

PROPOSED PLACEMENT OF UP TO 7,740,000 NEW ORDINARY SHARES IN THE CAPITAL OF SINGAPORE MYANMAR INVESTCO LIMITED

1. INTRODUCTION

The Board of Directors (the "**Board**") of Singapore Myanmar Investco Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 18 March 2016 entered into a letter agreement (the "**Letter Agreement**") with CLSA Singapore Pte Ltd as placement agent (the "**Placement Agent**"). Pursuant to the Letter Agreement, the Company has agreed to allot and issue up to 7,740,000 new ordinary shares (the "**Placement Shares**") in the capital of the Company at a placement price of S\$0.40 (the "**Placement Price**") for each Placement Share, and the Placement Agent has agreed to procure the subscription and payment for the Placement Shares at the Placement Price for each Placement Share on a best efforts basis (the "**Placement**").

2. THE PROPOSED PLACEMENT

2.1 Placement Shares and Placement Price

The Placement Shares will be placed by the Placement Agent to institutional investors pursuant to Section 274 of the Securities and Futures Act (Cap 289) of Singapore ("**SFA**"), and/or accredited investors pursuant to Section 275 of the SFA.

The Company will be making an application to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the admission of the Placement Shares to the Official List of the SGX-ST and for the listing of and quotation for the Placement Shares on the SGX-ST. The Company will make the necessary announcement once the in-principle approval for the listing of and quotation for the Placement Shares has been obtained from the SGX-ST.

The Placement Price of S\$0.40 for each Placement Share was arrived at pursuant to discussions with the Placement Agent, taking into account, among others, the prevailing market price of the shares of the Company ("**Shares**"), and represents a discount of approximately 2.40% to the volume weighted average price of S\$0.41 per Share for trades done on the Shares on the Official List of the SGX-ST on 18 March 2015, being the full market day during which the Shares were traded on the date of the signing of the Letter.

The Placement Shares are intended to be issued pursuant to the general share issuance mandate ("**General Mandate**") obtained at the annual general meeting of the Company held on 29 July 2015 ("**2015 AGM**"), which authorises the Directors of the Company to allot and issue new shares in the capital of the Company ("**Shares**") not exceeding 50% of the total number of issued Shares as at the date of the 2015 AGM, of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company shall not exceed 20% of the Company's total number of issued Shares (excluding treasury shares).

The number of issued Shares as at the date of the 2015 AGM was 158,130,000 Shares. 10,000,000 Shares were previously issued under the General Mandate prior to the Proposed Placement and as such, the number of remaining Shares that may be issued pursuant to the General Mandate on a pro-rata basis is 69,065,000 Shares, of which the maximum number of Shares to be issued other than on a pro-rata basis is 21,626,000 Shares.

The Placement Shares, when issued and delivered, shall rank *pari passu* with and shall carry all rights similar to the existing Shares except that they will not rank for any dividend,

right, allotment or other distributions, the record date for which falls on or before the completion of the Proposed Placement

2.2 Conditions

Completion of the Placement is conditional upon, among others:

- (i) in-principle approval for the additional listing application for the listing and quotation of the Placement Shares on the SGX-ST being obtained from the SGX-ST;
- (ii) the allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Letter Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company or the Placement Agent;
- (iii) the Placement Shares not being placed any person who is a director or substantial shareholder of the Company or other persons specified in Rule 812 of the Listing Manual of the SGX-ST save for the exceptions specified in Rule 812(3); and
- (iii) the representations, warranties and undertakings in the Letter Agreement remaining true and correct in all respects as at the date of completion of the Placement.

There will not be any prospectus or offer information statement issued in connection with the Proposed Placement as the Proposed Placement will be made pursuant to exemptions under Sections 274 and 275 of the SFA.

3. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The table illustrates the financial effects of the Proposed Placement (assuming the Proposed Placement is fully subscribed) on (i) the net tangible asset per share of Group (assuming the Proposed Placement had been completed at the end of that financial year); and (ii) the earnings per share of the Group (assuming that the Proposed Placement had been completed at the beginning of that financial year) based on the audited financial statements of the Group for the full year ended 31 March 2015 are set out below:

	Before the Proposed Placement US\$ (cents) (approximate)⁽¹⁾	After the Proposed Placement US\$ (cents) (approximate)⁽¹⁾
Effect of the Proposed Placement on the net tangible asset per share	4.58	5.62
Effect of the Proposed Placement on the earnings per share		
- Continued Operations	(2.27)	(2.17)
- Discontinued Operations	(1.46)	(1.39)

Notes:

- (1) Based on a currency conversion rate of US\$1 : HKD7.7559 and US\$1 : S\$1.3565 as at 18 March 2016 (Source: Bloomberg)

(2) The above figures include the financial effects of the placement completed on 29 February 2016 but exclude the financial effects of the Proposed Debt Conversion as announced on 11 February 2016.

4. USE OF PROCEEDS

Assuming that the Placement is fully subscribed, the net proceeds to be raised by the Company from the Proposed Placement (after deducting estimated expenses of S\$132,000 are approximately S\$2.96 million ("**Net Proceeds**").

The Company intends to utilise 100% of the Net Proceeds to fund the Company's duty-free retail operations in Myanmar, including capital expenditure in constructing and fitting out duty-free retail shops in Yangon Airport and the purchase of duty-free merchandise.

Pending the deployment of the Net Proceeds, the Company intends to place the Net Proceeds from the Proposed Placement with banks and/or financial institutions or use the Net Proceeds for any other purposes on a short-term basis, as the Directors may deem fit.

The Company will make periodic announcements on the actual utilisation of the Net Proceeds as and when the Net Proceeds are disbursed and utilised and to provide a status report on the use of the Net Proceeds in the Company's interim and full-year financial statements issued under Rule 705 of the Listing Manual and the Company's annual report.

5. CONFIRMATION BY DIRECTORS

The Directors are of the opinion that after taking into consideration the present bank facilities available to the Group, the working capital available to the Group is sufficient to meet its present requirements.

The Directors, however believe that the Net Proceeds of the Proposed Placement will enable the Group to fund its expansion plans in Myanmar.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Placement, other than through their shareholdings in the Company.

7. RESPONSIBILITY STATEMENT

The Directors have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

By Order of the Board

Mark Francis Bedingham
Executive Director, President and CEO
18 March 2016