



## Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

### Unaudited Financial Statements Announcement For the Reporting Year Ended 31 March 2020

## PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR AND FULL YEAR RESULTS

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

(In US\$'000)	Note	Group		%
		FY2020	FY2019	Increase/ Decrease
<b>Description</b>				
<b>Revenue</b>	1	20,881	23,370	(10.7)
Cost of Sales		(15,437)	(17,271)	(10.6)
<b>Gross Profit</b>	2	5,444	6,099	(10.7)
Gross Profit Margin		26.1%	26.1%	
<b>Other Items of Income</b>				
Other Income	3	538	756	(28.8)
Other Gains	4	23	2,416	(99.0)
<b>Other Items of Expenses</b>				
Selling & Distribution Costs	5	(2,181)	(1,736)	25.6
Administrative Expenses	6	(6,419)	(6,259)	2.6
Finance Costs	7	(1,039)	(1,302)	(20.2)
Other Charges	8	(6,773)	(2,439)	N.M
Share of results of Associates, net of tax		*	-	N.M
Share of results of jointly-controlled entities, net of tax		(55)	(108)	(49.1)
<b>Loss Before Income Tax from Continuing Operations</b>	9	(10,462)	(2,573)	N.M
Income Tax Benefit/(Expenses)		1	(16)	N.M
Loss from Continuing Operations, Net of Tax		(10,461)	(2,589)	N.M
Loss from Discontinued Operations, Net of Tax	10	(25)	(2,333)	(98.9)
<b>Loss, Net of Tax and total comprehensive loss</b>		<b>(10,486)</b>	<b>(4,922)</b>	<b>N.M</b>
<b>Loss, Net of Tax and total comprehensive loss, Attributable to:-</b>				
Equity holders of the Company		(10,394)	(4,741)	N.M
Non-Controlling Interests		(92)	(181)	(49.2)
<b>Loss, Net of Tax and total comprehensive loss</b>		<b>(10,486)</b>	<b>(4,922)</b>	<b>N.M</b>

\*less than \$1,000

N.M. denotes not meaningful

# Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

(In US\$'000)	Note	Group		%
		FY2020	FY2019	Increase/ (Decrease)
<b>1(a)(ii) Loss included the following:</b>				
Depreciation and amortisation of property, plant and equipment and intangible assets	11	(2,767)	(2,692)	2.8
Management fees	6	-	(84)	-
Inventory written off	2	-	(40)	-
Penalty and dues		-	(105)	-
Loss on disposal of property, plant and equipment	8	(293)	(207)	41.7
Loss allowance on trade and other receivables	8	(4,408)	(1,851)	138.1
Other income	3			
- Interest income		15	41	(63.4)
Other Gains	4	23	2,416	(99.0)
Finance costs				
- Interest expense	7	(1,039)	(1,302)	(20.2)

*N.M. denotes not meaningful*

## Current taxation

Provision for current year  
Overprovision in respect of prior year

## **Total**

*N.M. denotes not meaningful*

	Group		%
	FY2020	FY2019	Increase/ (Decrease)
	-	(16)	(100.0)
	1	-	-
	1	(16)	-

## **Explanatory notes on performance for FY2020:**

### 1. Revenue

Overall revenue decreased by US\$2.5 million or 10.7%, from US\$23.4 million in FY2019 to \$20.9 million for FY2020 mainly due to a change in business mix as well as the initial impact of the COVID-19 pandemic towards the end of our financial year ended 31 March 2020 ("FY2020").

Whilst Travel and Fashion retail sales were experiencing double digit growth in the first 9 months, however it suffered a sharp decline in the last quarter of the FY2020 (Jan to March 2020) due to travel restrictions implemented with effect from February 2020 as a result of COVID-19. The full year revenue from this segment for FY2020 remained relatively flat at US\$16.2 million.

With the opening of new retail outlets in FY2020, revenue for our Food & Beverages segment increased by US\$0.5 million or 27.8%, from US\$1.8 million to US\$2.3 million. The COVID-19 restrictions resulted in a reduction in mall traffic in the last quarter of FY2020 which impacted on our revenue for domestic retail and F&B businesses.

The decline in revenue for Auto services reflected the decision to downsize the fleet. A decision has also been made during FY2020 to significantly reduce the exposure to Construction Equipment sector which is reflected in minimal sales in FY2020. With the decision to reduce our exposure for the Construction and Auto services, Fashion & Travel was our largest segment and represented 78.1% of our Group total revenue, followed by Food and Beverages at 11.0%.

## Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

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### 2. Gross Profit

The Gross profit margin has been maintained at approximately 26% in spite of the decision to reduce the CAPEX usage fee related to our retail business.

The CAPEX usage fee are charges made to the local business partner, Royal Golden Sky (RGS), for the use of the stores and restaurants, including fixtures and fittings, investment at the airport.

### 3. Other Income

Other income relates to the finance leases offered to customers, commission income, consultancy fees charged to the joint venture and franchise income.

The reduction in other income was mainly attributable to lower franchise fees earned from Construction services' local equipment distributor.

### 4. Other Gains

In FY2019, Other Gains relate mainly to the once off recognition of a forfeiture of deposit from a potential tower buyer of US\$1.8 million and US\$0.6 million of foreign exchange gain.

### 5. Selling & Distribution Costs

Selling & Distribution costs for FY2020 increased by US\$0.4 million from FY2019 due mainly to the increased cost related to the opening of new F&B outlets.

### 6. Administrative Expenses

Administrative expenses increased by US\$0.2 million mainly due to one-time non-cash performance share plan expenses of US\$0.4 million.

### 7. Finance Costs

Finance costs decreased by US\$0.3 million mainly attributable to lower bank borrowings.

### 8. Other Charges

Other Charges of US\$6.8 million relate to impairment losses of US\$4.4 million, of which; US\$0.5 million on Construction receivables, US\$0.4 million on F&B receivables, and US\$3.5 million on Retail trade receivables.

A one-time bonus incentive payment of US\$0.4 million in recognition of successful business disposal and on-going business restructuring. Donations of US\$0.1 million to Room to Read charity program, SMI's major CSR program, which commenced in January 2018.

A one-off loss on disposal of furniture and fittings of US\$0.3 million related to the office move in Yangon. A US\$1.2 million write-off composed of a PPE write-off of US\$0.8 million in relation to the closure of a F&B outlet and US\$0.4 million impairment allowance related to F&B and service office property, plant and equipment based on ECL assessment.

There was also a net exchange loss of US\$0.4 million from the revaluation of the Myanmar Kyat denominated loans due to the weakening of the US Dollar.

### 9. Loss before income tax from continuing operations

Excluding the impairment loss on receivables of US\$4.4 million, one-time bonus of US\$0.4 million and loss on disposal of furniture and fittings of US\$1.0 million, the Group loss before tax from continuing operations would have been US\$4.6 million for FY2020.

### 10. Discontinued operations

As at 11 April 2019, the Company, together with its subsidiary, Myanmar Infrastructure Group Pte Ltd. ("MIG") entered into a tower asset sale and transfer agreement with Irrawaddy Green Towers Limited and Irrawaddy Towers Asset Holding Pte. Ltd. ("IGT") for the sale of all TPR's telecommunications towers in Myanmar. TPR's results are presented separately in the consolidated income statement as "Discontinued operation".

Further to the extraordinary general meeting held on 18<sup>th</sup> September 2019 at which shareholders voted in favour of the disposal, all the conditions precedent for the Proposed Disposal had been fulfilled or waived and the tower sale was completed.

The balance 15% of the Purchase Price was received on 9 October 2019.

## Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

### 10. Note 10 continued

(In US\$'000) Description	Note	FY2020	FY2019
<b>Revenue</b>		599	2,628
Cost of Sales	a	(257)	(2,659)
<b>Gross Profit</b>		342	(31)
<b>Other Items of Income</b>			
Other Gains		8	30
<b>Other Items of Expenses</b>			
Distribution Costs		-	(29)
Administrative Expenses	c	(260)	(632)
Finance Costs		-	(118)
Other Charges	b	(115)	(1,553)
Loss Before Income Tax from Discontinued Operations		(25)	(2,333)
<b>Loss from Discontinued Operations, Net of Tax</b>		(25)	(2,333)

- a. Includes a US\$1.1 million penalty cost payable to a Tower supplier in FY2019
- b. Includes a US\$0.3 million loss on disposal of equipment and a US\$1.1 million impairment on property, plant and equipment in FY2019
- c. Includes a US\$72K impairment loss on trade receivables during FY2020 and reflects reduced operating costs related to the exit of the business

### 11. Depreciation and Amortisation

Depreciation was in line with previous year.

# Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

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

(In US\$'000) Description	Note	Group		Company	
		31/03/2020	31/03/2019	31/03/2020	31/03/2019
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipment	12	10,104	12,998	592	957
Intangible Assets	13	492	676	-	-
Right-of-use Assets	14	232	-	232	-
Investments in Subsidiaries		-	-	181	4,569
Investments in Jointly-Controlled Entities		451	356	650	650
Investments in Associates		-	-	-	-
Trade and Other Receivables, Non-Current	15	14,599	-	-	-
Other Assets, Non-Current	16	73	88	23	32
<b>Total Non-Current Assets</b>		<b>25,951</b>	<b>14,118</b>	<b>1,678</b>	<b>6,208</b>
<b>Current Assets</b>					
Inventories	17	487	52	-	-
Trade and Other Receivables, Current	15	12,097	25,472	29,185	28,542
Other Assets, Current	16	792	1,514	597	122
Cash and Cash Equivalents		872	824	42	180
Assets classified as held for sale	18	-	7,927	-	-
<b>Total Current Assets</b>		<b>14,248</b>	<b>35,789</b>	<b>29,824</b>	<b>28,844</b>
<b>Total Assets</b>		<b>40,199</b>	<b>49,907</b>	<b>31,502</b>	<b>35,052</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity Attributable to equity holders of the company</b>					
Share Capital		59,862	59,862	59,862	59,862
Accumulated Losses		(45,580)	(35,186)	(38,515)	(34,519)
Employee share option reserve		515	81	515	81
<b>Total Equity attributable to Owners of the Parent</b>		<b>14,797</b>	<b>24,757</b>	<b>21,862</b>	<b>25,424</b>
Non-Controlling Interests		27	119	-	-
<b>Total Equity</b>		<b>14,824</b>	<b>24,876</b>	<b>21,862</b>	<b>25,424</b>
<b>Non-Current Liabilities</b>					
Lease Liability, Non-Current	14	169	-	169	-
Other Financial Liabilities, Non-Current	20	2,062	2,494	1,550	1,550
<b>Total Non-Current Liabilities</b>		<b>2,231</b>	<b>2,494</b>	<b>1,719</b>	<b>1,550</b>
<b>Current Liabilities</b>					
Trade and Other Payables	19	9,891	8,525	2,689	2,764
Income and Other Tax Payable		937	1,105	4	164
Lease Liability, Current	14	78	-	78	-
Other Financial Liabilities, Current	20	12,238	12,907	5,150	5,150
<b>Total Current Liabilities</b>		<b>23,144</b>	<b>22,537</b>	<b>7,921</b>	<b>8,078</b>
<b>Total Liabilities</b>		<b>25,375</b>	<b>25,031</b>	<b>9,640</b>	<b>9,628</b>
<b>Total Equity and Liabilities</b>		<b>40,199</b>	<b>49,907</b>	<b>31,502</b>	<b>35,052</b>

## Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

### 1(b)(i) Explanatory notes on financial position as at 31 March 2020:

#### Financial position

The Group's total assets stood at US\$40.2 million as at 31 March 2020, a decrease of US\$9.7 million or 19.5%, from US\$49.9 million as at 31 March 2019.

The net decrease of US\$9.7 million includes US\$7.9 million reduction in Assets held for sale, depreciation charge of US\$2.7 million and a reduction of other assets of US\$0.7 million, and in addition there was an increase in impairment allowance of US\$4.5 million and US\$0.3 million reduction in other receivables,

partially offset by;

- (i) the increase in trade receivables of \$4.5 million,
- (ii) a US\$1.5 million increase of receivables from Joint Ventures and Associates,
- (iii) US\$0.4 million increase in inventory.

12. Property, Plant and Equipment

Decrease of US\$2.9 million in PPE is mainly attributable to depreciation which is partially offset by additional capital expenditure incurred for new retail shops and F&B outlets in domestic malls.

13. Intangible Assets

The decrease in intangible assets is mainly attributable to amortisation on license fees and franchise fees.

14. Right-of-use asset / Lease liability

The Group has adopted SFRS (I) 16 for FY2020 and has recognised a right-of-use asset of US\$0.2 million and lease liability for leases that are longer than 12 months, mainly the Singapore office lease.

15. Trade and Other Receivables

Trade and Other Receivables increased mainly due to higher sales and slower collections from local retail distributor ("RGS"). The Group had extended more credit and credit terms to RGS to finance its inventory and distribution channels, whilst taking advantage of the growth in travel retail business. Details of the Trade and Other Receivables are set out below:-

	Mar-20	Mar-19	Var
Trade Receivables	\$'000	\$'000	\$'000
Third Parties	30,487	25,989	4,498
Less: Allowance for impairment	(6,331)	(1,851)	(4,480)
Net trade receivables	24,156	24,138	
<b><u>Non trade &amp; other receivables</u></b>			
Deferred consideration from disposal of subsidiaries	575	672	(97)
Others	32	118	(87)
Less: Allowance for impairment	(401)	(401)	0
Net non trade receivables	206	389	(184)
Joint Ventures	949	436	513
Associates	948	-	948
GST/commercial tax receivable	437	509	(72)
<b>Total trade and other receivables</b>	<b>26,696</b>	<b>25,472</b>	

The increase in trade receivables was mainly attributable to increased sales to our local business partner, Royal Golden Sky Co. Ltd ("RGS"). However, the impact of COVID-19 has resulted in reduced payments from our local business partner, but are expected to recover after the airport reopens.

## Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

Aging of the Group's trade receivables as at 31 March 2020 is given in Table 3 below:

	Mar-20		Mar-19	
<b>Trade Receivables Aging</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>%</b>
Within credit terms	2,854	9%	6,412	25%
<u>Past due :</u>				
91 - 150 days	2,645	9%	2,850	11%
151 - 365 days	10,918	36%	10,613	41%
Over 365 days	14,070	46%	6,114	23%
Provision for impairment losses	(6,331)		(1,851)	
<b>Total</b>	<b>24,156</b>		<b>24,138</b>	

16. Other Assets  
Other assets relate mainly to prepayments and advance payments to suppliers. The decrease of US\$0.7 million is due mainly to timing differences of US\$0.3 million related to prepayments and advance payments from Retail payables at the end of the year (March 2020) and US\$0.4 million related to the business held for disposal in FY2019, which has subsequently been exited in FY2020.
17. Inventories  
Inventories relate mainly to the temporary build up of stock in Singapore due to reduced shipments to Myanmar due to COVID-19 impact.
18. Assets classified as held for sale  
Upon completion of the tower sale in September, assets previously classified as held for sale have been sold.
19. Trade and Other Payables  
Trade and other payables increased mainly due to the higher trade payables.

The breakdown for trade and other payables are as follows:

	FY2020	FY2019
Trade payables	7,725	6,362
Accrued liabilities	1,769	1,605
Joint ventures	29	7
Deposits from customers	77	111
Deferred income	25	42
Others	266	398
	<b>9,891</b>	<b>8,525</b>

The increase in trade payables is mainly attributable to increased purchases to support higher sales to retail distributor and F&B franchise business (prior to the onset of COVID-19) as shown in the table below.

In US\$'000	Trade payables by Segment		%
	31-Mar-20	31-Mar-19	Change
Travel and fashion retail	4,825	3,937	23%
Construction services	-	8	-100%
Auto services	456	503	-9%
Food and beverages	1,221	742	65%
Discontinued operations	35	340	-90%
Unallocated	1,188	832	43%
<b>Total</b>	<b>7,725</b>	<b>6,362</b>	<b>21%</b>

## Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

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20. Financial Liabilities  
Decrease in financial liabilities was mainly due to repayment of some of the bank loans.

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

(In US\$'000)	As at 31/03/2020	As at 31/03/2019
	Secured	Secured
Amount repayable in one year or less, or an demand	7,088	7,757
Amount repayable after one year	512	944
<b>Total</b>	<b>7,600</b>	<b>8,701</b>

#### Details of any collateral

The banking facilities of the Group as at 31 March 2020 comprise loans and overdrafts. These facilities are secured by:

- (i) corporate guarantees from the Company
- (ii) charge over its subsidiaries' fixed deposit and trade receivables

Subsequent to year end, a term loan facility of US\$ 0.2 million was discharged upon repayment. An additional shareholder loan of US\$390K was made in June.



## Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

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

(In US\$'000)	Group	
	12 months ended 31/03/2020 (FY2020)	12 months ended 31/03/2019 (FY2019)
<b>Cash Flows from Operating Activities</b>		
Loss before tax from Continuing Operations	(10,462)	(2,573)
Profit/(Loss) before tax from Discontinued Operations	(25)	(2,333)
	(10,487)	(4,906)
Adjustments for:		
Depreciation of property, plant and equipment	2,468	4,200
Depreciation of right-of-use assets	117	-
Amortisation of intangible assets	195	181
Impairment loss on trade and other receivables	4,480	1,851
Interest income	(15)	(41)
Interest expense	1,039	1,363
Impairment losses on property, plant and equipment	395	1,320
Loss on disposal of property, plant and equipment	311	432
Property, plant and equipment written off	795	18
Inventory written off	-	38
Share of results of jointly-controlled entity - net of tax	55	108
Share of results of associates - net of tax	*	-
Non-cash share based payments	434	52
Foreign exchange adjustment – unrealised loss/(gain)	298	(500)
Operating Cash Flows before Changes in Working Capital	85	4,116
<b>Changes in working capital</b>		
Inventories	(435)	350
Trade and Other Receivables	(5,704)	(336)
Other Assets	714	698
Trade and Other Payables	1,205	(4,064)
Net Cash Flows (used in)/generated from Operations	(4,135)	764
Income tax paid	1	(20)
Net Cash Flows (used in)/generated from Operating Activities	(4,134)	744
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(1,644)	(1,177)
Acquisition of jointly-controlled entity	(150)	-
Purchase of intangible assets	-	(311)
Proceeds from disposal of tower stock & plant and equipment	8,375	1,561
Interest received	14	41
Net Cash Flows generated from Investing Activities	6,595	114
<b>Cash Flows from Financing Activities</b>		
Decrease in restricted fixed bank deposits	125	426
Repayment of finance leases	(1,129)	(171)
Repayment of borrowings	(389)	(2,693)
Loans from shareholders	-	2,700
Interest paid	(866)	(933)
Net Cash Flows used in from Financing Activities	(2,259)	(671)
<b>Net increase in Cash and Cash Equivalents</b>	<b>202</b>	<b>187</b>

## Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	(3,330)	(3,491)
Effect of exchange rate changes on cash balances held in foreign currencies	(322)	(26)
<b>Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance</b>	<b>(3,450)</b>	<b>(3,330)</b>

\*Denotes lesser than USD \$1,000

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

(In US\$'000)	Group	
	As at 31/03/2020	As at 31/03/2019
Cash and bank balances	743	748
Bank overdraft	(4,302)	(4,010)
Restricted fixed bank deposits	(20)	(144)
Discontinued operations	129	76
	(3,450)	(3,330)

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

### Cash flow statement

As at the end of the reporting period, the Group's cash and cash equivalents decreased by US\$0.1 million from a deficit of US\$3.3 million as at 31 March 2019 to a deficit of US\$3.4 million as at 31 March 2020.

Net cash flows used in operating activities for FY2020 amounted to US\$4.1 million is mainly attributable to the increase in receivables.

Net cash flows generated from investing activities of US\$6.6 million for FY2020 was mainly from the sales proceeds of US\$8.4 million from disposal of tower stock, partially offset by US\$1.7 million for purchase of property, plant and equipment.

Net cash flows used in financing activities amounted to US\$2.3 million for FY2020. This was mainly due to repayment of US\$1.4 million of finance lease and bank borrowings and US\$0.9 million of borrowing costs.

## Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

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

Group (In US\$'000)	Share Capital A	Accumulated Losses B	Employee share option reserve C	Attributable to Parent D = A + B + C	Non- Controlling Interests E	Total Equity F = D + E
Opening Balance at 1 April 2019	59,862	(35,186)	81	24,757	119	24,876
<b>Movement in Equity:</b>						
Total comprehensive loss for the year	-	(10,394)	-	(10,394)	(92)	(10,486)
Grant of equity-settled performance share plan	-	-	434	434	-	434
<b>Closing Balance at 31 March 2020</b>	<b>59,862</b>	<b>(45,580)</b>	<b>515</b>	<b>14,797</b>	<b>27</b>	<b>14,824</b>
Opening Balance at 1 April 2018	59,862	(30,445)	29	29,446	300	29,746
<b>Movement in Equity:</b>						
Total comprehensive loss for the year	-	(4,741)	-	(4,741)	(181)	(4,922)
Grant of equity-settled share options to employees	-	-	52	52	-	52
<b>Closing Balance at 31 March 2019</b>	<b>59,862</b>	<b>(35,186)</b>	<b>81</b>	<b>24,757</b>	<b>119</b>	<b>24,876</b>

Company (In US\$'000)	Share Capital	Accumulated losses	Employee share option reserve	Total Equity
Opening Balance at 1 April 2019	59,862	(34,519)	81	25,424
<b>Movement in Equity:</b>				
Total comprehensive loss for the year	-	(3,996)	-	(3,996)
Grant of equity-settled performance share plan	-	-	434	434
<b>Closing Balance at 31 March 2020</b>	<b>59,862</b>	<b>(38,515)</b>	<b>515</b>	<b>21,862</b>
Opening Balance at 1 April 2018	59,862	(22,654)	29	37,237
Adjustments to beginning balance		(1,333)		(1,333)
<b>Movement in Equity:</b>				
Total comprehensive income for the year	-	(10,532)	-	(10,532)
Equity share options issued	-	-	52	52
<b>Closing Balance at 31 March 2019</b>	<b>59,862</b>	<b>(34,519)</b>	<b>81</b>	<b>25,424</b>

## Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

### **(A) Employee Share Option Plan**

The Group's Employee Share Option Scheme ("SMI ESOS") was approved and adopted at the Extraordinary General Meeting ("EGM") of the Company held on 25 July 2017. Under the SMI ESOS, 1,345,000 share options (31 March 2019: 1,360,000) were granted by the Company during FY2020.

The movement of share options of the Company during the reporting period ended 31 March 2020 is as follows:

Date of grant/(forfeiture)	Balance outstanding at 1 April 2019	Number of share options granted	Number of share options forfeited	Balance outstanding at 31 March 2020
Jun'19	1,483,400	1,345,000	-	2,828,400
Jul'19	-	-	(390,000)	(390,000)
Oct'19	-	-	(90,000)	(90,000)
Dec'19	-	-	(488,400)	(488,400)
Jan'20	-	-	(15,000)	(15,000)
Feb'20	-	-	(100,000)	(100,000)
Mar'20	-	-	(353,400)	(353,400)
<b>Total</b>	<b>1,483,400</b>	<b>1,345,000</b>	<b>(1,436,800)</b>	<b>1,391,600</b>

### **(B) Performance Share Plan**

The Group's Performance Share Plan ("PSP") was adopted at an Extraordinary General Meeting on 30 June 2014.

The Company has on 13 June 2019, granted a total of 4,500,000 share award under the SMI Performance Share Plan to Mark Francis Bedingham, a Director of the Company. The share has a vesting period of 24 months from 1 April 2019.

The Company has on 27 March 2020, granted a total of 14,000,000 share award under the SMI Performance Share Plan to Mark Francis Bedingham, a Director of the Company.

The movement of shares of the Company during the reporting year ended 31 March 2020 is as follows:

Date of grant	Balance outstanding at 1 April 2019	Number of shares granted	Number of shares issued	Number of shares forfeited	Balance outstanding at 31 March 2020
13/06/2019	-	4,500,000	-	-	4,500,000
27/03/2020	-	14,000,000	-	-	14,000,000
<b>Total</b>	<b>-</b>	<b>18,500,000</b>	<b>-</b>	<b>-</b>	<b>18,500,000</b>

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

Company	31/03/2020	31/03/2019
The total number of issued shares	302,496,792	302,996,792

The Company did not hold any treasury shares as at 31 March 2020 and 31 March 2019.

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

Not applicable.

## Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

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

The figures are unaudited.

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

Not applicable.

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

Except as disclosed in Note 5 below, the Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current financial period and the most recent audited financial statements for the financial year ended 31 March 2019.

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

The Group has adopted all the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) ("INTFRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2019. The application of the new and revised standards and interpretations has no material effect on the financial statements, except for the adoption of SFRS(I) 16 - Leases.

The Group has adopted the new SFRS(I) 16 – Leases on 1 April 2019. The standard required a lessee to recognise the rights to use leased assets as Right-Of-Use ("ROU") asset and a lease liability representing its obligation to make lease payments.

The Group applied the standard using the modified retrospective approach, therefore the comparative figures for FY2019 have not been restated. At the date of initial application, the Group has applied the practical expedient to recognise the amount of ROU assets equal to the lease liabilities as at 1 April 2019. Subsequent to the initial recognition, the Group depreciates the ROU assets over its lease term and recognise interest expenses on the lease liabilities.

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

(In US cents)	Group	
	FY2020	FY2019
Loss per share ("EPS") for the period (Based on the average number of ordinary shares)		
<i>Basic</i>		
Continuing operations	(3.42)	(0.53)
Discontinued operations	(0.01)	(0.30)
	(3.43)	(0.83)
Weighted average number of shares	302,996,792	302,996,792
<i>On a fully diluted basis</i>		
Continuing operations	(3.23)	(0.53)
Discontinued operations	(0.01)	(0.30)
	(3.24)	(0.83)
Weighted average number of shares	321,496,792	302,996,792

## Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

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

(In US cents)	Group		Company	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
Net asset value per ordinary share	4.88	8.16	7.22	8.39

Net asset value per ordinary share was calculated based on the total number of issued shares of 302,996,792 as at 31 March 2020 (31 March 2019: 302,996,792).

## Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

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

### **Review of FY2020 vs FY2019**

A breakdown of our revenue and profit before tax derived from our businesses for the FY2020 and FY2019 is as set out below: -

Revenue	First Half (FY2020)		First Half (FY2019)	
	US\$'000	%	US\$'000	%
Travel and fashion retail	8,959	78.4	8,003	66.1
Construction services	375	3.3	1,681	13.9
Auto services	803	7.0	1,282	10.6
Food and beverages	1,117	9.8	806	6.7
Others	178	1.5	335	2.7
<b>Total</b>	<b>11,432</b>	<b>100.0</b>	<b>12,107</b>	<b>100.0</b>

Revenue	Second Half (FY2020)		Second Half (FY2019)	
	US\$'000	%	US\$'000	%
Travel and fashion retail	7,343	77.7	8,174	72.6
Construction services	1	*	840	7.5
Auto services	766	8.1	1,063	9.4
Food and beverages	1,175	12.4	968	8.6
Others	164	1.7	218	1.9
<b>Total</b>	<b>9,449</b>	<b>100.0</b>	<b>11,263</b>	<b>100.0</b>

## Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

<b>Profit/(Loss) after income tax</b>	<b>First Half (FY2020)</b>	<b>First Half (FY2019)</b>
Travel and fashion retail	1,719	2,843
Construction services	50	221
Auto services	(12)	(126)
Food and beverages	(396)	(367)
Others	(62)	(28)
	1,299	2,543
Unallocated expenses:		
Head office expenses	(3,196)	(2,382)
Finance income	9	22
Finance charges	(531)	(694)
Share of results of associates, net of tax	-	-
Share of results of jointly-controlled entities, net of tax	(52)	(43)
Income tax expenses	(65)	(92)
Loss from continuing operations	(2,536)	(646)
Loss from discontinued operations	19	(695)
<b>Loss after income tax</b>	<b>(2,517)</b>	<b>(1,341)</b>

<b>Profit/(Loss) after income tax</b>	<b>Second Half (FY2020)</b>	<b>Second Half (FY2019)</b>
Travel and fashion retail	(3,754)	949
Construction services	(456)	(855)
Auto services	46	(410)
Food and beverages	(757)	(258)
Others	(214)	1,549
	(5,135)	975
Unallocated expenses:		
Head office expenses	(2,351)	(2,340)
Finance income	6	19
Finance charges	(508)	(608)
Share of results of associates, net of tax	*	-
Share of results of jointly-controlled entities, net of tax	(3)	(65)
Income tax expenses	66	76
Loss from continuing operations	(7,925)	(1,943)
Loss from discontinued operations	(44)	(1,638)
<b>Loss after income tax</b>	<b>(7,969)</b>	<b>(3,581)</b>

Note: Profit/(loss) before tax for each business included revenue and costs that were directly attributable to each business.

### Revenue

Revenue from **Retail** segment at US\$16.3 million was flat compared to FY2019 despite better revenue for the first nine months of the year; after which revenue was negatively impacted by COVID due to lower passenger traffic at the Yangon International Airport ("YIA") in February and March and included lower CAPEX usage fees of \$0.8 million for FY2020.



## Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

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Revenue from **F&B** segment increased by 29.2% on the back of new F&B outlets in the domestic market in FY2020.

A decision has been taken to significantly reduce the size of the fleet for Auto as we believe the conditions for developing the business no longer exists.

The Construction services industry shows limited growth and hence our continual focus will be on account receivables collection and stock depletion. We do not expect to continue to be an importer of Construction equipment in the future.

### **EBITDA**

The Group increased loss of US\$3.5 million recurring EBITDA for FY2020 was mainly a reflection of reduced sales from the Retail business due to the impact of COVID-19 in the last few months of FY2020 as well as lower CAPEX usage charges.

The increase in Distribution expenses of US\$0.4 million is mainly due to operating costs (staff and rental) to operate the F&B Franchise business in the domestic market; which commenced operations in November 2017.

### **Loss from continuing operations, net of tax**

In accordance to SFRS(I) 9, the Group made an assessment of the Expected Credit Losses ("ECL") on trade receivables from our F&B, retail and equipment distributor and provided for an impairment loss of US\$4.4 million on trade receivables. Excluding the ECL of US\$4.4 million, the Group loss before tax would have been US\$5.7 million for FY2020 (FY2019: US\$4.9 million).

### **Loss from discontinued operations, net of tax**

The loss for FY2020 is immaterial as most of the operations of the disposed Tower business has ceased with effect from October 2019.

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

No forecast or prospect statement was disclosed to shareholders previously.

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

The Yangon International Airport has been closed since March 30<sup>th</sup>. No official announcement has been made as to the reopening of the airport. As travel retail sales represents approximately 70% of our revenue, the Company has taken a prudent view as to when the reopening may occur and has put in place strong cost reduction measures including reduced salaries, unpaid leave provisions, and has embarked on extensive rent reduction and rent mitigation with its landlords.

## 11 Dividend

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

None.

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

Not applicable.

### (c) Date Payable

Not applicable.

### (d) Books Closure Date

Not applicable.

## Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

### 12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared/recommended for the financial year ended 31 March 2020 because the Company is loss-making.

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

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

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

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

### 15. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the company or any of its principal subsidiaries who is a relative of a director or Chief Executive Officer or substantial shareholder of the Company.

### 16 Use of proceeds

- (i) As at the date of this announcement, the net proceeds from the placement of 7,740,000 new shares of the Company at S\$0.40 per share (after deducting expenses) had been fully utilised as follows:

(In US\$'000)	Amount allocated	Amount utilised	Balance
Construction and fit out duty-free retail shops in Yangon Airport and purchase of duty-free merchandise	1,704	1,704	-
Construction of warehouse in Myanmar in relation to the Group's logistics business	408	408	-
	2,112	2,112	-

- (ii) As at the date of this announcement, the net proceeds from the placement of 41,370,000 new shares of the Company at S\$0.42 per share (after deducting expenses) had been fully utilised as follows:

(In US\$'000)	Amount allocated	Amount utilised	Balance
Construction of duty-free retail shops and the purchase of duty-free merchandise	3,393	3,393	-
Repayment of loan	674	674	-
Construction of warehouse in Myanmar in relation to the Group's logistics business	340	340	-
Construction of telecommunication towers	1,963	1,963	-
Fit out of F&B outlets and purchase of F&B merchandise	920	920	-
ERP implementation	301	301	-
Working capital	4,301	4,301	-
	11,892	11,892	-

## Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

(iii) As at the date of this announcement, the net proceeds from the placement of 15,411,600 new shares of the Company at S\$0.48 per share (after deducting expenses) had been fully utilised as follows:

(In US\$'000)	Amount allocated	Amount utilised	Balance
Repayment of existing loans, borrowings and borrowing costs	523	1,258	(735)
Construction of retail shops and purchase of merchandise for the Group's retail business	1,568	1,240	328
Fit out of F&B outlets and purchase of F&B merchandise	1,568	24	1,544
Construction of service centres for the auto and construction business	523	345	178
Working capital	1,045	1,590	(545)
Others	-	770	(770)
	5,227	5,227	-

## Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

### PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

17 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

(a) Business Segment

<b>FY2020 (In US\$'000)</b>	<b>Travel and fashion retail</b>	<b>Construction services</b>	<b>Auto services</b>	<b>Food and beverages</b>	<b>Unallocated</b>	<b>Total</b>	
Total revenue by Segment	16,302	376	1,569	2,292	342	20,881	
Recurring EBITDA	3,862	51	136	(467)	(5,502)	(1,920)	
Interest income	-	6	8	-	1	15	
Finance costs	(651)	(65)	(139)	-	(184)	(1,039)	
Depreciation, amortisation and impairment	(5,897)	(457)	(102)	(686)	(321)	(7,463)	
ORBIT	(2,686)	(465)	(97)	(1,153)	(6,006)	(10,407)	
<i>ORBIT Margin</i>	<i>(16.5%)</i>	<i>N.M.</i>	<i>(6.2%)</i>	<i>(50.3%)</i>	<i>N.M.</i>	<i>(49.8%)</i>	
Profit/(Loss) before tax from continuing operations	(2,686)	(465)	(97)	(1,153)	(6,006)	(10,407)	
Income tax credit						1	
Share of results of JV - net of tax						(55)	
Loss after tax from continuing operations						(10,461)	
Loss from discontinued operations						(25)	
Loss for the year						(10,486)	
	<b>Travel and fashion retail</b>	<b>Construction services</b>	<b>Auto services</b>	<b>Food and beverages</b>	<b>Discontinued operations</b>	<b>Unallocated</b>	<b>Total</b>
<u>Other information:</u>							
Total group assets	30,339	1,660	1,480	3,181	282	3,257	40,199
Total group liabilities	12,001	191	2,380	1,448	151	9,204	25,375
Expenditure for non-current assets	1,197	-	-	275	14	158	1,644

## Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

<b>FY2019 (In US\$'000)</b>	<b>Travel and fashion retail</b>	<b>Construction services</b>	<b>Auto services</b>	<b>Food and beverages</b>	<b>Unallocated</b>	<b>Total</b>	
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)	
<i>ORBIT Margin</i>	18.7%	(29.3%)	(32.8%)	(35.2%)	N.M.	(10.5%)	
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)	
	<b>Travel and fashion retail</b>	<b>Construction services</b>	<b>Auto services</b>	<b>Food and beverages</b>	<b>Discontinued operations</b>	<b>Unallocated</b>	<b>Total</b>
<u>Other information:</u>							
Total group assets	28,398	4,060	1,788	3,326	10,913	1,422	49,907
Total group liabilities	10,548	964	2,788	830	755	9,146	25,031
Expenditure for non-current assets	343	-	1,036	615	109	52	2,155

## Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting year ended 31 March 2020

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### (b) Geographical Segment

(In US\$'000)	FY2020	FY2019
Singapore	-	-
Myanmar	20,881	23,370
	<u>20,881</u>	<u>23,370</u>

18 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item 8 above.

### BY ORDER OF THE BOARD

**Mark Francis Bedingham**

Executive Director

28 Aug 2020