

SINGAPORE MYANMAR INVESTCO LIMITED

(Registration No. 200505764Z)

(Incorporated in Singapore)

RESPONSES TO QUESTIONS FROM SINGAPORE STOCK EXCHANGE RELATED TO THE SGXNET ANNOUNCEMENT DATED 12 OCTOBER 2020 "MATERIAL UNCERTAINTY RELATED TO GOING CONCERN ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020"

Singapore Myanmar Investco Limited (the "**Company**" or "**SMI**" and together with its subsidiaries, the "**Group**") refers to the questions raised by Singapore Stock Exchange ("**SGX**") in relation to the Company's SGXNet announcement dated 12 Oct 2020, entitled "Material uncertainty related to going concern on the audited financial statements for the financial year ended 31 March 2020" and appends the requisite replies as follows:

(a) The Board of Directors' assessment of the Group's ability to continue operating as a going concern and the bases for the said assessment;

Answer:

The Group has and is currently undergoing cost savings measure to protect liquidity and improve its ability to continue operating as a going concern as follows:

- (i) Total Singapore Staff salaries will decrease by approximately 65% (USD 1.3 million) over the next 12 months, reflecting further streamlining of the organisation and the introduction of No-Pay Leave agreements with the Singapore team. These changes and agreements are already in place
- (ii) Singapore and Myanmar Annual office rental will be reduced by over USD 120k annualized by moving to smaller spaces; this has already been implemented
- (iii) USD 7.5 million of suppliers' projected orders have been cancelled or deferred (mostly cancelled) by SMI Group companies
- (iv) Reduction in the cost base of the local business partners (particular labour costs), reduction in leased area of the airport and more favourable rental terms. This will be beneficial over the short and long term

After considering the measures and mitigating actions described above, the Board believes that the Group and the Company will be able to meet the operating requirements of the Group's business, to fund operational expenditure and to pay its debts as and when they fall due. In view of the foregoing, the Board is of the opinion that Group and the Company will be able to continue operating as a going concern.

(b) The Board of Directors' opinion as to whether trading of the Company's shares should be suspended pursuant to Listing Rule 1303(3); and

Answer:

The Board is of view that the Group is able to operate as a going concern, after taking into account the assumptions set out in the Announcement as well as the bases for the assessment as set out in the Company's response to (a) above. Accordingly, the Board is of the opinion that sufficient information has been disclosed for trading of the Company's securities to continue in an orderly manner and confirmed that all material disclosures have been provided for trading of the Company's shares to continue.

- (iii) The Board of Directors' confirmation as to whether sufficient information has been disclosed to enable trading of the Company's shares to continue in an orderly manner; and the bases for its views.**

Answer:

The Board confirms that sufficient information has been disclosed to enable trading of the Company's shares to continue in an orderly manner, taking into account that all material disclosures have been provided for trading of the Company's shares to continue.

By Order of the Board

Mark Francis Bedingham
Executive Director, President and CEO
15 October 2020