415**	**542**	**957**

15. Intangible assets

Group	Franchise fee	License fee	Total
	US$'000	US$'000	US$'000
Cost			
At 1 April 2017	405	298	703
Additions	35	–	35
Reclass	–	(29)	(29)
At 31 March 2018	440	269	709
Transfer from assets held for sale	–	58	58
Additions	300	11	311
At 31 March 2019	**740**	**338**	**1,078**
Accumulated amortisation			
At 1 April 2017	46	46	92
Amortisation for the year	55	49	104
Reclass	–	(1)	(1)
At 31 March 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**
Net carrying value			
At 1 April 2017	359	252	611
At 31 March 2018	339	175	514
At 31 March 2019	**529**	**147**	**676**

The amortisation expense is charged as follows:

	Group	
	2019	2018
	US$'000	US$'000
Cost of sales	**–**	–
Distribution expenses	**10**	5
Administrative expenses	**159**	99
Discontinued operations	**12**	12
	181	116

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		
	31/03/2019	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000
Movements during the year. At cost:			
Balance at beginning of the year	**11,056**	1,397	1,397
Additions	**–**	20,925	–
Allowance for impairment	**(6,487)**	(11,266)	–
Net carrying amount	**4,569**	11,056	1,397
Carrying value in the books of the company comprising:			
Unquoted equity shares at cost	**22,322**	22,322	1,397
Allowance for impairment	**(17,753)**	(11,266)	–
Total at cost	**4,569**	11,056	1,397
Movements in allowance for impairment:			
Balance at beginning of the year	**(11,266)**	–	–
Impairment loss charge to profit or loss	**(6,487)**	(11,266)	–
Total at cost	**(17,753)**	(11,266)	–

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		
	31/03/2019	31/03/2018	01/04/2017	**31/03/2019**	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000	**%**	%	%
Held by the company:						
SMI Construction Services Pte. Ltd. [b] Singapore Distribution of heavy equipment and spare parts	**(a)**	(a)	(a)	**100**	100	100
SMI Infrastructure Services Pte. Ltd. [b] Singapore Infrastructure engineering services	**(a)**	(a)	(a)	**100**	100	100
Myanmar Infrastructure Group Pte. Ltd. ("MIG") [b][e] Singapore Build, distribution and own telecom infrastructure	**21,023**	21,023	97	**97**	97	97
Kinnaya Pte. Ltd. [b][f] Singapore Provider of serviced offices	**1,300**	1,300	1,300	**65**	65	65

16. Investment in subsidiaries (cont'd)

Name of subsidiaries, country of incorporation, place of operations and principal activities	Cost of investment			Percentage of equity held		
	31/03/2019	31/03/2018	01/04/2017	**31/03/2019**	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000	**%**	%	%
Held by the company:						
SMI F&B Pte. Ltd. [(b)] Singapore Distribution of food & beverage items	**(a)**	(a)	(a)	**100**	100	100
SMI Auto Services Pte. Ltd.[(b)] Singapore Provision of car rental & limousine services	**(a)**	(a)	(a)	**100**	100	100
SMI Retail Pte. Ltd. [(b)] Singapore Distribution of duty free & retail products	**(a)**	(a)	(a)	**100**	100	100
SMI Mobile Pte. Ltd. [(b)] Singapore Distribution of B2B telecom plans	**(a)**	(a)	(a)	**100**	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	16,050	**97**	97	97
Held through Kinnaya Pte Ltd:						
YGN Kinnaya Co Ltd [(c)] Myanmar Provider of serviced offices	**50**	50	50	**65**	65	65
Held through SMI F&B Pte Ltd:						
SMI F&B MM Pte Ltd [(c)] Singapore Distribution of food & beverage items	**434**	434	334	**100**	100	60
SMI Food Concepts Ltd [(c)] [(d)] Myanmar Consultancy for the food and beverage industry	**50**	25	25	**100**	100	100

16. Investment in subsidiaries (cont'd)

Name of subsidiaries, country of incorporation, place of operations and principal activities	Cost of investment			Percenatge of equity held		
	31/03/2019	31/03/2018	01/04/2017	**31/03/2019**	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000	**%**	%	%
Held through SMI F&B MM Pte Ltd:						
SMI FB Ltd [c]	**50**	50	50	**100**	100	100
Myanmar						
Consultancy and advertising services for the food and beverage industry						
Held through SMI Retail Pte Ltd:						
SMIRS Myanmar Ltd [c]	**2,850**	2,850	50	**100**	100	100
Myanmar						
Management consultancy services						
Held through SMI Mobile Pte Ltd:						
SMIMM Mobile Co Ltd [c]	**25**	25	25	**100**	100	100
Myanmar						
Consultancy for telecommunication services						
Held through SMI Auto Services Pte Ltd:						
SMIRental Services MM Ltd [c]	**50**	50	50	**100**	100	100
Myanmar						
Equipment rental, vehicle repair and fleet management services						

(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.

(d) On 31 January 2019, the group subscribed for an additional of 2,500 shares at US$10 each in SMI Food Concepts Ltd for a total consideration of of US$25,000.

(e) During the previous reporting year, the company converted US$21.6 million intercompany advances due from MIG to equity investment. The investment in MIG was impaired by US$11.3 million during the previous reporting year due to the impairment loss in MIG's cost of investment in TPR, based on the estimated fair value less costs to sell upon expected disposal. The investment in MIG was further impaired by US$5.1 million for the current reporting year, based on estimated fair value less costs to sell upon expected disposal of the tower assets.

(f) Due to declining performance and the subsidiary being in a net liability position, full impairment was made on the company's investment in the subsidiary during the reporting year.

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. Investments in joint ventures

	Group		Company	
	31/03/2019	31/03/2018	**31/03/2019**	31/03/2018
	US$'000	US$'000	**US$'000**	US$'000
Movement in carrying value:				
Balance at beginning of the year	**464**	579	**650**	650
Additions	**(a)**	–	**–**	–
Share of loss for the year	**(108)**	(115)	**–**	–
Total at end of the year	**356**	464	**650**	650

	Group			Company		
	31/03/2019	31/03/2018	01/04/2017	**31/03/2019**	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000	**US$'000**	US$'000	US$'000
Carrying value comprising:						
Unquoted equity shares at cost	**650**	650	650	**650**	650	650
Share of post acquisition losses	**(294)**	(186)	(71)	**–**	–	–
	356	464	579	**650**	650	650

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	Cost of investment			Percentage of equity held by company		
	31/03/2019	31/03/2018	01/04/2017	**31/03/2019**	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000	**%**	%	%
Held by the company:						
SMI-Senko Logistics Pte Ltd [(b)]	**650**	650	650	**50**	50	50
Singapore						
Value added logistics providers and general warehousing						
Held through SMI Retail Pte. Ltd.						
DKSHSMI Pte Ltd [(d)]	**(a)**	–	–	**50**	–	–
Singapore						
Wholesale of adults' clothing						
Held by SMI-Senko Logistics Pte Ltd:						
Senko-SMI Myanmar Co Limited [(c)]	**1,000**	1,000	1,000	**50**	50	50
Myanmar						
Provision of warehousing services						

17. Investments in joint ventures (cont'd)

Name of joint ventures, country of incorporation, place of operations and principal activities	Cost of investment			Percentage of equity held by Company		
	31/03/2019	31/03/2018	01/04/2017	31/03/2019	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000	%	%	%
Held by DKSHSMI Pte Ltd:						
DKSHSMI MM Limited [d]	(a)	–	–	50	–	–
Myanmar						
Wholesale of adults' clothing						

(a) Cost of investments 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.

(d) Newly incorporated and dormant during the reporting year; hence, not audited.

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 joint ventures would not compromise the standard and the effectiveness of the audit of the group.

There are joint ventures that are considered material to the reporting entity. The summarised financial information of the group's material 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		
	31/03/2019	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000
Summarised statement of financial position			
Non-current assets	1,365	1,281	1,167
Current assets	514	549	182
Non-current liabilities	(264)	(350)	–
Current liabilities	(903)	(552)	(194)
Total equity attributable to the equity holders of the joint ventures	712	928	1,155

	2019	2018
	US$'000	US$'000
Summarised statement of comprehensive income		
Revenue	756	308
Loss after tax and total comprehensive loss	(216)	(115)

18. Trade and other receivables

	Group			Company		
	31/03/2019	31/03/2018	01/04/2017	**31/03/2019**	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000	**US$'000**	US$'000	US$'000
Non-current:						
Trade receivables:						
Outside parties	**–**	170	477	**–**	–	–
Sub-total, trade receivables, non-current	**–**	170	477	**–**	–	–
Current:						
Trade receivables:						
Outside parties	**25,989**	23,772	14,975	**529**	336	57
Less: allowance for impairment						
- collectively impaired	**(865)**	–	–	**–**	–	–
- individually impaired	**(986)**	(42)	–	**–**	–	–
Net trade receivables – subtotal	**24,138**	23,730	14,975	**529**	336	57
Current:						
Other receivables:						
Subsidiaries (Note 3)	**–**	–	–	**39,772**	35,016	41,257
Joint ventures	**436**	256	1	**436**	256	5
Deferred consideration from disposal of subsidiaries	**672**	839	802	**672**	840	802
Less: allowance for impairment	**(401)**	(401)	(401)	**(12,876)**	(6,160)	(5,408)
GST/commercial tax receivable	**509**	331	364	**9**	51	64
Others	**118**	210	75	**–**	–	14
Sub-total, trade and other receivables, current	**25,472**	24,965	15,816	**28,542**	30,339	36,791
Total trade and other receivables	**25,472**	25,135	16,293	**28,542**	30,339	36,791

18. Trade and other receivables (cont'd)

	Group		Company	
	2019	2018	2019	2018
	US$'000	US$'000	US$'000	US$'000
Movements in above allowance on trade receivables:				
At beginning of the year	42	–	–	–
Charge for trade receivables to profit or loss included in:				
- other losses (Note 6)	1,797	42	–	–
- discontinued operation (Note 12)	54	–	–	–
- used	(42)	–	–	–
At end of the year	1,851	42	–	–
Movements in above allowance on other receivables:				
At beginning of the year	401	401	6,160	5,408
Charge for other receivables to profit or loss included in other losses	–	–	6,716	752
At end of the year	401	401	12,876	6,160

Trade receivables of US$0.8 million (2018: US$0.7 million) are pledged as security for the bank facilities (Note 24).

The trade receivables of US$0.3 million (2018: US$0.2 million) are carried at amortised cost using the effective interest method (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 the expected credit loss (ECL) model under the financial reporting standard on financial instruments. The group determines expected credit losses of trade receivables by making debtor-specific assessment of expected impairment loss for long overdue trade receivables, and using an allowance matrix for remaining trade receivables that is based on its historical credit loss experience, and adjusted for forward-looking information.This methodology applied for impairment loss is the simplified approach to measuring ECL which uses a lifetime expected loss allowance. The expected lifetime losses are recognised from initial recognition of these assets. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. A loss allowance balance of US$0.9 million is recognised.

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$0.9 million (2018: Nil) 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.

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 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 (2018: 90 days). But some customers take a longer period to settle the amounts.

18. Trade and other receivables (cont'd)

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

	Group		
	31/03/2019	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000
91 to 150 days	2,850	6,474	2,055
151 to 365 days	10,613	10,720	5,715
Over 365 days	6,114	–	–
Total	19,577	17,194	7,770

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

	Group		
	31/03/2019	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000
Top 1 customer	17,956	16,436	8,287
Top 2 customers	22,492	20,674	12,553
Top 3 customers	23,853	21,829	13,886

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.

19. Other assets

	Group			Company		
	31/03/2019	31/03/2018	01/04/2017	31/03/2019	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Deposits	432	472	403	95	57	58
Prepayments	327	198	475	51	100	115
Recoverables	127	116	4	2	28	15
Others	716	1,062	200	6	21	–
	1,602	1,848	1,082	154	206	188
Presented as:						
Other assets, current	1,514	1,764	1,049	122	173	155
Other assets, non-current	88	84	33	32	33	33
	1,602	1,848	1,082	154	206	188

20. Inventories

	Group		
	31/03/2019	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000
Finished goods	–	414	1,592
Raw materials and consumables	52	26	–
	52	440	1,592
Inventories are stated after allowance. Movements in allowance:			
At beginning of the year	–	8	–
Charge to profit or loss included in cost of sales	–	26	8
Used	–	(34)	–
At end of the year	–	–	8
Included in cost of sales:			
Finished goods	9,684	13,413	15,265

Inventory of US$Nil (2018: US$0.3 million) are pledged as security to a financial institution (Note 24).

21. Cash and cash equivalents

	Group			Company		
	31/03/2019	31/03/2018	01/04/2017	31/03/2019	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Available for use	680	859	1,849	180	158	763
Restricted in use [(a)]	144	570	1,523	–	–	1,050
	824	1,429	3,372	180	158	1,813

(a) This amount is held by bankers as security for financial liabilities (Note 24).

The rate of interest for the cash on interest earning account of US$0.6 million (2018: US$0.6 million) for the group is approximately 0.08% (2018: 0.08% to 0.95%) per annum.

21A. Cash and cash equivalents in the statement of cash flows:

	Group		
	31/03/2019	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000
As stated above	824	1,429	3,372
Fixed bank deposits restricted in use	(144)	(570)	(1,523)
Discontinued operations (Note 12)	–	194	198
Bank overdraft (Note 24)	(4,010)	(4,544)	(4,454)
Cash and cash equivalents for statement of cash flows purposes at end of year	(3,330)	(3,491)	(2,407)

21B. Non-cash transaction

There were acquisitions of certain assets under plant and equipment of US$0.7 million (2018: Nil) acquired by means of finance lease.

21. Cash and cash equivalents (cont'd)

21C. Reconciliation of liabilities arising from financing activities:

	2018	Cash flows	Non-cash changes		2019
	US$'000	US$'000	US$'000		US$'000
Shareholders loan (Note 24)	4,000	2,700	–		6,700
Borrowings (Note 24)	4,618	(2,693)	–		1,925
Finance lease liabilities (Note 24)	2,270	(171)	667	(a)	2,766
Total liabilities from financing activities	10,888	(164)	667		11,391

	2017	Cash flows	Non-cash changes		2018
	US$'000	US$'000	US$'000		US$'000
Shareholders loan	6,800	8,500	(11,300)	(b)	4,000
Borrowings	5,123	(505)	–		4,618
Finance lease liabilities	4,706	(2,436)	–		2,270
Total liabilities from financing activities	16,629	5,559	(11,300)		10,888

(a) Acquisition

(b) Conversion of debt to equity

22. Share capital

	Group and Company	
	Number of shares issued	Share Capital
		US$'000
Ordinary shares of no par value:		
At beginning of the year 1 April 2017	253,437,492	43,256
Issue of shares at S$0.42 each on 2 June 2017	11,885,573	3,512
Issue of shares at S$0.48 each on 18 September 2017	15,411,600	5,227
Issue of shares at S$0.48 each on 22 February 2018	22,262,127	7,867
	49,559,300	16,606
At end of 31 March 2018 and 31 March 2019	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.

In the reporting year ended 31 March 2018, the company issued:

- 11,885,573 ordinary shares at S$0.42 per share via a debt conversion;
- 22,262,127 ordinary shares at S$0.48 per share via a debt conversion; and
- 15,411,600 ordinary shares for cash of S$0.48 each by way of a share placement.

The share issue expenses totalled US$0.4 million.

22. Share capital (cont'd)

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		
	31/03/2019	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000
Net debt:			
All current and non-current borrowings including finance leases	**15,401**	15,432	21,083
Less cash and cash equivalents	**(824)**	(1,429)	(3,372)
Net debt	**14,577**	14,003	17,711
Adjusted capital:			
Total equity	**24,876**	29,746	24,198
Debt-to-adjusted capital ratio	**59%**	47%	73%

There are significant borrowings but these are secured by specific assets. The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk from borrowings.

The unfavourable change as shown by the increase in the debt-to-adjusted capital ratio for the reporting year resulted primarily from the decrease in cash and cash equivalents. There was a unfavourable change with decreased retained earnings.

23. Trade and other payables

	Group			Company		
	31/03/2019	31/03/2018	01/04/2017	**31/03/2019**	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000	**US$'000**	US$'000	US$'000
Non-current:						
Other payables:						
Accrued liabilities	**–**	416	33	**–**	416	–
Subtotal	**–**	416	33	**–**	416	–
Current:						
Trade payables:						
Outside parties	**6,362**	8,368	6,831	**792**	709	970
	6,362	8,368	6,831	**792**	709	970
Other payables:						
Subsidiaries (Note 3)	**–**	–	–	**749**	515	700
Joint ventures	**7**	–	2	**7**	7	–
Accrued liabilities	**1,605**	982	1,971	**1,016**	397	869
Deposits from customers	**111**	157	129	**–**	–	–
Deferred income	**42**	44	7	**–**	–	–
Unearned revenue	**–**	49	842	**–**	–	635
Others	**398**	273	16	**200**	199	8
Sub-total, trade and other payables, current	**8,525**	9,873	9,798	**2,764**	1,827	3,182
Total trade and other payables	**8,525**	10,289	9,831	**2,764**	2,243	3,182

Non-current trade and other payables relates to the amount due to suppliers that is unsecured and is not expected to be repaid within 12 months after reporting year end.

24. Other financial liabilities

	Group			Company		
	31/03/2019	31/03/2018	01/04/2017	**31/03/2019**	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000	**US$'000**	US$'000	US$'000
Non-current:						
Financial instruments with floating interest rates:						
Bank loans (secured) (Note 24A)	**36**	613	203	**–**	–	–
Subtotal	**36**	613	203	**–**	–	–
Financial instruments with fixed interest rates:						
Shareholders' loan (Note 24B)	**1,550**	1,000	1,900	**1,550**	1,000	1,900
Finance leases (Note 24D)	**908**	900	842	**–**	–	–
Subtotal	**2,458**	1,900	2,742	**1,550**	1,000	1,900
Total	**2,494**	2,513	2,945	**1,550**	1,000	1,900
Current:						
Financial instruments with floating interest rates:						
Bank loans (secured) (Note 24A)	**1,889**	4,005	4,920	**–**	–	–
Bank overdrafts (secured) (Note 24C)	**4,010**	4,544	4,454	**–**	–	–
Subtotal	**5,899**	8,549	9,374	**–**	–	–
Financial instruments with fixed interest rates:						
Shareholders' loan (Note 24B)	**5,150**	3,000	4,900	**5,150**	3,000	4,900
Finance leases (Note 24D)	**1,858**	1,370	3,864	**–**	–	–
Subtotal	**7,008**	4,370	8,764	**5,150**	3,000	4,900
Total	**12,907**	12,919	18,138	**5,150**	3,000	4,900
The non-current portion is repayable as follows:						
Due within 1 to 2 years	**2,494**	2,513	2,945	**1,550**	1,000	1,900

24. Other financial liabilities (cont'd)

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

Bank loans (secured)	
2019	6.75% to 7.12%
2018	2.0% to 5.98%
Bank overdrafts (secured)	
2019	5.48% to 13.00%
2018	4.73% to 13.00%

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

Finance leases	
2019	6.20% to 15.0%
2018	3.80% to 5.72%
Shareholders' loan	
2019	2.34%
2018	2.34%

24A. Bank loans (secured)

The total for bank loans is US$1.9 million (2018: US$4.6 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 secured by the following:

(a) a corporate guarantee of US$0.8 million executed by the company;
(b) floating charge over a subsidiary's trade receivables (Note 18); and
(c) floating charge over a subsidiary's bank account

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

24B. Shareholders' loans

The loan amounts are due to shareholders, who are also directors of the company are denominated in US Dollars (2018: US Dollars) and are unsecured. Interest is accrued on indebtedness at the rate of 2.34% per annum (2018: 2.34% per annum).

During the prior reporting year, the company issued 11,885,573 ordinary shares at S$0.42 per share and 22,262,127 ordinary shares at S$0.48 per share via a debt conversion, reducing the shareholders' loans by US$11.3 million.

The fair value of loan from shareholders, non-current, is US$1,536,351 (2018: US$991,064). The fair value of the loan from shareholders was estimated by discounting the future cash flows payable using the year-end market interest rate of 5.25% (2018: 5.33%) (Level 3) per annum.

24. Other financial liabilities (cont'd)

24C. Bank overdrafts (secured)

The total for bank overdrafts is US$4.0 million (2018: US$4.5 million) at floating rates of interest range from 5.48% to 13% (2018: 4.73% to 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, are covered by assignment of the Myanmar retail distributor's inventories and sale proceeds.

The bank overdrafts are secured by the following:

(a) Bank guarantee of US$1.5 million
(b) Bank guarantee of US$2.0 million
(c) Corporate guarantee of US$0.05 million
(d) Corporate guarantee of US$4.0 million

24D. Finance leases

Group	Minimum payments	Finance charges	Present value
	US$'000	US$'000	US$'000
2019			
Minimum lease payments payable:	2,397	(539)	1,858
Due within one year	951	(43)	908
	3,348	(582)	2,766
Carrying value of property, plant and equipment under finance leases			718
2018			
Minimum lease payments payable:			
Due within one year	1,556	(186)	1,370
Due within 2 to 5 years	1,031	(131)	900
	2,587	(317)	2,270
Carrying value of property, plant and equipment under finance leases			1,286

The finance leases 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 finance leases are secured by the subsidiary's plant and equipment (Note 14), the subsidiary's trade receivables (Note 18) and the charge over the assets sold to the customers.

25. Capital commitments

	Group		
	31/03/2019	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000
(i) Future payment commitments for construction of Tower Equipment under the back to back contract agreement	**–**	221	1,190
(ii) Future payment commitments for new Joint Venture ("DKSH")	**150**	–	–

Capital expenditures contracted for at the reporting date but not recognised in the financial statements are as follows:

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.

There is no other capital commitment as at reporting date.

26. Operating lease payments commitments – as lessee

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

	Group	
	2019	2018
	US$'000	US$'000
Not later than one year	**1,377**	1,484
Later than one year but not later than five years	**2,985**	3,535
More than 5 years	**147**	486
Rental expense for the year	**2,574**	1,487

Operating lease payments mainly represent rental payable by the group for certain of its office and leased properties. The lease rental terms are negotiated for terms for 1 to 15 years (2018: 1 to 15 years) at fixed rentals.

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	
	2019	2018
	US$'000	US$'000
Not later than one year	324	744
Later than one year but not later than five years	1,296	2,976
Rental income recognised as revenue for the year	554	733

Operating lease income commitments represent rental receivable by the group for its serviced office.

28. Contingent liabilities

Corporate guarantees

The group provided the following guarantees at the end of the reporting year:
- a corporate guarantee amounting to US$1.2 million (2018: US$1.3 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$6.7 million (2018: US$10.2 million) to financial insitutions 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 2019.

Litigation

On 20 June 2018, the minority shareholder of Myanmar Infrastructure Group Pte Ltd ("MIG"), Golden Infrastructure Group Limited ("GIG"), filed an originating summons and ex parte summons against the company, MIG and Tiger seeking, inter alia, an interim injunction to prevent the completion of the Share Sale Agreement dated 1 June 2018 ("SSA").

The company successfully applied for a stay of both the originating summons and the ex parte summons taken out by GIG, in favour of arbitration, as the Joint Venture and Shareholder Agreement between the Company and GIG dated 1 June 2014 ("JVSA") provides for any dispute to be decided through arbitration. GIG subsequently appealed against the court's decision but their appeal was dismissed in September 2018. GIG then commenced SIAC arbitration proceedings.

In March 2019, GIG applied for an interim injunction to prevent the completion of the SSA but their injunction application was dismissed on 27 March 2019 by the arbitration tribunal.

In the arbitration proceedings, GIG is seeking relief for alleged breaches of the JVSA by the Company including damages and/or specific performance. The Company has brought a counterclaim against GIG in the arbitration and is seeking relief for alleged breaches of the JVSA by GIG, including damages. Management has not made any provision for GIG's claim, as management is of the view that GIG's claims have no merit.

29. Financial instruments: information on financial risks

29A. 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		
	31/03/2019	31/03/2018	01/04/2017	**31/03/2019**	31/03/2018	01/04/2017
	US$'000	US$'000	US$'000	**US$'000**	US$'000	US$'000
Financial assets:						
Financial assets at amortised cost	**26,296**	26,564	19,665	**28,722**	30,497	38,604
At end of the the year	**26,296**	26,564	19,665	**28,722**	30,497	38,604
Financial liabilities:						
Financial liabilities at amortised cost	**23,926**	25,721	30,914	**9,302**	6,243	9,982
At end of the the year	**23,926**	25,721	30,914	**9,302**	6,243	9,982

Further quantitative disclosures are included throughout these financial statements.

29B. 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.

29C. 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.

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

29D. 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. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 21 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.

29E. 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 (2018: 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 analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than 1 year	1 – 2 years	Total
	US$'000	US$'000	US$'000
Non-derivative financial liabilities:			
2019			
Gross borrowings commitments	**13,843**	**2,645**	**16,488**
Trade and other payables	**8,525**	**–**	**8,525**
At end of year	**22,368**	**2,645**	**25,013**
Non-derivative financial liabilities:			
2018			
Gross borrowings commitments	14,033	2,662	16,695
Trade and other payables	9,873	416	10,289
At end of year	23,906	3,078	26,984

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

29E. Liquidity risk – financial liabilities maturity analysis (cont'd)

Company	Less than 1 year	1 – 2 years	Total
	US$'000	US$'000	US$'000
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
Non-derivative financial liabilities:			
2018			
Gross borrowings commitments	3,070	1,024	4,094
Trade and other payables	1,827	416	2,243
At end of year	4,897	1,440	6,337

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

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
2019:	
Financial guarantee contracts - bank guarantee in favour of a Myanmar retail distributor	1,188
2018:	
Financial guarantee contracts - bank guarantee in favour of a Myanmar retail distributor	1,348

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

	2019	2018
	US$'000	US$'000
Group		
Corporate guarantee issued to a financial institution to secure a loan for a Myanmar retail distributor	1,200	1,300
Company		
Corporate guarantee issued to a financial institutions to secure credit facilities for the Group's subsidiaries	6,700	10,200

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

29F. 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		
	31/03/2019	31/03/2018	01/042017
	US$'000	US$'000	US$'000
Financial assets with interest:			
Fixed rate	**144**	570	–
Floating rate	**649**	1,029	1,523
At end of year	**793**	1,599	1,523
Financial liabilities with interest:			
Fixed rate	**9,466**	6,270	11,506
Floating rate	**5,935**	9,162	9,577
At end of year	**15,401**	15,432	21,083

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.

29G. 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
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)

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

29G. Foreign currency risk (cont'd)

	Singapore Dollars	Myanmar Kyats	Others	Total
	US$'000	US$'000	US$'000	US$'000
2018:				
Financial assets:				
Cash and cash equivalents	72	65	8	145
Loans and receivables	811	379	–	1,190
Total financial assets	883	444	8	1,335
Financial liabilities:				
Borrowings	–	4,494	–	4,494
Trade and other payables	870	1,602	181	2,653
Total financial liabilities	870	6,096	181	7,147
Net financial assets (liabilities) at end of year	13	(5,652)	(173)	(5,812)

Sensitivity analysis:

	Group	
	2019	2018
	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	(20)	(1)
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	378	565
A hypothetical 10% strengthening in the exchange rate of the functional currency United States Dollar against other currencies with all other variables held constant would have a favourable effect on pre-tax loss of	2	17

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.

30. Events after the end of the reporting year

On 11 April 2019, the group entered into an agreement with Irrawaddy Green Towers Limited and Irrawaddy Towers Asset Holding Pte. Ltd. (collectively "IGT") for the sale of all TPR's telecommunications tower assets in Myanmar (the "Assets") to IGT for an aggregate purchase price in cash equal to the sum of approximately US$8 million (the "Purchase Price"). The group has received 85% of the US$8 million from IGT as of the date of this report.

On 13 June 2019, the company granted 1,345,000 share options, at an exercise price of S$0.13 per share under the SMI ESOS.

On 13 June 2019, the company granted a total of 4,500,000 share award under the SMI Performance Share Plan to a director of the company. The shares has a vesting period of 24 months from 1 April 2019.

31. Transition from FRSs to SFRS(I)s

The reporting entity first adopted SFRS(I)s from 1 April 2018, with a date of transition to SFRS(I)s of 1 April 2017. Its last financial statements in accordance with previous GAAP (Singapore Financial Reporting Standards ("FRSs")) were for the reporting year ended 31 March 2017.

As is required by the financial reporting standard the presentation of financial statements, the statement of financial position at the end of the current reporting year and the beginning and end of the preceding reporting year is presented.

32. Changes and adoption of financial reporting standards

The group has adopted all the SFRS(I)s which are effective for annual reporting periods beginning on or after 1 April 2018. The accounting policies adopted are consistent with those previously applied under FRS except for the following new or revised financial reporting standards. Adoption of the applicable new or revised standards has resulted in some changes in the detailed application of the accounting policies and some modifications to financial statements presentation and measurement as disclosed in Note 34.

SFRS(I) No.	Title
SFRS(I) 9	Financial Instruments
SFRS(I) 15	Revenue from Contracts with Customers. Amendments to, Clarifications to SFRS 115 Revenue from Contracts with Customers

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 will have on the entity's financial statements in the period of initial application except as discussed below.

SFRS(I) No.	Title	Effective date for periods beginning on or after
SFRS(I) 1-28	Amendments: Long-Term Interests In Associates And Joint Ventures	1 Jan 2019
SFRS(I) 16	Leases (and Leases – Illustrative Examples & Amendments to Guidance on Other Standards)	1 Jan 2019

33. New or amended standards in issue but not yet effective (cont'd)

Leases:

The financial reporting standard on leases is effective for annual periods beginning on or after 1 January 2019 and it supersedes the previous reporting standard and the related interpretations on leases. For the lessor, the accounting remains largely unchanged. As for the finance leases of a lessee, as the financial statements have already recognised an asset and a related finance lease liability for the lease arrangement, the application of the new reporting standard on leases is not expected to have a material impact on the amounts recognised in the financial statements. For the lessee, almost all leases will be brought onto the statements of financial position under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. For the entity's non-cancellable operating lease commitments as at 31 March 2019 shown in Note 26, a preliminary assessment indicates that these arrangements will continue to meet the definition of a lease under the new reporting standard on leases. Thus, the entity will have to recognise a right-of-use asset and a corresponding liability in respect of all these leases (unless they qualify for low value or short-term leases) which might have a material impact on the amounts recognised in the financial statements. However, it is not practicable to provide a reasonable financial estimate of that effect until the detailed review by management is completed.

34. Changes in accounting policies and restatement of comparative figures

Effective from beginning of the current reporting year certain new or revised financial reporting standards were adopted as mentioned in Note 32. Adoption of those policies and any other changes have resulted in some changes in the application of the accounting policies and some modifications to financial statements presentation and these changes are summarised below.

<u>SFRS(I) 9 Financial instruments:</u>

SFRS(I) 9 Financial Instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new 'expected credit loss' (ECL) model and a new general hedge accounting model. The group adopted SFRS(I) 9 from 1 April 2018.

In accordance with the exemption in SFRS(I) 1, the group elected not to restate information for the year ended 31 March 2018. Accordingly, the information presented for the year ended 31 March 2018 is presented, as previously reported, under FRS 39 Financial Instruments: Recognition and Measurement. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings as at 1 April 2018.

Arising from this election, the group is exempted from providing disclosures required by SFRS(I) 7 Financial Instruments: Disclosures for the comparative period to the extent that these disclosures relate to items within the scope of SFRS(I) 9. Instead, disclosures under FRS 107 Financial Instruments: Disclosures relating to items within the scope of FRS 39 are provided for the comparative period.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 have been described below:

- Trade and other receivables that were classified as loans and receivables under FRS 39 are now classified at amortised cost; and

- SFRS(I) 9 replaces the 'incurred loss' model in FRS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost. An additional allowance for impairment on receivables from subsidiaries of US$1.3 million was recognised in opening retained earnings of the company at 1 April 2018 on transition to SFRS(I) 9.

34. Changes in accounting policies and restatement of comparative figures (cont'd)

The application of SFRS(I) 9 impairment requirements at 1 April 2018 results in additional allowances for impairment as follows:

	Company 2019 US$'000
Loss allowance at 31 March 2018 under FRS 39	5,759
Additional impairment recognised on trade receivables as at 31 March 2018	1,333
Loss allowance at 1 April 2018 under SFRS(I) 9	7,092

The following table below explain the original measurement categories under FRS 39 and the new measurement categories under SFRS(I) 9:

	Company			
	Original classification under FRS 39 As at 31.03.2018	New classification under SFRS(I) 9 As at 01.04.2018	Original carrying amount under FRS 39 As at 31.03.2018 US$'000	New carrying amount under SFRS(I) 9 As at 01.04.2018 US$'000
Statement of financial position:				
Trade and other receivables	Loans and receivables	Amortised cost	29,257	28,125

Additional information about how the group and the company measure the allowance for impairment is described in Note 18.

Management has assessed that the adoption of the SFRS(I) 9 does not have a material impact to the group's opening retained earnings.

STATISTICS OF SHAREHOLDINGS

As at 25 June 2019

Issued and fully paid share capital	:	S$88,658,762.62
Total number of shares in issue	:	302,996,792
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.

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 37.21% of the issued ordinary shares of the Company were held in the hands of the public as at 25 June 2019 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	58	6.09	47,800	0.01
1,001 – 10,000	430	45.12	3,077,800	1.02
10,001 – 1,000,000	449	47.11	26,309,698	8.68
1,000,001 and above	15	1.57	273,561,493	90.29
TOTAL	953	100.00	302,996,792	100.00

As at 25 June 2019

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	MAYBANK KIM ENG SECURITIES PTE LTD	119,794,914	39.54
2	RAFFLES NOMINEES (PTE) LIMITED	54,425,671	17.96
3	CITIBANK NOMINEES SINGAPORE PTE LTD	28,678,221	9.46
4	DBS NOMINEES PTE LTD	24,464,087	8.07
5	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	6,704,800	2.21
6	OCBC SECURITIES PRIVATE LTD	6,575,200	2.17
7	RHB SECURITIES SINGAPORE PTE LTD	6,108,500	2.02
8	HO CHEE TONG	5,000,000	1.65
9	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	4,907,000	1.62
10	QUAH SUAT LAY NANCY (KE XUELI NANCY)	4,836,600	1.60
11	HSBC (SINGAPORE) NOMINEES PTE LTD	4,330,900	1.43
12	CHONG YEAN FONG	3,000,000	0.99
13	LIU NAN	1,858,500	0.61
14	UOB KAY HIAN PTE LTD	1,804,200	0.60
15	PHILLIP SECURITIES PTE LTD	1,072,900	0.35
16	OR LAY HUAT DANIEL	650,000	0.21
17	ABN AMRO CLEARING BANK N.V.	625,000	0.21
18	LEE KEE SAN	523,000	0.17
19	LIM AND TAN SECURITIES PTE LTD	463,400	0.15
20	DBSN SERVICES PTE LTD	428,900	0.14
		276,251,793	91.16

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
Name	Number of Shares	%	Number of Shares	%
Ho Kwok Wai[1]	–	–	164,749,871	54.37
Mark Francis Bedingham[2]	–	–	24,508,321	8.09
Jet Palace Holdings Limited[3]	–	–	33,400,000	11.02
Taipan Grand Investments Limited[4]	–	–	77,933,000	25.72

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 24,508,321 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 at 10 Anson Road, #29-06 International Plaza, Singapore 079903 on Monday, 29 July 2019 at 2.00 p.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 2019 together with the Independent Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of S$240,000 for the financial year ended 31 March 2019. (2018: S$240,000) **(Resolution 2)**

3. To re-elect Mr Wong Yen Siang, 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 3)**

4. To re-elect Mr Wee Sung Leng, a Director retiring under Article 91 of the Company's Constitution and who being eligible, will offer himself for re-election. (see explanatory note 2) **(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 3)

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 4)

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 5)

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 July 2019

EXPLANATORY NOTES:

1. Mr Wong Yen Siang will, upon re-election as a Director of the Company, continue to serve as the Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee. 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. Mr Wee Sung Leng will, upon re-election as a Director of the Company, continue to serve as the Chairman of the Remuneration Committee and Nominating Committee and a member of the Audit Committee. 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.

3. 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.

4. 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.

5. 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.

Notes:

(i) (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the Annual General Meeting ("AGM"). Where such member's form of proxy appoints more than one (1) proxy, the proportion of his/her shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak 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's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

(ii) A proxy need not be a member of the Company.

(iii) The instrument appointing a proxy or proxies must be deposited at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898 not less than forty-eight (48) hours before the time appointed for the AGM.

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 Wee Sung Leng and Mr Wong Yen Siang are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 29 July 2019 ("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 WONG YEN SIANG	MR WEE SUNG LENG
Date of Appointment	15 July 2005	6 November 2013
Date of last re-appointment	25 July 2017	26 July 2016
Age	62	53
Country of principal residence	Singapore	Singapore
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 Wong Yen Siang ("Mr Wong") for re-appointment as Lead Independent Director of the Company. The Board has reviewed and concluded that Mr Wong 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 Wee Sung Leng ("Mr Wee") for re-appointment as Independent Director of the Company. The Board has reviewed and concluded that Mr Wee 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	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director, Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee	Independent Director, Chairman of the Remuneration Committee and Nominating Committee and a member of the Audit Committee
Professional qualifications	Bachelor of Commerce	Bachelor of Accountancy

Name of Director	MR WONG YEN SIANG	MR WEE SUNG LENG
Working experience and occupation(s) during the past 10 years	Mr Wong started his career with a local bank after completed his Bachelor study. 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.	**Apr 2019 to present**: Independent Non-Executive Director, Combine Will International Holdings Limited **May 2018 to June 2019**: Chief Financial Officer, MoneyMax Financial Services Ltd.. **Sep 2017 to Apr 2018**: Finance Advisor, MoneyMax Financial Services Ltd. **May 2014 to Feb 2016**: General Manager, Head of Group Corporate Affairs, Straits Corporation Pte. Ltd. **May 2013 to May 2014**: Assistant Vice President, IL&FS Global Financial Services Pte Ltd **Sep 2008 to Oct 2012**: Executive Director & Co-Head, Maybank Kim Eng Corporate Finance Pte. Ltd.
Shareholding interest in the listed issuer and its subsidiaries	None	None
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)	None	1. MoneyMax Financial Services Ltd.
Present	Singapore Myanmar Investco Limited	1. Singapore Myanmar Investco Limited 2. Fortune Green Global Corp. 3. Combine Will International Holdings Limited

Name of Director	MR WONG YEN SIANG	MR WEE SUNG LENG
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/she was a partner at the time when he/she was a partner or at any time within 2 years from the date he/she 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/she was a director or an equivalent person or a key executive, at the time when he/she 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/she 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 WONG YEN SIANG	MR WEE SUNG LENG
(e) Whether he/she 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/she 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/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he/she 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/she 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/she 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

Name of Director	MR WONG YEN SIANG	MR WEE SUNG LENG
(j) Whether he/she has ever, to his/her 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
(i)in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(j) Whether he/she 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 WONG YEN SIANG	MR WEE SUNG LENG
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 an Independent Director of Singapore Myanmar Investco Limited since July 2005.	Yes He is an Independent Director of Singapore Myanmar Investco Limited since November 2013 and an Independent Non-Executive Director of Combine Will International Holdings Limited since April 2019.

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SINGAPORE MYANMAR INVESTCO LIMITED

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

PROXY FORM
ANNUAL GENERAL MEETING

Important:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") may attend and cast his vote(s) at the AGM in person. CPF Investors and SRS Investors who are unable to attend the AGM but would like to vote, may inform their Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF Investors and SRS Investors shall be precluded from attending the AGM.
2. This Proxy Form is not valid for use by CPF Investors and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We* ______________________________ (Name) NRIC/Passport number* ____________ of
____ (Address)
being a shareholder/shareholders* of SINGAPORE MYANMAR INVESTCO LIMITED (the "**Company**") hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

and/or*

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

or failing *him/her, the Chairman of the Annual General Meeting ("**AGM**") of the Company as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf at the AGM of the Company to be held at 10 Anson Road, #29-06 International Plaza, Singapore 079903 on Monday, 29 July 2019 at 2.00 p.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Ordinary Resolutions as set out in the Notice of AGM. In the absence of specific directions, the *proxy/proxies will vote or abstain as *he/they may think fit, as *he/they will on any other matter arising at the AGM.)

No.	Resolutions relating to:	For	Against
	Ordinary Business		
1.	Adoption of Directors' Statements and Audited Financial Statements for financial year ended 31 March 2019 together with the Independent Auditors' Report thereon		
2.	Approval of Directors' fees amounting to S$240,000 for financial year ended 31 March 2019		
3.	Re-election of Wong Yen Siang as a Director		
4.	Re-election of Wee Sung Leng 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		

* Delete accordingly

Dated this __________ day of ____________________ 2019

Total number of Shares held in:	No. of Shares
CDP Register	
Register of Members	

____
Signature(s) of Shareholder(s)
or Common Seal of Corporate Shareholder

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), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. 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. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one (1) proxy, the proportion of his/her shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as alternate to the first named proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak 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's form of proxy appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 (the "Act").

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy or proxies must be deposited at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898 not less than forty-eight (48) hours before the time appointed for the AGM.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.

6. Where an instrument appointing a proxy or proxies 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) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Act.

8. The submission of an instrument or form appointing a proxy by a member does not preclude him/her from attending and voting in person at the AGM if he/she so wishes.

9. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

10. The Company shall be entitled to reject the instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy or if the member, being the appointor, is not shown to have shares against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 July 2019.

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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
29-01 The Concourse
Singapore 199555
Tel: (65) 6718 6677
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)

SINGAPORE
MYANMAR
INVESTCO

Singapore Myanmar Investco Limited

300 Beach Road
#29-01 The Concourse
Singapore 199555
www.sin-mi.com

cre8
Tel: 63278398