

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board") of Singapore Myanmar Investco Limited (the "Company", and together with its subsidiaries, the "Group") is committed to comply with the principles of the Code of Corporate Governance 2012 (the "Code"). The Company believes that good corporate governance is essential in building a sound corporation with an ethical environment, thereby protecting the interests of all shareholders. This Corporate Governance Report sets out the Company's corporate governance practices. The Board confirms that, for the financial year ended 31 March 2016 ("FY2016"), the Company has generally adhered to the principles and guidelines set out in the Code, except where otherwise stated. Where there have been deviations from the Code, the Company has sought to provide an appropriate explanation for each deviation in this Corporate Governance Report. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time, to ensure compliance with the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

BOARD MATTERS

Principle 1: Board's Conduct of Affairs

The primary function of the Board is to provide effective leadership and direction to enhance the long term value of the Group to its shareholders and other stakeholders. The Board oversees the business affairs of the Group, approves the Group's business strategies and financial objectives, major investment and funding decisions. It also monitors and evaluates the Group's operations and financial performance by establishing goals for Management and monitoring the achievement of these goals. It is responsible for the overall corporate governance of the Group.

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group.

Board approval

Matters that require the Board's decision or approval are those involving:

- corporate strategy and business plans;
- investment and divestment proposals;
- funding decisions of the Group;
- nominations of Directors for appointment to the Board and appointment of the Group CEO;
- announcement of half-year and full-year results, the annual report and accounts;
- material acquisitions and disposal of assets;
- all matters of strategic importance;
- corporate governance; and
- interested person transactions.

Apart from the matters that specifically require the Board's approval, the Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Management so as to optimize operational efficiency.

Delegation of the Board

Three Committees have been established to assist the Board in discharging its duties and responsibilities and to enhance the Group's corporate governance framework. The Committees include the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC"). The Board also delegates certain of its functions to these Committees, which would make recommendations to the Board. These Committees, which operate within clearly defined terms of reference, play an important role in ensuring good corporate governance in the Company and within the Group. These terms of reference are reviewed on a regular basis to ensure their continued relevance. The Board accepts that while these various board committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

CORPORATE GOVERNANCE REPORT

Key features of board processes

Two scheduled Board meetings are conducted in a year to review the financial performance and to update the Board on significant business activities and overall business environment. In addition to the scheduled meetings, the Board also holds ad-hoc meetings as and when required to address any significant issues that may arise.

The Constitution of the Company (the "Constitution") allow board meetings to be conducted by means of telephone conference, or other methods of simultaneous communication by electronic or other communication facilities. When a physical board meeting is not possible, the Board can communicate through electronic means or via circulation of written resolutions for approval.

The details of the number of Board meetings and board committees held in the year as well as the attendance of each board member at those meetings are disclosed below.

Directors' attendance at Board and board committee meetings in FY2016

Types of Meetings				
Directors	Board	Audit Committee	Nominating Committee	Remuneration Committee
Number of Meetings held	2	2	1	1
Ho Kwok Wai	2	n.a.	n.a.	n.a.
Chan Tak Sing Martin*	1	n.a.	n.a.	n.a.
Fong Sing Chak Jack	2	2	1	1
Wong Yen Siang	2	2	1	1
Wee Sung Leng	2	2	1	1
Mark Francis Bedingham	2	n.a.	n.a.	n.a.

* Chan Tak Sing Martin resigned as Executive Director of the Company on 5 February 2016.

n.a. – not a member

Induction and training of Directors

Directors are updated regularly by the Company Secretary on the amendments and requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST") and other statutory and regulatory changes which have an important bearing on the Company and the Directors' obligations to the Company, from time to time. Such new releases issued which are relevant to the Directors are circulated to the Board.

Newly appointed Directors are briefed by the Management on the business activities of the Group and its strategic directions. There are also orientation programs tailored to familiarise newly appointed Directors with the role and responsibilities of a Director of a public company in Singapore. First-time Directors will be provided training in areas such as accounting, legal and industry-specific knowledge as may be appropriate.

Upon the appointment of a new Director, the Company would issue a formal letter of appointment setting out the statutory and other duties and obligations of the Director.

All Directors are encouraged to keep themselves updated on changes to the financial, legal and regulatory as well as corporate governance requirements, framework and the business environment through reading relevant literature and attending appropriate seminars and courses conducted by bodies such as SGX-ST and Singapore Institute of Directors ("SID").

CORPORATE GOVERNANCE REPORT

Principle 2: Board Composition and Guidance

Board size and board composition

The Board comprises five Directors, three of whom are Independent Directors. The Directors at the date of this report are as follows:–

Name of Directors	Board of Directors	Date of Appointment	Date of last re-election	Audit Committee	Nominating Committee	Remuneration Committee	Present Directorships in other Listed Companies
Ho Kwok Wai	Non-Executive Director and Chairman	6 November 2013	29 July 2015	–	–	–	Nil
Mark Francis Bedingham	Executive Director, President and Chief Executive Officer	23 January 2015	29 July 2015	–	–	–	Nil
Wong Yen Siang ⁽¹⁾	Lead Independent Director	15 July 2005	29 July 2015	Chairman	Member	Member	Nil
Wee Sung Leng	Independent Director	6 November 2013	30 July 2014	Member	Chairman	Chairman	Nil
Fong Sing Chak ⁽²⁾ Jack	Independent Director	6 November 2013	30 July 2014	Member	Member	Member	Nil

(1) Appointed as Lead Independent Director on 27 June 2016

(2) Re-designated as Independent Director on 27 June 2016

Each year, the NC reviews the size and composition of the Board and board committees and the skills and core competencies of its members to ensure an appropriate balance of skills and experience. These competencies include banking, accounting and finance, business acumen, management experience, industry knowledge, strategic planning experience, customer-based knowledge, familiarity with regulatory requirements and knowledge of risk management. The NC believes that there is an appropriate mix of expertise and experience to enable Management to benefit from a diverse perspective of issues that are brought before the Board; and no individual or small group of individuals dominates the Board's decision-making process. The Board considers that its Directors possess the necessary competencies and knowledge to lead and govern the Group effectively.

Taking into account the nature and scope of the Group's businesses and the number of board committees, the Board considers a board size of between five to six members as appropriate. The Board believes that the current composition and size provides sufficient diversity without interfering with efficient decision-making. The Directors' academic and professional qualifications are presented in pages 16 to 17 of the Annual Report.

Directors' independence review

Director who has no relationship with the Group, its related corporations, officers or its shareholders with shareholdings of 10% or more in the voting shares of the Company which could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the Group, is considered to be independent.

The NC is tasked to determine on an annual basis and as and when the circumstances require whether or not a director is independent, bearing in mind the Guidelines set forth in the Code and any other salient factor which would render a director to be deemed not independent. For the purpose of determining directors' independence, every Director has provided declaration of their independence which is deliberated upon by the NC and the Board.

CORPORATE GOVERNANCE REPORT

After taking into account the views of the NC, the Board considers that the following Directors are regarded as Non-Independent Directors of the Company:

Name of Directors	Reasons for non-independence
Ho Kwok Wai	Mr Ho Kwok Wai is deemed not independent as he holds more than 10% of the Company's voting shares.
Mark Francis Bedingham	As President and CEO of the Group, Mr Mark Francis Bedingham is employed by the Group.

Save for the abovementioned Directors, all the other Directors on the Board are considered by the NC and the Board to be Independent Directors.

The Board also recognizes that independent directors may over time develop significant insights in the Group's business and operations, and can continue to provide significant and valuable contribution objectively to the Board as a whole. When there are such directors, the Board will do a rigorous review of their continuing contribution and independence and may exercise its discretion to extend the tenures of these directors. Presently, Mr Wong Yen Siang has served on the Board for more than nine years from the date of his first appointment in 2005. The Board has subject his independence to a particularly rigorous review.

Taking into account the views of the NC, the Board concurs that Mr Wong Yen Siang continues to demonstrate strong independence in character and judgement in the discharge of his responsibilities as a Director of the Company. He has continued to express his individual viewpoints, debated issues and objectively scrutinized and challenged Management. He has sought clarification as he required, including through direct access to the Group's employees.

Further, there has been a significant change in the Board with the appointment of Mr Ho Kwok Wai as the Chairman in 2013 and Mr Mark Francis Bedingham as President and CEO in 2015. In addition, there has been significant change to the ownership of the Company and change in the businesses of the Group. After taking into account these factors, the Board has determined Mr Wong Yen Siang continues to be considered an Independent Director, notwithstanding he has served on the Board for more than nine years from the date of his first appointment. In addition, the Board has re-designated Mr Fong Sing Chak Jack to an Independent Director.

The Independent Directors make up more than half of the Board, which meets the requirements set out in the Code. This provides a strong and independent element on the Board. This is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgement on corporate affairs. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined.

Role of the Non-Executive Director

The Board and Management fully appreciate that an effective and robust Board whose members engage in open and constructive debate, and challenge Management on its assumptions and proposals is fundamental to good corporate governance. The Board should also aid in the development of strategic proposals and oversee effective implementation by Management to achieve set objectives.

For this to happen, the Board in particular the non-executive directors ("NEDs"), must be kept well informed of the Group's businesses and be knowledgeable about the industry the Group operates in.

To ensure that NEDs are well supported by accurate, complete and timely information, NEDs have unrestricted access to Management.

Principle 3: Chairman and Chief Executive Officer

The Chairman and CEO functions in the Company are assumed by different individuals. The Chairman, Mr Ho Kwok Wai, is a Non-Executive Director, while the CEO, Mr Mark Francis Bedingham is an Executive Director.

There is a clear division of responsibilities between the Chairman and CEO, which ensures a balance of power and authority at the top of the Company.

The Non-Executive Chairman ensures that board meetings are held when necessary and sets the board meeting agenda with the assistance of the Company Secretary and in consultation with the CEO. The Chairman ensures that the board members are provided with complete, adequate and timely information in compliance with the Code and there is effective communication within the Board and within the shareholders.

The Board has delegated the daily operations of the Group to the CEO. The CEO leads the Management team and formulates the Group's strategic directions and expansion plans, executes the strategic plan, reviews the performance of its existing businesses and manage the Group's overall business development to achieve the goal set out by the Board. He ensures that the Directors are kept updated and informed of the Group's business.

As the Chairman is not an independent director, the Board has appointed Mr Wong Yen Siang to act as the Lead Independent Director. Shareholders with concerns may contact him directly, when contact through the normal channels via the Chairman or CEO has failed to provide satisfactory resolution, or when such contact is inappropriate. All the Independent Directors, including the Lead Independent Director, meet at least annually without the presence of other executive and non-independent directors to discuss matters of significance which are then reported to the Chairman accordingly.

Principle 4: Board Membership

The NC comprises the following three members, all of whom are Independent Non-Executive Directors:

1. Mr Wee Sung Leng (NC Chairman)
2. Mr Wong Yen Siang
3. Mr Fong Sing Chak Jack

The NC, which has written terms of reference, is responsible for making recommendations to the Board on all board appointments and re-appointments. The key terms of reference of the NC include the following:–

- a. review and recommend the nominations for the appointment or re-appointment of Directors having regard to the composition and progressive renewal of the Board, each Director's qualifications, competencies, commitment, contribution and performance, the number of other listed company board representations;
- b. review the Board structure, size and composition having regard to the scope and nature of the operations, the requirements of the business, the diversity of skills, experience, gender and knowledge of the Company, the core competencies of the Directors as a group and make recommendations to the Board with regards to any adjustments that may be deemed necessary;
- c. review board succession plan for Directors, in particular for the Chairman of the Board and CEO;
- d. determine on an annual basis whether or not a Director is independent;
- e. assess the performance of the Board and contribution of each Director to the effectiveness of the Board as a whole; and
- f. recommend to the Board comprehensive induction training programmes for new directors and reviewing training and professional development programs for the Board to keep the Board apprised of relevant new laws, regulations and changing commercial risks.

Directors' independence review

The task of assessing the independence of Directors is delegated to the NC. The NC reviews the independence of each Director annually and as and when circumstances require. It has used its best efforts to ensure that Directors appointed to the Board possess the experience and knowledge, business, finance and Management skills necessary to our businesses and each Director, through his contributions, brings to the Board an independent and objective perspective to enable a balanced and well-considered decisions to be made.

Annually, each Independent Director is required to complete a Director's Independence Checklist ("Checklist") to confirm his independence. The Checklist is drawn up based on the guidelines provided in the Code.

CORPORATE GOVERNANCE REPORT

Each Independent Director must also confirm in the Checklist whether he considers himself independent despite not having any relationships identified in the Code. Thereafter, the NC reviews the Checklist completed by each Independent Director, assess the independence of the Directors and recommends its assessment to the Board.

The Board, after taking into account the views of the NC, determined that with the exception of Mr Mark Francis Bedingham and Mr Ho Kwok Wai, all the other three Non-Executive Directors are independent.

Directors' time commitments and multiple directorships

The NC has adopted internal guidelines addressing competing time commitments that are faced when Directors serve on multiple boards. The Board does not prescribe a maximum number of listed company board representations which any director with multiple board representations may hold and in lieu wishes to review the matter on a case by case basis taking into account the ability and performance of each director in his performance and discharge of duties and responsibilities.

The NC determines annually whether a Director with multiple board representations and/or other principal commitments is able to and has been adequately carrying out his duties as a Director of the Company.

The NC takes into account the results of the assessment of the effectiveness of the individual Director and the respective Directors' actual conduct on the Board, in making this determination. In respect of FY2016, the NC was of the view that each Director has discharged his duties adequately.

Process for selection and appointment of new Directors

The NC has put in place a formal process for the selection of new directors to increase transparency of the nomination process in identifying and evaluating nominees for directors of the Company. The NC leads the process as follows:

- a. NC evaluates the balance, skills, knowledge and experience of the existing Board and the requirements of the Group. In light of such evaluation, the NC determines the role and the key attributes that an incoming director should have.
- b. After endorsement by the Board of the key attributes, the NC taps on the resources of directors' personal contacts and recommendations of the potential candidates and goes through a short-listing process. If candidates identified from this process are not suitable, executive recruitment agencies are appointed in the search process.
- c. NC meets with the shortlisted candidate to assess suitability and to ensure that the candidate is aware of the expectations and the level of commitment required.
- d. NC recommends the most suitable candidate to the Board for appointment as director. They are appointed by way of Board resolutions of the Company.

Process for re-appointment of Directors

The NC is responsible for re-appointment of Directors. In its deliberations on the re-appointment of existing Directors, the NC takes into consideration the Director's contribution and performance (including his contribution and performance as an Independent Director, if applicable).

All Directors submit themselves for re-nomination and re-appointment at regular intervals of at least once every three years. Article 91 of the Company's Constitution provides that one third of the directors shall retire from office by rotation and be subject to re-appointment at the Company's annual general meeting ("AGM").

In addition, Article 97 of the Company's Constitution provides that a newly appointed director during the financial year must retire and submit himself for re-appointment at the next AGM following his appointment. Thereafter, he is subject to be re-appointed at least once every three years.

The NC has reviewed and recommended the re-election of the following Directors who will be retiring pursuant to the Company's Constitution at the forthcoming AGM to be held on 26 July 2016:

- Mr Fong Sing Chak Jack (retiring pursuant to Article 91)
- Mr Wee Sung Leng (retiring pursuant to Article 91)

The Board has accepted the recommendations and the retiring Directors will be offering themselves for re-election at the forthcoming AGM.

The NC also assessed and reviewed the independence of the Independent Directors, namely Mr Wong Yen Siang, Mr Wee Sung Leng and Mr Fong Sing Chak Jack based on the new guidelines set out in the Code. The Board, with the concurrence of the NC, concludes that Mr Wong Yen Siang and Mr Wee Sung Leng remain independent. Having reviewed and considered Mr Fong Sing Chak Jack's disclosures, past contributions and track record, he has been re-designated as Non-Executive and Independent Director.

The information relating to the date of last election of the Directors are set out under 'Principle 2' on page 23.

Key information regarding the Directors are set out under the section of 'Board of Directors' on pages 16 to 17 of this Annual Report.

Principle 5: Board Performance

The Board has implemented a process carried out by the NC for assessing the performance and effectiveness of the Board as a whole, its board committees and the contribution by each director to the effectiveness of the Board on an annual basis.

During FY2016, the Board engaged the Company Secretary to facilitate the evaluation of the Board and board committees, as well as the contributions by each Director.

The Board believes that such arrangement not only encourages Directors to be more candid in their evaluation of the Board performance but also enhances the objectivity and transparency of the evaluation process.

Evaluation process

The NC Chairman, in conjunction with the Chairman of the Board, conducts an annual assessment of the effectiveness of the Board as a whole, effectiveness of its board committees and the contribution by each individual Director. There are three components to this assessment:

- a. Self assessment;
- b. Board assessment; and
- c. Peer evaluations.

The performance evaluation process begins with an annual meeting between the NC Chairman and the Company Secretary on the evaluation framework to ensure that areas of particular interest and key issues are focused on.

The Company Secretary sends out a customized Board Evaluation Questionnaire ("Questionnaire") to each Director for completion. Each Director is required to complete the Questionnaire and send the Questionnaire directly to the Company Secretary. Based on the returns from each of the Director, the Company Secretary prepares a consolidated report and briefs the NC Chairman and the Chairman of the Board on the report. Thereafter, the Company Secretary presents the report for discussion at a meeting with all the Directors, chaired by the NC Chairman. The NC Chairman then holds a discussion with all Directors to agree on future action plans.

The performance of individual Directors is taken into account in their re-appointment. Specific needs which arise from time to time are taken into account in any appointment of new directors and review of the Board's performance is carried out collectively by the Board on an annual basis. For Board assessment, it is based on factors such as the Board's structure, size, conduct of meetings, corporate strategy and planning, risk management and internal controls, measuring and monitoring performance and financial reporting. In the case of individual assessments, each Director is evaluated based on factors which include the Director's attendance, adequacy of preparation for meetings, participation in discussions as well as industry and business knowledge.

CORPORATE GOVERNANCE REPORT

Principle 6: Access to Information

Complete, adequate and timely information

Management recognizes the importance of ensuring the flow of complete, adequate and timely information to the Directors on an ongoing basis to enable them to make informed decisions to discharge their duties and responsibilities.

To allow Directors sufficient time to prepare for the meetings, all Board and board committee papers are required to be distributed to Directors one week in advance of the meeting. Directors have separate and independent access to the Company Secretary and Management at all times. Any additional material or information requested by the Directors is promptly furnished.

Management's proposals to the Board for approval provide background and explanatory information such as facts, resources needed, risk analysis and mitigation strategies, financial impact, regulatory implications, expected outcomes, conclusions and recommendations.

Employees who can provide additional insight into matters to be discussed will be present at the relevant time during the Board and board committee meetings.

Management also provides the Board with management report on a quarterly basis. This report includes budgets, forecasts and monthly management accounts. In respect of budgets, any material variances between the projections and actual results are disclosed and explained to the Board.

Company Secretary

Directors have separate and independent access to the Company Secretary. The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed and that Company's Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act, Companies Act and SGX-ST's Listing Manual, are complied with. The Company Secretary also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes, with a view of enhancing long term shareholder value.

The Company Secretary assists the Chairman in ensuring good information flows within the Board and its board committees and between Management and NEDs. The Company Secretary also facilitates the orientation and assists with professional development as required.

The Company Secretary attends and prepares minutes for all Board meetings. As secretary for all board committees, the Company Secretary assists in ensuring coordination and liaison between the Board, the board committees and Management. The Company Secretary assists the Chairman of the Board, the Chairman of board committees and Management in the development of the agendas for the various Board and board committee meetings.

The appointment and the removal of the Company Secretary are subject to the Board's approval.

Independent professional advice

The Board has a process for Directors, either individually or as a group, in the furtherance of their duties, to take independent professional advice, if necessary, at the Group's expense.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

The RC comprises the following three members, all of whom are Independent Non-Executive Directors:

- a. Mr Wee Sung Leng (RC Chairman)
- b. Mr Wong Yen Siang
- c. Mr Fong Sing Chak Jack

CORPORATE GOVERNANCE REPORT

The RC is responsible for ensuring a formal and transparent procedure for developing policies on executive remuneration and for fixing the remuneration packages of individual Directors.

The members of the RC carried out their duties in accordance with the terms of reference which include the following:–

- a. Review and recommend to the Board for endorsement, a framework of remuneration for Directors and key management personnel. The framework covers all aspect of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, share-based incentives and awards and benefits in kind.
- b. Review and recommend to the Board, the specific remuneration packages for the executive Director(s) of the Company; of which a significant portion of the Executive Director's remuneration is structured to link rewards to corporate and individual performance.
- c. Review the level and mix of remuneration and benefits policies and practices of the Company, including the long term incentive schemes on an annual basis. The performance of the Company and that of the Executive Director(s) would be considered by the RC in undertaking such reviews.
- d. Implement and administer the Company's share plan.
- e. Review the Group's obligations arising in the event of termination of the Executive Director's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

None of the members of the RC or any Director is involved in deliberations in respect of any remuneration, compensation, share-based incentives or any form of benefits to be granted to him.

The RC has the authority to seek any external professional advice on matters relating to remuneration of Directors as and when the need arises.

Principle 8: Level and Mix of Remuneration

In recommending the level and mix of remuneration, the RC seeks to establish a framework for attracting, retaining and motivating employees. The Group's compensation framework comprises of fixed pay, short term and long term incentives. The Group subscribes to linking executive remuneration to corporate and individual performance, based on an annual appraisal of employees. The level and structure of remuneration of directors and key management personnel are aligned with the long term interest and risk policies of the Company.

Remuneration of Executive Directors and key management personnel

In designing the compensation structure, the RC seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between current versus long term compensation and between cash versus equity incentive compensation.

Executive Directors do not receive Directors' fees.

The remuneration structure for Executive Directors and key management personnel consists of the following components:

- a. Fixed remuneration
- b. Variable bonus
- c. Other benefits
- d. Share-based incentives

The Executive Directors' remuneration packages are based on service agreement entered into between the Company and the respective Executive Directors for a period of three (3) to five (5) years and subject to automatic renewal for subsequent periods of three (3) years unless earlier terminated.

CORPORATE GOVERNANCE REPORT

Remuneration of NEDs

The RC reviews the scheme put in place by the Company for rewarding the NEDs to ensure that the compensation is commensurate with effort, time spent and responsibilities of the NEDs.

Independent Directors and NEDs are paid yearly Directors' fees of an agreed amount, which are determined by the Board, appropriate to the level of their contribution, taking into account factors such as the effort and time spent and the responsibilities. The fees are subject to shareholders' approval at the AGM. Except as disclosed, the Independent Directors and NEDs do not receive any other remuneration from the Company.

Each member of the RC shall abstain from voting on any resolutions in respect of his remuneration package.

Principle 9: Disclosure on Remuneration

For the financial year under review, the RC had recommended to the Board total Directors' fees of S\$240,000 for the Independent NEDs, which will be tabled by the Board at the forthcoming AGM for shareholders' approval.

The Board has not included a separate annual remuneration report in its annual report for the current year as it is of the view that the matters, which are required to be disclosed in the annual remuneration report have already been sufficiently disclosed in this Corporate Governance Report and in the financial statements of the Company.

A breakdown, showing the level and mix of each individual Director's remuneration for financial year under review is as follows:-

Name of Director	Base Salary	Fees ¹	Bonus	Benefits in kind	Total
S\$500,000 to S\$750,000					
Mark Francis Bedingham	91%	–	–	9%	100%
Below S\$250,000					
Ho Kwok Wai	–	100%	–	–	100%
Chan Tak Sing Martin*	100%	–	–	–	100%
Fong Sing Chak Jack	–	100%	–	–	100%
Wong Yen Siang	–	100%	–	–	100%
Wee Sung Leng	–	100%	–	–	100%

* Chan Tak Sing Martin resigned as Executive Director of the Company on 5 February 2016.

¹ Subject to approval by shareholders as a lump sum at the AGM for the financial year ended 31 March 2016.

CORPORATE GOVERNANCE REPORT

Remuneration of top five key management personnel

The remuneration paid to or accrued to the top five key management personnel (who are not Directors or the CEO) for FY2016 is as follows:-

Name of Key Executives	Base Salary	Bonus	Benefits in kind	Total
S\$250,000 to S\$500,000				
Lo Chi Chung Alan	100%	–	–	100%
Andrew Shepherd*	87%	–	13%	100%
Below S\$250,000				
John Pike	75%	–	25%	100%
Tony Pretorius (appointed on 1 January 2016)	82%	–	18%	100%
Cher Soon Eng Lucy (appointed on 2 November 2015)	100%	–	–	100%

* Andrew Shepherd resigned on 1 April 2016.

The remuneration of each individual Director and key executive is not fully disclosed as the Company believes that disclosure may be prejudicial to its business interests given the highly competitive environment it is operating in. The RC has reviewed the practice of the industry in this regard, weighing the advantages and disadvantages of such disclosure.

The aggregate total remuneration paid to or accrued to key executives (who are not Directors or the CEO) for FY2016 is US\$1,194,188 (approximately equivalent to S\$1,607,974).

There is no employee in the Group who is related to a Director or the CEO whose remuneration exceeds S\$50,000 for FY2016.

The RC has reviewed and approved the remuneration packages of the Directors and key executives, having regard to their contributions as well as the financial performance and commercial needs of the Group and has ensured that the Directors and key executives are adequately but not excessively remunerated.

There are no termination, retirement or any post-employment benefits to Directors and key executives.

The SWH Performance Share Plan was adopted at an Extraordinary General Meeting on 30 July 2014. The SWH Performance Share Plan is administrated by the RC and contemplates the award of fully paid shares, free of charge, when or after prescribed performance targets are achieved by the selected employees of the Group. No shares have been issued under this plan during the financial year under review.

AUDIT COMMITTEE

Principle 10: Accountability and Audit

The Group recognises the importance of providing the Board with accurate and relevant information on a timely basis. Hence, Board members receive quarterly financial and business reports from Management. Such report keep the Board members informed of the Company's and the Group's performance, position and prospects and consist of the consolidated profit and loss accounts, analysis of sales, operating profit, pre-tax profit by operating segments compared against budgets, together with explanations for significant variances for the month and year to date.

The Board reviews and approves the results as well as any announcements before its release. The Board provides shareholders with half yearly and annual financial reports. Results for the first half year are released to shareholders within 45 days from the end of the half year. Annual results are released within 60 days from the financial year end. In presenting the annual and half yearly results to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of the Group's position and prospects. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

CORPORATE GOVERNANCE REPORT

The Board ensures that the Management maintains a sound system of internal control to safeguard the shareholders' investment and the Group's assets.

Principle 11: Risk Management and Internal Controls

The Board is responsible for ascertaining that Management maintains a sound system of internal controls to safeguard shareholders' investment and the assets of the Group.

The Board and the AC note that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities.

The Company has engaged Baker Tilly Consultancy (Singapore) Pte Ltd to carry out a review of the adequacy and effectiveness of the Group's risk management and internal control systems to enable the Board and Management to understand the inherent industry, financial, operational, compliance and information technology risks of the Group. The AC reviewed the enterprise risk management report prepared by Baker Tilly TFW, the external risk assessment team engaged to review the Group's internal controls which address financial, operational and compliance risks. On review of the report on the summary of the risks faced by the Group, AC will recommend to the Board any follow-up measures thereafter.

The Company's external auditors, in the course of their annual audit, informed the AC and the Board that they are not aware of any reason to indicate that the internal controls and risk management systems were not adequately and effectively addressing financial, operational compliance and information technology risks which would warrant highlighting to the Board and AC.

The Board has received assurance from the CEO and Finance Director in relation to the financial information and controls for the year, including (i) the financial records have been properly maintained and the financial statements for the financial year ended 31 March 2016 give a true and fair view of the Company's operations and finances and (ii) the Company's risk management and internal control systems in place are effective.

Based on the internal controls established and maintained by the Company, works performed by the external auditors, reviews performed by Management, the AC and the Board, the Board with the concurrence of the AC is of the opinion that the Group's internal controls and risk management systems addressing financial, operational, compliance and information technology risks are adequate and effective in meeting the needs of the Group and provide reasonable assurance against material financial misstatements or material loss and to safeguard the Group's assets. This is also supported by the assurance statement from the CEO and Finance Director.

Principle 12: Audit Committee

The AC comprises the following three members, all of whom are Independent Non-Executive Directors:

- a. Mr Wong Yen Siang (AC Chairman)
- b. Mr Wee Sung Leng
- c. Mr Fong Sing Chak Jack

All AC members have financial management knowledge and two members have accounting and related financial management expertise. The Board is of the view that the AC members have sufficient management expertise and experience to discharge their responsibilities.

The AC has written terms of reference clearly setting out its authority and duties.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

In the course of FY2016, the AC meets periodically to perform the following functions:

- a. review with the external auditors the audit plan, their evaluation of the system of internal accounting controls, their letter to Management and Management's response;

CORPORATE GOVERNANCE REPORT

- b. review the financial statements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;
- c. review the internal control and procedures and ensure co-ordination between the external auditors and Management, reviewing the assistance given by the Management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of Management where necessary);
- d. review the adequacy and effectiveness of the Company's risk management and internal control systems (including financial, operational, compliance and information technology controls) and to report to the Board annually;
- e. review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our Group's operating results or financial position, and our Management's response;
- f. consider and recommend the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the auditors;
- g. review interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;
- h. review potential conflicts of interest, if any;
- i. undertake such other reviews and projects as may be requested by our Board, and report to our Board its findings from time to time on matters arising and requiring the attention of our AC; and
- j. generally undertake such other functions and duties as may be required by statute or the Listing Manual, or by such amendments as may be made thereto from time to time.

The AC meets with the external auditors, at least once a year, without the presence of Management. The external auditors present to the AC the audit plan and updates relating to any change of accounting standards and issues which have a direct impact on financial statements during the AC meeting. The AC confirmed that it has undertaken a review of all non-audit services provided by the external auditors and is satisfied that such service would not, in the AC's opinion, affect the independence and objectivity of the external auditors.

The aggregate amount of fees paid or payable to the external auditors of the Company, broken down into audit and non-audit services for the financial year ended 31 March 2016 are as follows:

- Audit fees : S\$78,500
- Non-audit fees : S\$2,500

The AC, with concurrence of the Board has recommended RSM Chio Lim LLP for re-appointment as statutory auditors of the Company at the forthcoming AGM.

The Company engages suitable independent auditors to audit its foreign incorporated subsidiaries and associated companies, as disclosed in Note 18 to the financial statements in this annual report which have been cleared by the Company's external auditors. The Board and AC have reviewed and are satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Company.

The AC and the Board confirms that the Group had complied with SGX-ST Listing Rules 712 and 715 respectively.

The Company has in place whistle-blowing policy where employees of the Group have access to the AC to raise concerns about possible corporate improprieties in matters of financial reporting or other matters.

No former partner or Director of the Company's existing auditing firm or audit corporation is a member of the AC.

CORPORATE GOVERNANCE REPORT

Principle 13: Internal Audit

The AC annually reviews the adequacy and effectiveness of the Company's internal audit function. In the build up of the Myanmar businesses in FY2016, it was not considered necessary to have an independent internal audit as little revenue was generated in first half FY2016 and in the second half, new businesses were being negotiated but many were not yet operational. An internal audit function focused on Myanmar will be introduced in FY2017.

Principle 14: Shareholder Rights

The Company's corporate governance practices promote the fair and equitable treatment to all shareholders. To facilitate shareholders' ownership rights, the Company ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNET, in particular especially information pertaining to the Group's business development and financial performance which could have a material impact on the share price of the Company, so as to enable shareholders to make informed decisions in respect of their investments in the Company.

Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in the local newspaper and posted onto the SGXNET.

All shareholders are entitled to attend the general meetings and are afforded the opportunity to participate effectively in the general meetings. They are entitled to vote in accordance with the established voting rules and procedures.

The Constitution of the Company allows each shareholder to appoint up to two (2) proxies to attend and vote at the general meetings. The Company does not provide for absentia voting methods such as by mail, email, or fax due to concerns as to the integrity of such information and authentication of the identity of shareholders voting by such means.

With the Companies (Amendment) Act 2014, with effect from 3 January 2016, a member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap 50. At the forthcoming AGM, a member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the AGM.

Principle 15: Communication with Shareholders

The Company is committed to maintaining a regular, effective and fair communication with shareholders. The Board strives to ensure that all material information is disclosed to the shareholders in an equal, adequate and timely manner. The Board informs and communicates with shareholders through announcement releases through SGXNET, annual reports, and advertisement of notices of meetings and at AGMs.

The Company conducts its investor relations on the following principles:

- a. information deemed to be price-sensitive is disseminated without delay via announcements and/or press releases on SGXNET;
- b. endeavour to provide comprehensive information in financial results announcements to help shareholders and potential investors make informed decisions; and
- c. operate an open policy with regard to investor/email enquiries.

The Company does not have a fixed dividend policy at present. Key considerations that affect dividend decisions and the level of payouts include the Group's profit growth, level of cash available, projected levels of capital expenditure and investment plans and any other factors as the Board may deem appropriate.

No dividend was paid for the financial year ended 31 March 2016 as the Group reported a net operating loss for the year.

Principle 16: Conduct of Shareholder Meetings

The AGM is the principal forum for dialogue with our shareholders. The Company encourages our shareholders to attend the AGM to ensure a high level of accountability and to be updated on the Group's strategies and goals.

The Company takes note that there should be separate resolutions at general meetings on each substantially separate issue and to avoid bundling resolutions.

The Board welcomes questions and views of shareholders on matters affecting the Company raised either formally or informally before or at the AGM.

The Chairman of the AC, NC and RC are present and available to address questions relating to the work of their respective committees at general meetings. The Company's external auditors are also invited to assist in addressing any queries by shareholders relating to the conduct of audit and the preparation and content of their auditors' report.

At any general meeting, a resolution of the Company will be put to vote by poll and the detailed results showing the number of votes cast for and against each resolution and the respective percentages will be announced.

ADDITIONAL INFORMATION

SECURITIES TRANSACTIONS

The Company has devised and adopted policies in line with the requirements of the Listing Manual on dealings in the Company's securities.

The Company and its officers are prohibited from dealing in the Company's shares on short-term considerations or at any time when they are in possession of unpublished price-sensitive information. They are not allowed to deal in the Company's shares during the period commencing one month before the announcement of the Company's half year and full year results, and ending on the date of the announcement of the relevant results.

In addition, Directors and key executives are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

The Company issues half yearly circular to its Directors and officers informing them that they must not deal in the Company's securities before the release of results and at any time they are in possession of unpublished material price-sensitive information.

MATERIAL CONTRACTS AND LOANS

Pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, the Company confirms that except as disclosed below in the Interested Person Transactions section, and in the Directors' Statement and Financial Statements, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of the CEO or any Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transaction with an interested person, which sets out the procedures for review and approval of such transaction.

CORPORATE GOVERNANCE REPORT

The aggregate value of interested person transactions ("IPTs") during the reporting year was as follows:

Name of interested person	Aggregate value of all interested person transactions conducted during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)	
	FY2016	FY2015	FY2016	FY2015
Loan from Director – Ho Kwok Wai	US\$8,281,142	US\$2,958,523	–	–
Loan from Director – Mark Francis Bedingham	US\$2,002,080	–	–	–

Mr Ho Kwok Wai is the Non-Executive Chairman and Controlling Shareholder of the Company who holds 64.53% of the total issued and paid-up Shares (inclusive of both direct and deemed interests). Pursuant to a loan agreement dated 16 February 2015, Mr Ho Kwok Wai granted a loan of a total principal amount of US\$10,000,000.00 to the Company at an interest rate of 2.34% per annum, of which US\$7,000,000.00 has been disbursed as at 11 February 2016. The maturity date of the loan is the date falling 24 months from the date of the first disbursement of the loan. The interest rate for the loan was agreed between the parties having regard to the applicable interest rate of 2.34% charged by United Overseas Bank Limited, being the Company's main banker, for a two-year working capital loan. The loan is unsecured.

Mr Mark Francis Bedingham is the Executive Director, President, CEO, and Shareholder of the Company who holds 3.08% of the total issued and paid-up Shares (inclusive of both direct and deemed interests). Pursuant to a loan agreement dated 14 January 2016, Mr Mark Francis Bedingham granted a loan of a total principal amount of US\$2,000,000.00 to the Company at an interest rate of 2.34% per annum, of which US\$2,000,000.00 has been fully disbursed as at 11 February 2016. The maturity date of the loan is the date falling 24 months from the date of the first disbursement of the loan. The interest rate for the loan was agreed between the parties having regard to the applicable interest rate of 2.34% charged by United Overseas Bank Limited, being the Company's main banker, for a two-year working capital loan. The loan is unsecured.

Subsequent to 31 March 2016, the SGX-ST has granted its in-principal approval for the listing and quotation of up to 35,264,050 Debt Conversion Shares. Pursuant to the Debt Conversion Deeds, Mr Ho Kwok Wai and Mr Mark Francis Bedingham have agreed to convert shareholders loans of US\$9,073,732 for up to 35,264,050 new ordinary shares in the capital of the Company at the issue price of S\$0.36 per Debt Conversion Share.

The Company will be convening an extraordinary general meeting to seek Shareholders' approval for the Proposed Debt Conversion.

Subsequent to the Company's announcement of the Proposed Debt Conversion on 11 February 2016, Mr Ho Kwok Wai had at the Company's request disbursed a further US\$1,200,000.00 to the Company on 26 February 2016 at the same interest rate and terms as provided in the aforesaid loan agreement, as the Company needed further funds for its operations. The parties do not intend to convert the additional disbursement of US\$1,200,000.00 into Shares.

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

USE OF PROCEEDS

1. The Company raised the net proceeds of approximately S\$3.9 million from the placement of 11,250,000 ordinary shares in the capital of the Company at an issue price of S\$0.3555 for each share which was completed on 28 July 2015. Such proceeds have been utilized in accordance with the intended purposes as follows:-
 - a. approximately S\$3.8 million was used to fund the construction of telecommunication towers; and
 - b. the balance of approximately S\$0.1 million was used to fund the provision of car rental and limousine services in Myanmar.
2. The Company raised the net proceeds of approximately S\$3.3 million from the placement of 10,000,000 ordinary shares in the capital of the Company at an issue price of S\$0.36 for each share which was completed on 29 February 2016. Such proceeds have been utilized in accordance with the intended purposes as follows:-
 - a. approximately S\$2.1 million was used to fund the construction of telecommunication towers;
 - b. approximately S\$0.8 million was used to fund the construction of duty-free retail shops and the purchase of duty-free merchandise;
 - c. approximately S\$0.3 million was used to fund the construction of warehouse in Myanmar in relation to the Group's logistics business; and
 - d. the balance of approximately S\$0.1 million was used for loan repayment.
3. The Company raised the net proceeds of approximately S\$2.6 million from the placement of 7,740,000 ordinary shares in the capital of the Company at an issue price of S\$0.40 for each share which was completed on 29 March 2016. The Company intends to utilise 100% of the net proceeds to fund the construction and fitting out of duty-free retail shops and the purchase of duty-free merchandise.