

TERRITORY FRANCHISE AGREEMENT WITH CRYSTAL JADE MANAGEMENT (VIETNAM) PTE. LTD.

*Capitalised words not defined in this announcement shall have the meanings ascribed to them in the Company's announcements dated 25 November 2015 and 24 December 2015 ("**Announcements**")*

1. INTRODUCTION

The Board of Directors (the "**Board**") of Singapore Myanmar Investco Limited (the "**Company**") and together with its subsidiaries, the "**Group**") refers to the Announcements regarding the Group's operation and management of duty-free retail space in the New Terminal of Yangon International Airport.

The Board wishes to announce that it as part of the Group's efforts to manage the duty-free retail space in the New Terminal, the Group will be expanding its business to include the setting up and operation of restaurants and other related food and beverage ("**F&B**") concepts in the New Terminal (the "**Proposed F&B Business**"). To that effect, the Group has entered into a territory franchise agreement ("**Agreement**") with Crystal Jade Management Vietnam Pte. Ltd. ("**Franchisor**"), an independent unrelated third party, for the exclusive right to develop, manage and operate the "Crystal Jade Kitchen", "Crystal Jade Palace Restaurant" and "Crystal Jade La Mian Xiao Long Bao" restaurants in Myanmar, on the terms and conditions set out in the Agreement.

2. TERMS OF THE AGREEMENT

Pursuant to the terms of the Agreement, it is envisioned that the Group will be establishing in Myanmar:

- a. one "Crystal Jade Kitchen" restaurant and one "Crystal Jade Palace Restaurant" in 2016; and
- b. two "Crystal Jade Kitchen" restaurants in each of 2017 and 2018.

The Agreement is for a term of 10 years commencing from 5 May 2016, which may be further extended for another 10 years upon compliance with the conditions stipulated by the Franchisor in the Agreement.

3. INFORMATION ON THE FRANCHISOR

The Franchisor is a company incorporated in Singapore and is part of the Crystal Jade Group, which operates various restaurants under the "Crystal Jade" brand in Singapore, Vietnam, Hong Kong, China, Philippines, India, Indonesia, South Korea, Thailand and San Francisco. Mr Mark Francis Bedingham, the Company's Executive Director, President and CEO, is a director of Crystal Jade Culinary Concepts Pte. Ltd., the sole shareholder of the Franchisor.

Save as disclosed above, none of the directors or controlling shareholders of the Franchisor have business relationships or are related to the Directors or Controlling Shareholders of the Company.

4. RATIONALE FOR THE PROPOSED F&B BUSINESS

The Proposed F&B Business is complementary to the Group's business activities in managing and operating the duty-free retail space at the New Terminal, by collaborating with established brands for the Group's duty-free operations. The Proposed F&B Business is also synergistic with the Group's current trading, distribution and retail business pertaining to the distribution of fast-moving consumer goods.

The Proposed F&B Business will be able to leverage on the existing business networks and connections developed through the Group's current endeavours in Myanmar and will tap on the same corporate resources used for its current business activities in Myanmar, to develop an additional stream of revenue and earnings for the Group.

At the initial stage, the Company does not anticipate the volume of business for the Proposed F&B Business to be material, however, it will monitor the progress of its business and will seek shareholders' approval when it anticipates that the Proposed F&B Business becomes material. Meanwhile, the Company will comply with Rule 1014 of the Listing Manual by seeking shareholders' approval for any major transaction arising under the Proposed F&B Business.

Save as disclosed above, none of the Directors or Controlling Shareholders of the Company have any interest in the expansion into the Proposed F&B Business or the Agreement except through their shareholdings in the Company (if any).

By Order of the Board

Mark Francis Bedingham
Executive Director, President and CEO
16 May 2016