



Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements Announcement For The Second Quarter and Half Year Ended 30 September 2018

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

(In US\$'000)		Group		%	Group		%
Description	Note	3 months ended 30/09/2018 FY2019	(Restated) 3 months ended 30/09/2017 FY2018	Increase/Decrease	6 months ended 30/09/2018 FY2019	(Restated) 6 months ended 30/09/2017 FY2018	Increase/Decrease
Revenue	1	7,292	5,603	30.1	12,107	11,639	4.0
Cost of Sales		(5,281)	(4,344)	21.6	(8,848)	(8,732)	1.3
Gross Profit	2	2,011	1,259	59.7	3,259	2,907	12.1
Gross Profit Margin		27.6%	22.5%		26.9%	25.0%	
Other Items of Income							
Other Income	3	315	208	51.4	322	276	16.7
Other Gains	4	456	-	N.M	698	-	N.M
Other Items of Expenses							
Selling & Distribution Costs	6	(419)	(253)	65.6	(830)	(470)	76.6
Administrative Expenses	7	(1,730)	(2,041)	(15.2)	(3,134)	(4,066)	(22.9)
Finance Costs	8	(392)	(404)	(3.0)	(694)	(729)	(4.8)
Other Charges	5	(132)	(113)	16.8	(132)	(117)	12.8
Share of results of jointly-controlled entities, net of tax		(37)	(62)	(40.3)	(43)	(67)	(35.8)
Profit/(loss) Before Income Tax from Continuing Operations	9	72	(1,406)	N.M	(554)	(2,266)	(75.6)
Income Tax Expenses		(23)	(12)	91.7	(92)	(9)	N.M
Profit/(loss) from Continuing Operations, Net of Tax		49	(1,418)	N.M	(646)	(2,275)	(71.6)
Loss from Discontinued Operations, Net of Tax	10	(629)	(231)	N.M	(695)	(1,926)	(63.9)
Loss, Net of Tax and total comprehensive loss		(580)	(1,649)	(64.8)	(1,341)	(4,201)	(68.1)
Loss, Net of Tax and total comprehensive loss, Attributable to:-							
Equity holders of the Company		(542)	(1,622)	(66.6)	(1,288)	(4,108)	(68.6)
Non-Controlling Interests		(38)	(27)	40.7	(53)	(93)	(43.0)
Loss, Net of Tax and total comprehensive loss		(580)	(1,649)	(64.8)	(1,341)	(4,201)	(68.1)

N.M. denotes not meaningful

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(In US\$'000)	Note	Group		%	Group		%
		3 months ended 30/09/2018 FY2019	(Restated) 3 months ended 30/09/2017 FY2018		6 months ended 30/09/2018 FY2019	(Restated) 6 months ended 30/09/2017 FY2018	
1(a)(ii) Profit/(loss) included the following:							
Depreciation and amortisation of property, plant and equipment and intangible assets	11	(759)	(522)	45.4	(1,389)	(1,012)	37.3
Penalty and dues	10	-	-	N.M	-	(1,100)	N.M
Management fees	7	(24)	(54)	(55.8)	(48)	(189)	(74.8)
Other income	3						
- Interest income		2	32	(91.9)	22	67	(66.9)
- Others		313	176	77.8	300	209	43.5
		315	208	51.4	322	276	16.7
Other Gains	4	456	-	100.0	698	-	100.0
Other Charges	5	(132)	(113)	17.0	(132)	(117)	13.0
Finance costs							
- Interest expense	8	(392)	(404)	(3.1)	(694)	(729)	(4.9)

N.M. denotes not meaningful

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

	Group		%	Group		%
	3 months ended 30/09/2018 FY2019	3 months ended 30/09/2017 FY2018		6 months ended 30/09/2018 FY2019	6 months ended 30/09/2017 FY2018	
Current taxation						
Provision for current year	(23)	-	N.M	(92)	-	N.M
Underprovision in respect of prior year	-	(12)	N.M	-	(9)	N.M
Total	(23)	(12)	N.M	(92)	(9)	N.M

Explanatory notes on performance for 1HFY2019:

1. Revenue

For Q2FY2019, the Group reported revenue of US\$7.3 million, a significant increase of US\$1.7 million or 30.1% from the corresponding period ended Q2FY2018. It is also a significant increase of US\$2.5 million or 51.5% as compared to Q1FY2019.

This was mainly attributable to the higher sales from Duty Free, Fashion Retail and Downtown Retail.

2. Gross Profit

The Group reported gross profit of US\$2.0 million for Q2FY2019, an increase of US\$0.7 million from the corresponding period in Q2FY2018. Gross margin increased from 22.5% in Q2FY2018 to 27.6% in Q2FY2019 mainly attributable to favourable sales mix from healthy margins in Retail.

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3. Other Income
Other income relates to the finance leases offered to customers, commission income, consultancy fees charged to the joint venture, franchise income and office usage fees.
4. Other Gains
This relates mainly to the net exchange gain from the revaluation of the Myanmar Kyat denominated loans due to the strengthening of the US Dollar.
5. Other Charges
Represents donations to Room to Read charity program, SMI's major CSR program, which commenced in January 2018.
6. Selling & Distribution Costs
Selling & Distribution costs increased due to F&B subsidiary which started operations in November 2017, partially offset by lower delivery cost in Retail business as a result of effective cost control.
7. Administrative Expenses
The decrease in administrative expenses was mainly due to lower staff costs of US\$0.7 million for 1HFY2019, which included the write-back of the over accrual of FY2018 bonus, partially offset by higher legal costs.
8. Finance Costs
Finance costs decreased mainly attributable to lower bank borrowings.
9. Profit before income tax from continuing operations
The Group recorded a profit before tax of US\$72,000 for Q2FY2019, reversing the loss trend (Q2FY2018 loss before tax of US\$1.4 million) on the back of higher revenue and tight cost control.
10. Discontinued operations
As at 1 June 2018, the Company, together with its subsidiary, Myanmar Infrastructure Group Pte Ltd. ("MIG") entered into a share sale agreement with Tiger Infrastructure Pte. Ltd. for the proposed disposal of its 99.9 per cent-owned subsidiary, TPR and all tower and power equipment stock, for a sale consideration of US\$10.8 million. As such, the disposal group's classification as held for sale is still appropriate. The entire assets and liabilities related to TPR are classified as a disposal group held for sale in the statement of financial position and the entire results from the disposal group are presented separately in the consolidated income statement as "Discontinued operation".

(In US\$'000)		6 months ended 30/09/2018 (FY2019)	(Restated) 6 months ended 30/09/2017 (FY2018)
Description	Note		
Revenue		1,336	1,284
Cost of Sales	a	(1,348)	(2,255)
Gross Profit		(12)	(971)
Other Gains		17	-
Other Items of Expenses			
Distribution Costs		(22)	(10)
Administrative Expenses		(273)	(820)
Finance Costs		(59)	(58)
Other Charges	b	(346)	(67)
Loss Before Income Tax from Discontinued Operations		(695)	(1,926)
Income Tax Expenses		-	-
Loss from Discontinued Operations, Net of Tax		(695)	(1,926)

- a. Includes a US\$1.1 million penalty cost payable to a Tower supplier in the comparative figures
- b. Includes a \$0.3 million loss on disposal of equipment during Q2FY2019

11. Depreciation and Amortisation
The increase in depreciation was mainly due to fit-out of the domestic retail shops (Junction City and Myanmar Plaza) and amortization of franchise fees.

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

(In US\$'000) Description	Note	Group		Company	
		30/09/2018	31/03/2018	30/09/2018	31/03/2018
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	12	14,821	14,675	1,029	1,056
Intangible Assets	13	737	514	-	-
Investments in Subsidiaries		-	-	11,056	11,056
Investments in Jointly-Controlled Entities		421	464	650	650
Trade and Other Receivables, Non-Current	14	16	170	-	-
Other Assets, Non-Current	15	82	84	32	33
Total Non-Current Assets		16,077	15,907	12,767	12,795
Current Assets					
Inventories	16	42	440	-	-
Trade and Other Receivables	14	31,294	24,965	33,298	30,339
Other Assets, Current	15	1,266	1,764	81	173
Cash and Cash Equivalents		1,250	1,429	78	158
Assets classified as held for sale	19	12,738	14,743	130	130
Total Current Assets		46,590	43,341	33,587	30,800
Total Assets		62,667	59,248	46,354	43,595
EQUITY AND LIABILITIES					
Equity Attributable to equity holders of the company					
Share Capital		59,862	59,862	59,862	59,862
Accumulated Losses		(31,733)	(30,445)	(22,510)	(22,654)
Employee share option reserve		29	29	29	29
Total Equity attributable to Owners of the Parent		28,158	29,446	37,381	37,237
Non-Controlling Interests		247	300	-	-
Total Equity		28,405	29,746	37,381	37,237
Non-Current Liabilities					
Other Payables, Non-Current	17	-	416	-	416
Other Financial Liabilities, Non-Current		3,723	2,513	1,550	1,000
Total Non-Current Liabilities		3,723	2,929	1,550	1,416
Trade and Other Payables, Current	17	13,269	9,873	2,412	1,827
Income and Other Tax Payable, Current		809	586	95	111
Other Financial Liabilities, Current	18	13,356	12,919	4,850	3,000
Liabilities associated with assets classified as held for sale		3,105	3,195	66	4
Total Current Liabilities		30,539	26,573	7,423	4,942
Total Liabilities		34,262	29,502	8,973	6,358
Total Equity and Liabilities		62,667	59,248	46,354	43,595

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1(b)(i) Explanatory notes on financial position for 1HFY2019:

12. Property, Plant and Equipment
Increase in property, plant and equipment in 1HFY2019 is due to capital expenditure incurred for extension of retail space in the Yangon International Airport ("YIA").
13. Intangible Assets
The increase in intangible assets in 1HFY2019 is due to addition of CBTL franchise fees for the domestic market.
14. Trade and Other Receivables
Receivables increased mainly due to increased retail sales as a result of extension of retail space at Terminal 1 in YIA.
15. Other Assets
Other assets relate mainly to advance payments to suppliers.
16. Inventories
Inventories relate mainly to stock in transit to Myanmar.
17. Trade and Other Payables
Trade and other payables increased in tandem with increased purchases to support higher sales.
18. Financial Liabilities
Increase in financial liabilities was mainly due to increase in shareholders' loans, partially offset by decrease in bank loans.
19. Assets classified as held for sale
Decrease in assets classified as held for sale was mainly due to depreciation of property, plant and equipment.

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

(In US\$'000)	As at 30/09/2018	As at 31/03/2018
	Secured	Secured
Amount repayable in one year or less, or an demand	8,506	9,919
Amount repayable after one year	2,173	1,513
Total	10,679	11,432

Details of any collateral

The banking facilities of the Group as at 30 September 2018 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

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

(In US\$'000)	Group		Group	
	3 months ended 30/09/2018 (FY2019)	(Restated) 3 months ended 30/09/2017 (FY2018)	6 months ended 30/09/2018 (FY2019)	(Restated) 6 months ended 30/09/2017 (FY2018)
Cash Flows from Operating Activities				
Profit/(loss) before tax from Continuing Operations	72	(1,406)	(554)	(2,266)
Loss before tax from Discontinued Operations	(629)	(231)	(695)	(1,926)
	(557)	(1,637)	(1,249)	(4,192)
Adjustments for:				
Depreciation of property, plant and equipment	1,209	881	2,162	1,729
Amortisation of intangible assets	47	29	88	59
Interest income	(2)	(32)	(22)	(67)
Interest expense	421	432	753	787
Loss on disposal of property, plant and equipment	267	-	267	-
Share of results of jointly-controlled entity - net of tax	37	62	43	67
Net effect of exchange rate changes	(517)	29	(746)	65
Operating Cash Flows before Changes in Working Capital	905	(236)	1,296	(1,552)
Changes in working capital				
Inventories	118	(680)	399	271
Trade and Other Receivables	(4,388)	(9,090)	(6,174)	(7,659)
Other Assets	1,829	866	582	(618)
Trade and Other Payables	1,635	3,859	2,783	3,797
Net Cash Flows generated from/(used in) Operations	99	(5,281)	(1,114)	(5,761)
Income tax paid	(11)	-	(11)	-
Net Cash Flows generated from/(used in) Operating Activities	88	(5,281)	(1,125)	(5,761)
Cash Flows from Investing Activities				
Purchase of property, plant and equipment	(1,272)	(715)	(1,519)	(1,932)
Purchase of intangible assets	(3)	-	(305)	(20)
Proceeds from disposal of tower stock & plant and equipment	-	15	1,000	15
Interest received	22	34	22	79
Net Cash Flows used in Investing Activities	(1,253)	(666)	(802)	(1,858)
Cash Flows from Financing Activities				
Proceeds from share placement	-	5,205	-	5,205
(Increase)/decrease in restricted fixed bank deposits	(87)	844	(104)	862
Repayment of finance leases	(356)	(80)	(792)	(1,114)
Drawdown of borrowings	579	4,036	551	4,592
Loans from shareholders	1,200	4,000	2,400	6,000
Interest paid	(249)	(436)	(485)	(729)
Net Cash Flows from Financing Activities	1,087	13,569	1,570	14,816
Net (decrease)/increase in Cash and Cash Equivalents	(78)	7,622	(357)	7,197
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	(3,552)	(2,837)	(3,491)	(2,407)
Effect of exchange rate changes on cash balances held in foreign currencies	477	(68)	695	(73)
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	(3,153)	4,717	(3,153)	4,717

*Denotes lesser than USD \$1,000

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

(In US\$'000)	Group	
	As at 30/09/2018	As at 31/03/2018
Cash and bank balances	1,250	1,429
Bank overdraft	(3,895)	(4,544)
Restricted fixed bank deposits	(674)	(570)
Discontinued operations	166	194
	(3,153)	(3,491)

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

Cash flow statement

As at the end of the reporting period, the Group's cash and cash equivalents improved by US\$0.3 million from a deficit of US\$3.5 million as at 31 March 2018 to a deficit of US\$3.2 million as at 30 September 2018.

Net cash flows generated from operating activities for Q2FY2019 amounted to US\$88,000 mainly attributable to the net profit of US\$72,000 from continuing operations. Net cash flows used in operating activities of US\$1.1 million for 1HFY2019 was also a significant improvement compared to net cash outflow of US\$5.8 million for correspondingly period 1HFY2018.

Net cash flows used in investing activities of US\$0.8 million for 1HFY2019 was mainly due to capital expenditure for the Yangon International Airport extension and purchase of franchise rights for a F&B franchise.

Net cash flows generated from financing activities amounted to US\$1.6 million for 1HFY2019. This was mainly due to additional US\$2.4 million of shareholders' loans and drawdown of US\$0.6 million loan partially offset by repayment of US\$0.8 million of finance lease and US\$0.5 million of finance costs.

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

Group (In US\$'000)	Share Capital A	Accumulated Losses B	Employee share option reserve C	Attributable to Parent D = A + B + C	Non- Controlling Interests E	Total Equity F = D + E
Opening Balance at 1 April 2018	59,862	(30,445)	29	29,446	300	29,746
Movement in Equity:						
Total comprehensive loss for the year	-	(1,288)	-	(1,288)	(53)	(1,341)
Closing Balance at 30 September 2018	59,862	(31,733)	29	28,158	247	28,405
Opening Balance at 1 April 2017	43,256	(19,070)	-	24,186	12	24,198
Movement in Equity:						
Issue of Share Capital	5,205	-	-	5,205	-	5,205
Total comprehensive loss for the year	-	(4,108)	-	(4,108)	(93)	(4,201)
Debt conversion	3,534	-	-	3,534	-	3,534
Closing Balance at 30 September 2017	51,995	(23,178)	-	28,817	(81)	28,736

Company (In US\$'000)	Share Capital	Accumulated losses	Employee share option reserve	Total Equity
Opening Balance at 1 April 2018	59,862	(22,654)	29	37,237
Movement in Equity:				
Total comprehensive loss for the year	-	144	-	144
Closing Balance at 30 September 2018	59,862	(22,510)	29	37,381
Opening Balance at 1 April 2017	43,256	(10,658)	-	32,598
Movement in Equity:				
Issue of Share Capital	5,205	-	-	5,205
Total comprehensive loss for the year	-	(205)	-	(205)
Debt conversion	3,534	-	-	3,534
Closing Balance at 30 September 2017	51,995	(10,863)	-	41,132

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(A) Employee Share Option Plan

The Group's Employee Share Option Scheme ("SMI ESOS") was approved and adopted at the Extraordinary General Meeting ("EGM") of the Company held on 25 July 2017. Under the SMI ESOS, 995,000 share options (31 March 2018: 1,360,000) were granted by the Company during 1HFY2019.

The movement of share options of the Company during the reporting period ended 30 September 2018 is as follows:

Date of grant	Balance outstanding at 1 April 2018	Number of share options granted	Number of share options forfeited*	Balance outstanding at 30 September 2018
26/04/2018	1,230,900	50,000	(12,800)	1,268,100
08/06/2018	-	945,000	-	945,000
28/06/2018	-	-	(205,500)	(205,500)
15/08/2018	-	-	(167,000)	(167,000)
30/09/2018	-	-	(370,000)	(370,000)
Total	1,230,900	995,000	(755,300)	1,470,600

* Share options forfeited/lapsed due to termination of employment

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

Company	30/09/2018	31/03/2018
The total number of issued shares	302,996,792	302,996,792

The Company did not hold any treasury shares as at 30 September 2018 and 31 March 2018.

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

Not applicable.

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

The figures are unaudited.

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

Not applicable.

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

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

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

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

(In US cents)	Group	
	6 months ended 30/09/2018 (FY2019)	(Restated) 6 months ended 30/09/2017 (FY2018)
Loss per share ("EPS") for the period (Based on the average number of ordinary shares)		
<i>Basic</i>		
Continuing operations	(0.20)	(0.83)
Discontinued operations	(0.23)	(0.74)
	(0.43)	(1.57)
Weighted average number of shares	302,996,792	262,273,527
<i>On a fully diluted basis</i>		
Continuing operations	(0.20)	(0.83)
Discontinued operations	(0.23)	(0.74)
	(0.43)	(1.57)
Weighted average number of shares	302,996,792	262,273,527

- 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	
	30/09/2018	31/03/2018	30/09/2018	31/03/2018
Net asset value per ordinary share	9.29	9.72	12.34	12.29

Net asset value per ordinary share was calculated based on the total number of issued shares of 302,996,792 as at 30 September 2018 (31 March 2018: 302,996,792).

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -
- (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.

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Review of 1HFY2019 vs 1HFY2018

Segmental Performance

1HFY2019 (In US\$'000)	Travel and fashion retail	Construction services	Auto services	Food and beverages	Unallocated	Total
Total revenue by Segment	8,003	1,681	1,282	806	335	12,107
Recurring EBITDA	3,818	221	100	(341)	(2,248)	1,550
Interest income	-	22	-	-	-	22
Finance costs	(407)	(76)	(140)	-	(71)	(694)
Depreciation and amortisation	(975)	-	(213)	(80)	(121)	(1,389)
ORBIT	2,436	167	(253)	(421)	(2,440)	(511)
<i>ORBIT Margin</i>	30.4%	10.0%	(19.7%)	(52.3%)	N.M.	(4.2%)
Profit/(loss) before tax from continuing operations	2,436	167	(253)	(421)	(2,440)	(511)
Income tax expenses						(92)
Share of results of JV - net of tax						(43)
Loss after tax from continuing operations						(646)
Loss from discontinued operations						(695)
Loss for the year						(1,341)

(Restated) 1HFY2018 (In US\$'000)	Travel and fashion retail	Construction services	Auto services	Food and beverages	Unallocated	Total
Total revenue by Segment	6,919	2,888	1,129	339	364	11,639
Recurring EBITDA	2,909	182	(70)	(163)	(3,383)	(525)
Interest income	-	67	-	-	-	67
Finance costs	(434)	(116)	(89)	-	(90)	(729)
Depreciation and amortisation	(802)	-	(55)	(52)	(103)	(1,012)
ORBIT	1,673	133	(214)	(215)	(3,576)	(2,199)
<i>ORBIT Margin</i>	24.2%	4.6%	(18.9%)	(63.4%)	N.M.	(18.9%)
Profit/(loss) before tax from continuing operations	1,673	133	(214)	(215)	(3,576)	(2,199)
Income tax expenses						(9)
Share of results of JV - net of tax						(67)
Loss after tax from continuing operations						(2,275)
Loss from discontinued operations						(1,926)
Loss for the year						(4,201)

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(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the period ended 30 September 2018

The Group's revenue has increased significantly from US\$4.8 million in Q1FY2019 to US\$7.3 million in Q2FY2019 mainly attributable to the Retail and Construction business.

The Group made an EBITDA of US\$1.3 million in Q2FY2019 (Q1FY2019: US\$0.3 million), which was mainly contributed by Retail segment.

Strong cost control measures put in place over the last 12 months continue to show good results.

Sales to a Myanmar distributor for duty free and fashion retail grew q-o-q on the back of higher passenger in Yangon International Airport (T1) due to the closure of the old international terminal (T2) during July. This was also a 67.9% increase to US\$4.7 million in Q2FY2019 (Q2FY2018: US\$2.8 million). Sales from Downtown Retail (Fashion) also saw a more than twofold increase in sales for Q2FY2019 as compared to Q1FY2019.

Construction Services – The increase in revenue in Q2FY2019 was in line with expectations as Q1FY2019 shipments were impacted by regulatory issues and was eventually realised in Q2FY2019 instead.

Auto Services - Revenue remains stable at US\$0.6 million for Q2FY2019 (Q1FY2019: US\$0.6 million).

F&B – Overall revenue from F&B business increased 11.0% q-o-q to US\$424K (Q1FY2019 : US\$382K) mainly attributable to sales from the new subsidiary set up to operate the F&B franchise downtown.

Administrative expenses decreased significantly by 22.9% or US\$1.0 million to US\$3.1 million for 1HFY2019 (1HFY2018: US\$4.1 million), due to lower staff costs of US\$0.7 million from the reversal of bonus provisions and absence of National Program Manager Fees ("NPM"), partially offset by higher legal costs. Head count and other cost controls are in place to ensure that costs are strictly controlled. The increase in Distribution expenses of US\$0.4 million is mainly due to operating costs of the newly set up subsidiary to operate the F&B Franchise business in the domestic market; which commenced operations in November 2017.

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

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

The outlook for our Group remains positive, in spite of some political and economic headwinds and the Group's companies remain well positioned.

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

No forecast or prospect statement was disclosed to shareholders previously.

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

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

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

- The Group, through its retail subsidiary, has signed a distributorship agreement in September to launch the new footwear brand, Havaianas, in domestic market
- Closure of the old International Terminal (T2) at the end of July, at Yangon International Airport has boosted passenger traffic at the new International Terminal (T1), which will benefit SMI's travel retail stores
- Expansion of Coffee Bean and Tea Leaf, Ippudo Ramen and Crystal Jade Kitchen outlets in domestic market is planned and three new openings are scheduled
- Expansion of Shiseido and Pandora concept stores is planned

Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the period ended 30 September 2018

The Company, together with its subsidiary, MIG, has on 1 June 2018 entered into a share sale agreement with an independent entity, Tiger Infrastructure Pte. Ltd., 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.

Having failed in their application for an interim injunction in the courts and for the dispute on the JVSA to be heard in the courts, MIG's minority shareholder, GIG, issued a summons for arbitration. To date the arbitration has not commenced. GIG's claim is for damages and/or specific performance for the alleged breaches of the JVSA by the Company. The Company is taking legal advice, and will, in consultation with its solicitors, take such steps as may be appropriate to defend against GIG's claims.

11 Dividend

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

None.

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

Not applicable.

(c) Date Payable

Not applicable.

(d) Books Closure Date

Not applicable.

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

No dividend has been declared/recommended for the financial year ended 30 September 2018.

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

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

14 Negative confirmation pursuant to Rule 705(5).

The Directors of Singapore Myanmar Investco Limited (the "Company"), do hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results of the quarter ended 30 September 2018 to be false or misleading in any material aspect.

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

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

BY ORDER OF THE BOARD

Mark Francis Bedingham

Executive Director

12 November 2018