Securities Investors Association (Singapore)
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Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Singapore Myanmar Investco Limited

Stock code: Y45

Meeting details:
Date: 27 October 2020
Time: 10.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. On 21 February 2020, the company announced that it would cease quarterly reporting of its financial statement and will only carry out semi-annual reporting of its financial statements. It further assured shareholders that the company will comply with its continuing obligations to keep shareholders updated as and when appropriate, should there be any material developments (financial or otherwise) relating to the company or the group.

The company has since made multiple applications to SGX for extension of time to release its unaudited financial results and had only released the unaudited full year financial results for the year ended 31 March 2020 on 28 August 2020.

However, even as the group cited the reason as "the prolonged lockdown, travel restrictions and/or other measures imposed by Singapore and Myanmar in response to the COVID-19 outbreak", the group has not provided shareholders with any update on the impact of the COVID-19 pandemic on its business.

(i) **Would the group help shareholders understand if it would be meeting its continuous disclosure obligations and update shareholders on any material developments in a timely manner?**

(ii) **Would the company elaborate further on the ground sentiments in Myanmar, especially in Yangon, and help shareholders better understand the impact of the COVID-19 on the operations in the past months?**

(iii) **In particular, how much of the international traffic (especially air traffic to Yangon) has been restored?**

(iv) **Can management further clarify if the group's operations, especially its dine-in restaurants and retail shops, were closed as a result of the government's measures to stop the spread of COVID-19? If so, when did the group resume full operations of its various businesses?**

(v) **How has the board finetuned the group's long-term growth objectives as a result of the pandemic? Does management see any silver lining during this challenging period?**

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Q2. On pages 1 to 5 of the annual report, the company showed the group's financial highlights and its businesses and strategies for the different segments, namely Travel & Fashion Retail, Food & Beverage, Logistics, Auto Services, Construction Services, Serviced Offices and Telecom Towers (sale of asset concluded in October 2019).

It was stated that the group will downsize and eventually exit the auto services and construction services businesses by FY2021.

(i) **Can management elaborate further on the challenges faced by the group in these two businesses?**

(ii) **What were the lessons gleaned in the past 4-5 years of running the two businesses?**

(iii) **In particular, has the board re-examined the initial investment thesis and further finetuned its investment approach?**

(iv) **Logistics: Has the group successfully expanded its capacity given that it was operating at near capacity in the previous year? Given that the joint venture has increased its revenue rapidly from FY2017-2019, what were the reasons for revenue to slip marginally from US$756,000 in FY2019 to US$726,000?**

(v) **Going concern**: The independent auditors drew attention to the material uncertainty related to going concern in the independent auditor's report (page 36). The group and the company incurred losses from continuing operations, net of tax, of US$10.5 million and US$9.0 million respectively. In addition, as of that date, the current liabilities exceeded the current assets of the group by US$10.9 million. On 15 October 2020, the company responded to SGX's further queries on the group's ability to continue operating as a going concern. It is also noted that the top customer has outstanding trade receivables of US$24.6 million as at 31 March 2020 although the top customer generated only US$16.3 million in revenue for the financial year. This means that the top customer has significant amount of debt that has been past due for more than a year. **Would the company help shareholders understand the financial position of the top customer given that the pandemic has severely affected the retail sector? What are the pro-active measures by management to collect on the long-outstanding receivables? Would it be prudent to cease or reduce the granting of credit to the top customer unless there is clear visibility of the ability by the top customer to pay off its outstanding debt?**

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Q3. The attendance of directors at board and board committee meetings is shown on page 13 and reproduced below.

Directors' attendance at Board and board committee meetings during FY2020

Directors	Board Meetings	Board Committee Meetings		
		AC	NC	RC
Number of Meetings held	4	4	1	1
Ho Kwok Wai	2	n.a.	n.a.	n.a.
Fong Sing Chak Jack	4	4	1	1
Wong Yen Siang	3	3	1	1
Wee Sung Leng	3	3	1	1
Mark Francis Bedingham	4	n.a.	n.a.	n.a.

n.a. – not a member

(Source: company annual report)

While the directors had full attendance in FY2019, the attendance by directors in FY2020 has been below average. Mr Ho Kwok Wai, the non-executive chairman, attended 2 out of 4 board meetings. The lead independent director, Mr Wong Yen Siang, attended 3 out of 4 board meetings and 3 out of 4 audit committee meetings. Mr Wee Sung Leng, another independent director, has the same attendance record as Mr Wong in FY2020.

(i) **Were there any extenuating circumstances that led the directors to miss the board and board committee meetings?**

(ii) **Since the constitution of the company allowed for board meetings to be conducted by means of telephone conference or other methods of simultaneous communication, did the directors who did not attend the physical meetings do so?**

(iii) **How effective were the directors in discharging their duties, especially Mr Ho Kwok Wai who is the board chairman?**

(iv) **How can the company and the company secretary work together with the directors to schedule the board and board committee meetings so that directors are able to attend the meetings and contribute to the effectiveness of the board?**

Separately, it was noted that the two independent non-executive directors, Jack Fong and Wee Sung Leng, visited Yangon to meet with key operational managers and visited the site operations in May 2018.

(v) **Can the company clarify if any of the independent directors (especially the third independent director) have visited Yangon since 2018 as a lot of changes have happened in the past 2.5 years?**

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^Amid the global COVID-19 outbreak, issuers who choose to proceed with the AGM before 30 April 2020 must provide opportunities for shareholders to ask questions. Shareholders are encouraged to read the annual report and submit any questions they might have to the companies in advance. Issuers would then publicly address the questions at the general meeting via the issuer's website, through "live" webcast and on SGXNet.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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^ Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 Mar 2020 (https://www.sgx.com/media-centre/20200331-acra-mas-and-sgx-regco-update-guidance-general-meetings)