

SINGAPORE MYANMAR INVESTCO LIMITED

(Registration No. 200505764Z)

(Incorporated in Singapore)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL

The Board of Directors (the “Board”) of Singapore Myanmar Investco Limited (the “Company”, together with its subsidiaries, referred to as the “Group”) refers to the announcement released by the Company on 4 December 2019 that the Singapore Exchange Securities Trading Limited (the “SGX-ST”) had placed the Company on the Watch-list pursuant to the Financial Entry Criteria under Listing Rule 1311(1) with effect from 4 December 2019.

Update on Financial Situation

Please refer to the announcement of the unaudited financial statements of the Group for the reporting year ended 31 March 2020, released via the SGXNet on 28 August 2020, for an update on the Group’s financial performance and financial position.

COVID-19 and the various related government regulations in Myanmar have had a significant impact on Group revenue. The Yangon International Airport has been closed since March 30th and travel retail sales represents approximately 70% of expected revenue. No announcement has been made as to the reopening of the airport. There have also been closures and partial re-openings of F&B outlets and Retail in the domestic market of Myanmar which has also impacted revenue.

The Company has taken a prudent view as to when the airport may re-open and domestic restrictions lifted and has, therefore, 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.

Update on efforts for satisfying Financial Exit Criterion

The Company will, in the meantime, use its best endeavours to reduce its cost and comply with its obligations under Rule 1313(2) of the Listing Manual to provide shareholders with quarterly updates on its efforts and the progress made in meeting the exit criterion of the Watch-list. Substantial rent reductions have been agreed with airport owner in Yangon covering the next two years which will materially improve the Group’s cash flow. However, the company has also taken a prudent view of the speed of revenue recovery during the same period. Headcount in Myanmar has been reduced by approximately half and all expatriate positions in Myanmar have been eliminated. Further changes have been agreed with suppliers on payment schedules and order reductions. If any material development occurs between the quarterly updates, the Company will make an immediate announcement of such development.

By Order of the Board

Mark Francis Bedingham
Executive Director, President and CEO
28 August 2020