

CIRCULAR DATED 4 MAY 2017

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If you have sold or transferred your ordinary shares in the capital of the Company, please forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the accuracy of any of the statements or opinions made, or reports contained in this Circular.

The approval-in-principle of the SGX-ST is not to be taken as an indication of the merits of the Proposed Debt Conversion (as defined in this Circular), the Debt Conversion Shares (as defined in this Circular), the Company and/or its subsidiaries.



SINGAPORE MYANMAR INVESTCO LIMITED

(Company Registration No. 200505764Z)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to

- (A) THE PROPOSED CONVERSION OF THE AGGREGATE OUTSTANDING AMOUNT OF US\$3,533,867.43 OWING TO MR HO KWOK WAI AND MR MARK FRANCIS BEDINGHAM BY THE COMPANY INTO UP TO 11,885,573 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE ISSUE PRICE OF S\$0.42 PER SHARE; AND**

- (B) THE PROPOSED NEW SHARE ISSUE MANDATE**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	23 rd May 2017 at 4.00 p.m.
Date and time of Extraordinary General Meeting	:	25 th May 2017 at 4.00 p.m.
Place of Extraordinary General Meeting	:	Sky Garden Meeting Room, 21 st Floor, Straits Trading Building, 9 Battery Road, Singapore 049910

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

- "2016 Debt Conversion"* : The conversion of an aggregate amount of US\$9,073,731.66 owed to Mr Ho Kwok Wai and Mr Mark Francis Bedingham into 35,264,050 Shares, which was approved by Shareholders at an EGM held 26 July 2016 and completed on 19 August 2016
- "2016 Debt Conversion Circular"* : The circular to Shareholders containing details of the 2016 Debt Conversion dated 8 July 2016
- "Act" or "Companies Act"* : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
- "AGM"* : Annual general meeting
- "Associate"* : (a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:-
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more,
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
- "Board"* : The board of directors of the Company as at the Latest Practicable Date
- "CDP"* : The Central Depository (Pte) Limited
- "Circular"* : This circular to Shareholders dated 4 May 2017 in respect of the Proposed Debt Conversion and Proposed New Share Issue Mandate
- "Company"* : Singapore Myanmar Investco Limited
- "Constitution"* : The constitution of the Company
- "Control"* : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating practices of the Company
- "Controlling Shareholder"* : A person (including a corporation) who:
- (a) holds directly or indirectly 15% or more of the issued and paid-up Shares; or
 - (b) in fact exercises Control over the Company

DEFINITIONS

<i>“Debt Conversion Deeds”</i>	:	The conditional debt conversion deeds entered into between the Company, Mr Ho Kwok Wai and Mr Mark Francis Bedingham respectively dated 14 November 2016
<i>“Debt Conversion Shares”</i>	:	The aggregate number of up to 11,885,573 new Shares in the capital of the Company to be allotted and issued at an issue price of S\$0.42 per Share to Mr Ho Kwok Wai and Mr Mark Francis Bedingham in repayment of the Outstanding Amount, based on a currency conversion rate of US\$1: S\$1.4126 as at 11 November 2016, comprising 10,188,945 new Shares to Mr Ho Kwok Wai and 1,696,628 new Shares to Mr Mark Francis Bedingham
<i>“Directors”</i>	:	The directors of the Company as at the Latest Practicable Date
<i>“EGM”</i>	:	Extraordinary general meeting
<i>“EPS”</i>	:	Earnings per Share
<i>“FY”</i>	:	Financial year of the Company ended or ending 31 March (as the case may be)
<i>“Group”</i>	:	The Company and its Subsidiaries
<i>“Interest”</i>	:	The interest accrued on the Loans as at 11 November 2016 of an aggregate amount of US\$33,867.43. Of this US\$33,867.43, US\$29,419.00 has accrued on the Mr Ho Kwok Wai’s loan to be converted of US\$3,000,000, and US\$4,448.43 has accrued on Mr Mark Francis Bedingham’s loan to be converted of US\$500,000
<i>“Interested Person”</i>	:	Has the meaning ascribed to it in the Listing Manual
<i>“Interested Person Transactions” or “IPT”</i>	:	Transactions proposed to be entered or entered into between the Company, its Directors, Substantial Shareholders and their Associates and has the meaning ascribed to it in the Listing Manual
<i>“Latest Practicable Date”</i>	:	20 April 2017, being the latest practicable date prior to the printing of this Circular
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST and its relevant rule(s), as amended or modified from time to time
<i>“Loans”</i>	:	The shareholders’ loans in the aggregate principal amount of US\$3,500,000 to be converted, of which US\$3,000,000 has been granted by Mr Ho Kwok Wai and US\$500,000 has been granted by Mr Mark Francis Bedingham
<i>“MIG Disposal”</i>	:	Has the meaning ascribed to it in Section 2.2.3 of this Circular
<i>“NAV”</i>	:	Net asset value
<i>“NTA”</i>	:	Net tangible assets
<i>“OCBC Placement”</i>	:	The placement exercise undertaken by OCBC Securities Private Limited to place 41,370,000 Shares at a placement price of S\$0.42 per Share pursuant to a placement agreement dated 14 November 2016 and completed on 30 November 2016

DEFINITIONS

- “Old Share Issue Mandate”* : Has the meaning ascribed to it in Section 4 of this Circular
- “Ordinary Resolution”* : A resolution passed by a simple majority of the Shareholders present and voting in person or by proxy at a general meeting of the Company
- “Outstanding Amount”* : The aggregate outstanding amount of US\$3,533,867.43 (comprising the Loans and Interest) owed by the Company to Mr Ho Kwok Wai and Mr Mark Francis Bedingham, of which US\$3,029,419.00 is owed to Mr Ho Kwok Wai and US\$504,448.43 is owed to Mr Mark Francis Bedingham
- “Proposed New Share Issue Mandate”* : The proposed new share issue mandate to be adopted by the Company pursuant to Section 161 of the Companies Act and Rule 806 of the Listing Manual
- “Proposed Debt Conversion”* : The proposed repayment of the Outstanding Amount by way of the allotment and issue of the Debt Conversion Shares to Mr Ho Kwok Wai and Mr Mark Francis Bedingham
- “Securities Account”* : The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
- “SFA” or “Securities and Futures Act”* : The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
- “SGX-ST”* : Singapore Exchange Securities Trading Limited
- “Shareholders”* : The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
- “Shares”* : Fully paid ordinary shares in the capital of the Company
- “Substantial Shareholder”* : A person (including a corporation) who holds, directly or indirectly, 5% or more of the total issued Shares

Currencies, Units and Others

- “%” or “per cent”* : Per centum or percentage
- “HK\$”* : Hong Kong Dollars
- “S\$”, “\$” or “cents”* : Singapore dollars and cents respectively
- “US\$” or “US cents”* : United States of America dollars and cents respectively

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA. The term “Subsidiary” shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

DEFINITIONS

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference in this Circular to shares being allotted to a person includes allotment to CDP for the account of that person.

Any reference to a time of day and to dates in this Circular shall be a reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in this Circular between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

All currency conversion rates quoted in this Circular have been extracted from Bloomberg.

LETTER TO SHAREHOLDERS

SINGAPORE MYANMAR INVESTCO LIMITED

Company Registration Number 200505764Z
(Incorporated in the Republic of Singapore)

Directors:

Mr Ho Kwok Wai	<i>(Non-Executive Director and Chairman)</i>
Mr Mark Francis Bedingham	<i>(Executive Director, President and CEO)</i>
Mr Wong Yen Siang	<i>(Non-Executive and Lead Independent Director)</i>
Mr Fong Sing Chak Jack	<i>(Non-Executive and Independent Director)</i>
Mr Wee Sung Leng	<i>(Non-Executive and Independent Director)</i>

Registered Office:

300 Beach Road
#29-01
The Concourse
Singapore 199555

4 May 2017

To: The Shareholders of Singapore Myanmar Investco Limited

Dear Sir/Madam

(A) THE PROPOSED CONVERSION OF THE AGGREGATE OUTSTANDING AMOUNT OF US\$3,533,867.43 OWING TO MR HO KWOK WAI AND MR MARK FRANCIS BEDINGHAM BY THE COMPANY INTO UP TO 11,885,573 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE ISSUE PRICE OF S\$0.42 PER SHARE; AND

(B) THE PROPOSED NEW SHARE ISSUE MANDATE

1. INTRODUCTION

The Board proposes to convene the EGM to be held on 25 May 2017 to seek the approval of the Shareholders for the following proposals:

- (i) The Proposed Debt Conversion; and
- (ii) The Proposed New Share Issue Mandate.

The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Debt Conversion and the Proposed New Share Issue Mandate, and to seek Shareholders' approval for both the Proposed Debt Conversion and the Proposed New Share Issue Mandate at the EGM.

2. PROPOSED DEBT CONVERSION AND ALLOTMENT AND ISSUE OF DEBT CONVERSION SHARES

2.1 Background

In an announcement dated 14 November 2016, the Company announced, *inter alia*, that it had entered into the conditional Debt Conversion Deeds with Mr Ho Kwok Wai and Mr Mark Francis Bedingham for the Proposed Debt Conversion whereby the Debt Conversion Shares will be allotted and issued to Mr Ho Kwok Wai and Mr Mark Francis Bedingham in repayment of the Outstanding Amount.

The Board of Directors of the Company proposes to allot and issue the Debt Conversion Shares in the capital of the Company to settle the Outstanding Amount owing by the Company to Mr Ho Kwok Wai and Mr Mark Francis Bedingham.

The allotment and issue of the Debt Conversion Shares is subject to the approval-in-principle being granted by the SGX-ST for the listing and quotation of the same on the SGX-ST and approval of Shareholders for the Proposed Debt Conversion being obtained at the EGM.

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On 28 February 2017, the Company announced that it had received the approval-in-principle from the SGX-ST for the listing and quotation of the Debt Conversion Shares on the SGX-ST. The approval-in-principle of the SGX-ST is subject to the following conditions:

- (i) Compliance with the SGX-ST's listing requirements; and
- (ii) Independent Shareholders' approval on the issuance of the Debt Conversion Shares.

It should be noted that the approval-in-principle of the SGX-ST is in no way reflective of the merits of the Proposed Debt Conversion, the Debt Conversion Shares, the Company and/or its Subsidiaries.

2.2 Rationale for Extension of the Loans and Subsequent Loans

2.2.1 Loan by Mr Ho Kwok Wai (Non-Executive Chairman and Controlling Shareholder)

Mr Ho Kwok Wai is the Non-Executive Chairman and Controlling Shareholder of the Company who holds 55.62% of the total issued and paid-up Shares (inclusive of both direct and deemed interests) as at the Latest Practicable Date. 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 to the Company at an interest rate of 2.34% per annum, all of which has been disbursed as at 14 November 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) at the relevant time, for a two-year working capital loan.

Pursuant to the 2016 Debt Conversion for the conversion of an aggregate amount of US\$9,073,731.66 owed by the Company to Mr Ho Kwok Wai and Mr Mark Francis Bedingham into 35,264,050 Shares (which was approved by Shareholders at an EGM held 26 July 2016 and completed on 19 August 2016), a principal amount of US\$7,000,000 and interest accrued thereon of US\$71,651.66 owed to Mr Ho Kwok Wai has been converted into Shares. Further details of the 2016 Debt Conversion may be found in the 2016 Debt Conversion Circular.

As such, the remaining loan amount disbursed by Mr Ho Kwok Wai pursuant to the loan agreement dated 16 February 2015 is US\$3,000,000, on which interest of US\$29,419.00 has accrued as at 11 November 2016 (being the business day immediately preceding the signing of the Debt Conversion Deed for the purpose of determining the applicable exchange rate for the Proposed Debt Conversion). All interest accruing from 11 November 2016 in respect of the US\$3,000,000 to be converted has been waived by Mr Ho Kwok Wai pursuant to the Debt Conversion Deed. Please refer to section 3.2.1 of this Circular for the computation of the value of the IPT expressed as a percentage of the Group's NTA at the time of the loan.

The loan was used to fund the operational requirements and working capital of the Group, mainly for its Myanmar operations. In particular, the loan was used for the construction of telecommunication towers in Myanmar, which is a capital intensive undertaking with higher costs for third party financing compared to the other business segments of the Group in Myanmar.

Mr Ho Kwok Wai has also extended a further loan of US\$2,000,000 to the Company pursuant to a loan agreement dated 20 October 2016, having the same interest rate, tenure and other terms as provided in the loan agreement dated 16 February 2015. An amount of US\$100,000 has been disbursed and interest accrued thereon of US\$981.96 as at the Latest Practicable Date, with the remaining US\$1,900,000 available for disbursement as and when needed by the Company. The loan of US\$2,000,000 under the agreement dated 20 October 2016 is not subject to the Debt Conversion Deed.

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2.2.2 Loan by Mr Mark Francis Bedingham (Executive Director, President, CEO and Shareholder)

Mr Mark Francis Bedingham is the Executive Director, President, CEO, and Shareholder of the Company who holds 5.58% of the total issued and paid-up Shares (inclusive of both direct and deemed interests) as at the Latest Practicable Date. Pursuant to a loan agreement dated 24 June 2016, Mr Mark Francis Bedingham granted a loan of a total principal amount of US\$1,000,000 to the Company, which is payable upon 30 days' prior notice being given by Mr Mark Francis Bedingham to the Company, at an interest rate of 2.34% per annum. The interest rate for the loan was agreed between the parties as it is lower than the most favourable rate charged by the Company's main banker, United Overseas Bank Limited. The loan has been fully disbursed as at 14 November 2016.

The principal amount of loan and interest accrued thereon to be converted by Mr Mark Francis Bedingham pursuant to the Debt Conversion Deed is US\$500,000 and US\$4,448.43 respectively. All further interest accruing from 11 November 2016 (being the business day immediately preceding the signing of the Debt Conversion Deed for the purpose of determining the applicable exchange rate for the Proposed Debt Conversion) on the principal amount of US\$500,000 to be converted has been waived by Mr Mark Francis Bedingham. Please refer to section 3.2.2 of this Circular for the computation of the value of the IPT expressed as a percentage of the Group's NTA at the time of the loan.

As at the Latest Practicable Date, the interest accrued on the remaining principal amount of US\$500,000 pursuant to the loan agreement dated 24 June 2016 is US\$9,720.64.

The loan granted by Mr Mark Francis Bedingham was used for the same purpose as the loan granted by Mr Ho Kwok Wai disclosed in section 2.2.1 of this Circular.

In addition to the above loan of US\$1,000,000, Mr Mark Francis Bedingham has granted the following loans to the Company which are not subject to the Debt Conversion Deed, all of which have been fully disbursed as at the Latest Practicable Date:

Table 1: Additional loans granted by Mr Mark Francis Bedingham

Date of Loan Agreement	Loan Amount (US\$)	Interest Rate	Tenure	Interest accrued as at the Latest Practicable Date (US\$)
1 August 2016	2,000,000	2.34% per annum	Repayable upon 30 days' prior notice being given by Mr Mark Francis Bedingham to the Company	33,214.94
28 September 2016	200,000			2,662.49
1 November 2016	500,000			5,568.78
21 November 2016	500,000		The loan (together with interest accrued thereon of US\$737.50) has been fully repaid on 21 December 2016	Nil

2.2.3 Circumstances for the Provision of the Loans

The Group's businesses and operations are based in Myanmar, which include the following:

- (a) The operation of duty-free retail outlets at Yangon International Airport, covering approximately 6,700 square metres of commercial space with more than 30 international brands and partnerships;
- (b) The distribution of food and beverage items and operation of 3 international franchises in Myanmar;
- (c) The trading and distribution of heavy equipment for the construction industry including machines and spare parts;

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- (d) The provision of car-rental and limousine services under the brand name of “Europcar”, with a current fleet of approximately 120 cars;
- (e) The distribution of telecommunication equipment and accessories, as well as mobile data and voice packages, mainly to small and medium sized enterprises;
- (f) Setting up and operation of serviced offices and provision of corporate, office administration and other related services; and
- (g) The provision of logistics and warehousing services.

The Company had entered to a sale and purchase agreement dated 20 October 2016 to dispose of its business regarding the construction, operation and leasing of telecommunications infrastructure in Myanmar (“**MIG Disposal**”). The MIG Disposal was effected as, *inter alia*, the construction of the telecommunications towers is capital intensive and the rollout and construction of the telecommunications towers were slower than projected. The details of the MIG Disposal may be found in the Company’s circular to shareholders dated 8 December 2016. As at the Latest Practicable Date, the MIG Disposal has not been completed.

These factors have made it difficult for the Group to obtain bank borrowings on favourable terms for the construction of telecommunications towers as it had not established a track record for its activities in Myanmar at that time. The Loans extended by Mr Ho Kwok Wai and Mr Mark Francis Bedingham were at a lower financing cost compared to bank borrowings. In addition, the Company is able to draw down on the Loans in a timely manner, compared to the time required for bank borrowings due to the time required to negotiate and finalise the terms of such bank loans.

The Company has received 20% of the sale consideration for the MIG Disposal as at the Latest Practicable Date, of which 5% is used to fund the co-lease up programme for the Group’s existing telecommunications towers and the remaining 15% has been placed in escrow pending the completion of the MIG Disposal. Once the sale consideration is available for use by the Company, the Company intends to utilise the monies to repay, in priority, third party loans which carry a higher interest rate than the shareholders’ loans extended by Mr Ho Kwok Wai and Mr Mark Francis Bedingham, in accordance with the Company’s intended use of the sale proceeds.

2.3 Debt Conversion Deed

On 14 November 2016, the Company entered into the Debt Conversion Deeds with Mr Ho Kwok Wai and Mr Mark Francis Bedingham respectively, whereby Mr Ho Kwok Wai and Mr Mark Francis Bedingham have agreed to convert the Outstanding Amount into the Debt Conversion Shares at the issue price of S\$0.42 per Debt Conversion Share in repayment of the Outstanding Amount.

Pursuant to the Debt Conversion Deeds, the parties have mutually agreed that, notwithstanding that the Outstanding Amount is denominated in US\$, the Company shall repay the Outstanding Amount by issuing the Debt Conversion Shares in S\$ using a currency conversion rate of US\$1: S\$1.4126 as at 11 November 2016 (being the business day immediately preceding the signing of the Debt Conversion Deed for the purpose of determining the applicable exchange rate for the Proposed Debt Conversion). Mr Ho Kwok Wai and Mr Mark Francis Bedingham have also respectively agreed to waive all interest accruing on the Loans from 11 November 2016.

The Outstanding Amount owing by the Company to Mr Ho Kwok Wai and Mr Mark Francis Bedingham to be converted into Debt Conversion Shares pursuant to the Debt Conversion Deeds is US\$3,533,867.43 (comprising the Loans and Interest).

As at the Latest Practicable Date, the total amount owing by the Company to both Mr Ho Kwok Wai and Mr Mark Francis Bedingham (including the Outstanding Amount to be converted into Debt Conversion Shares pursuant to the Proposed Debt Conversion) is US\$6,886,016.24. The breakdown of the amount of US\$6,886,016.24 is as follows:

LETTER TO SHAREHOLDERS

Table 2: Breakdown of amounts owing to Mr Ho Kwok Wai

Date of Loan Agreement	Date of Disbursement	Disbursement Amount (US\$)	Interest Rate and Tenure	Interest accrued as at the Latest Practicable Date (US\$)	Total Amount Owing as at the Latest Practicable Date (US\$)
16 February 2015 ⁽¹⁾	26 February 2016	1,200,000	2.34% for 2 years from the date on which the loan was first disbursed (being 17 February 2015)	20,245.33	1,220,245.33
	26 July 2016	800,000		5,588.57	805,588.57
	2 September 2016	400,000		1,818.91	401,818.91
	20 September 2016	400,000		1,370.77	401,370.77
	27 October 2016	200,000		395.42	200,395.42
20 October 2016	23 November 2016	100,000	2.34% for 2 years from the date on which the loan was first disbursed (being 23 November 2016)	981.96	100,981.96
Total:		3,100,000		30,400.96	3,130,400.96

Note:

⁽¹⁾ The Interest owing by the Company is calculated as at 11 November 2016, as all further interest accruing from 11 November 2016 has been waived by Mr Ho Kwok Wai pursuant to the terms of the Debt Conversion Deed.

Table 3: Breakdown of amounts owing to Mr Mark Francis Bedingham

Date of Loan Agreement	Date of Disbursement	Disbursement Amount (US\$)	Interest Rate and Tenure	Interest accrued as at the Latest Practicable Date (US\$)	Total Amount Owing as at the Latest Practicable Date (US\$)
24 June 2016	27 June 2016	1,000,000	Repayable upon 30 days' prior notice being given by Mr Mark Francis Bedingham to the Company	4,448.43 ⁽¹⁾	1,014,169.07
				9,720.64	
1 August 2016	2 August 2016	1,000,000		17,068.79	1,017,068.79
	16 August 2016	1,000,000		16,146.15	1,016,146.15
28 September 2016	30 September 2016	200,000		2,662.49	202,662.49
1 November 2016	2 November 2016	500,000		5,568.78	505,568.78
Total:		3,700,000		55,615.28	3,755,615.28

Note:

⁽¹⁾ The Interest owing by the Company is calculated as at 11 November 2016, as all further interest accruing from 11 November 2016 has been waived by Mr Mark Francis Bedingham pursuant to the terms of the Debt Conversion Deed.

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2.4 The Debt Conversion Shares

The Debt Conversion Shares represent approximately 4.69% of the existing issued and paid-up Shares, and approximately 4.48% of the enlarged issued and paid-up Shares upon completion of the Proposed Debt Conversion. Following completion of the Proposed Debt Conversion, Mr Ho Kwok Wai will hold approximately 56.97% and Mr Mark Francis Bedingham will hold approximately 5.97% of the enlarged issued and paid-up Shares of the Company (inclusive of both direct and deemed interests). Please refer to Section 6 of this Circular for the changes in shareholdings of the Company as a result of the Proposed Debt Conversion.

The Debt Conversion Shares will be credited as fully paid-up and when allotted and issued will rank, *pari passu*, in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions declared or recommended in respect of the then existing Shares.

The issue price of each Debt Conversion Share is at a 9.77% discount to the volume weighted average price of the Shares on 11 November 2016 of S\$0.4655, being the last full market day on which Shares were traded prior to the signing of the Debt Conversion Deeds. The discount is within the limits prescribed by Rule 811(1) of the Listing Manual and is the same issue price and discount provided to third party subscribers of the 41,370,000 Shares issued pursuant to the OCBC Placement. Further details of the OCBC Placement can be found in the Company's announcements dated 14 November 2016 and 30 November 2016.

2.5 Conditions Precedent

Completion of the Proposed Debt Conversion is conditional upon, *inter alia*, the fulfilment of the following conditions precedent:

- (a) the receipt of the approval-in-principle for the listing and quotation of the Debt Conversion Shares on the Mainboard of the SGX-ST and, where such approval is subject to conditions, such conditions being acceptable to the Company and, to the extent that any conditions for the listing and quotation of the Debt Conversion Shares on the SGX-ST are required to be fulfilled on or before the completion date for the Proposed Debt Conversion, they are so fulfilled;
- (b) the approval of the Directors and Shareholders being obtained in respect of the Proposed Debt Conversion, including but not limited to the allotment and issue of the Proposed Debt Conversion Shares, and the same not having been withdrawn or revoked and if such consents or approvals are obtained subject to any conditions, such conditions being acceptable to Mr Ho Kwok Wai, Mr Mark Francis Bedingham and the Company respectively; and
- (c) the allotment and issue of the Debt Conversion Shares being in compliance with the SFA in connection with offers of securities and not being prohibited by any statute, order, rule or regulation promulgated by any legislative, executive or regulatory body or authority of Singapore.

2.6 Rationale for the Proposed Debt Conversion

The Company has incurred a loss before tax of US\$2.6 million for the six months ended 30 September 2016. Notwithstanding that the Company is able to meet its short term obligations as and when they fall due, the Proposed Debt Conversion upon completion will enable the Group to (i) improve its NTA value; (ii) reduce its gearing and loss per share and restore the Group to a better financial position; and (iii) increase the Company's capital base. The Proposed Debt Conversion will also better align the interests of Mr Ho Kwok Wai and Mr Mark Francis Bedingham as Directors with that of the Shareholders.

Further, the Proposed Debt Conversion will significantly reduce the indebtedness of the Group, without adversely affecting the cashflow of the Group. For the reasons stated above, the Proposed Debt Conversion is critical to improving the Company's financial position.

LETTER TO SHAREHOLDERS

3. PROPOSED DEBT CONVERSION AS INTERESTED PERSON TRANSACTIONS

3.1 Interested Persons under Chapter 9 of the Listing Manual

Mr Ho Kwok Wai is the Non-Executive Chairman and Controlling Shareholder of the Company, holding 55.62% of the total issued and paid-up Shares (inclusive of both direct and deemed interests) as at the Latest Practicable Date. Mr Mark Francis Bedingham is the Executive Director, President, CEO and Shareholder of the Company, holding 5.58% of the total issued and paid-up Shares (inclusive of both direct and deemed interests) as at the Latest Practicable Date. Mr Ho Kwok Wai and Mr Mark Francis Bedingham are therefore interested persons and the Proposed Debt Conversion is an Interested Person Transaction under Chapter 9 of the Listing Manual.

3.2 Thresholds under Chapter 9 of the Listing Manual

Under Chapter 9 of the Listing Manual (which governs interested person transactions), where the value of a transaction with an interested person singly, or, on aggregation with the values of other transactions conducted with the same interested person in the same financial year, equals or exceeds 5% of the Group's latest audited NTA, that transaction shall be subject to Shareholders' approval. Where the value of a transaction with an interested person singly, or, on aggregation with the values of other transactions conducted with the same interested person in the same financial year, equals or exceeds 3% of the Group's latest audited NTA, an immediate announcement shall be made regarding that transaction.

Based on the audited consolidated financial statements of the Group for FY2016, the NTA of the Group is US\$9,955,043 as at 31 March 2016.

3.2.1 Value of IPT with Mr Ho Kwok Wai for the Shareholders' Loans

Mr Ho Kwok Wai entered into a loan agreement with the Company to extend a loan of US\$10,000,000 to the Company on 16 February 2015. Pursuant to Rule 909(3) of the Listing Manual, the value of the IPT is the amount at risk to the Company, being the total amount of interest payable by the Company on the shareholder's loan granted by Mr Ho Kwok Wai. The interest payable by the Company to Mr Ho Kwok Wai, assuming the full drawdown of the loan of US\$10,000,000, is the sum of approximately US\$234,000 per annum.

This represents 2.01% of the NTA of the Group for FY2014 (being the relevant audited NTA at the date of the loan agreement) of HK\$90,259,000 (or approximately US\$11,633,563, using an exchange rate of US\$1 : HK\$7.7585 as at 16 February 2015). As the value of the IPT with Mr Ho Kwok Wai was less than 3% of the Group's latest audited NTA at the relevant time, no announcement was required under Rule 905 of the Listing Manual. The details of the loan granted by Mr Ho Kwok Wai are disclosed in page 27 of the Company's Annual Report 2015 and page 36 of the Company's Annual Report 2016 under the section "Interested Person Transactions".

As disclosed in Section 2.2.1 of this Circular, Mr Ho Kwok Wai entered into a subsequent loan agreement with the Company for a principal amount of US\$2,000,000 on 20 October 2016. The interest payable by the Company to Mr Ho Kwok Wai, assuming the full drawdown of the loan of US\$2,000,000, is the sum of approximately US\$46,800 per annum. As the value of the IPT with Mr Ho Kwok Wai is less than 3% of the Group's latest audited NTA, no announcement was required under Rule 905 of the Listing Manual. The details of the aforesaid loan granted by Mr Ho Kwok Wai will be provided in the next Annual Report.

The details of the interest accrued, paid or payable to Mr Ho Kwok Wai, in each of the relevant financial years as a percentage of the audited net tangible assets of the Group for the relevant financial year are as follows:

LETTER TO SHAREHOLDERS

Table 4: Actual interest accrued, paid or payable to Mr Ho Kwok Wai as a percentage of the Group's audited NTA

FY	Shareholders' loan outstanding as at 31 March (US\$)	Interest accrued 2.34% per annum amount (approximate) (US\$)	Value of Audited NTA	Interest as a % of NTA
FY2015	3,000,000	8,856	11,633,563 ^{(1),(2)}	0.08%
FY2016	8,200,000	80,979	5,101,735 ⁽³⁾	1.59%
FY2017	3,100,000	30,011	9,955,043 ⁽⁴⁾	0.30%

Notes:

- (1) Based on the latest audited NTA of the Group for FY2014 of HK\$90,259,000.
- (2) Based on an exchange rate of US\$1 : HK\$7.7585 as at 16 February 2015 (being the date of the loan agreement with Mr Ho Kwok Wai).
- (3) Being the latest audited NTA of the Group for FY2015.
- (4) Being the latest audited NTA of the Group for FY2016.

The accrued interest for each of the mentioned financial years does not exceed 5% of the net tangible asset values of the Group for the relevant financial years.

3.2.2 Value of IPT with Mr Mark Francis Bedingham for the Shareholders' Loans

Mr Mark Francis Bedingham entered into a loan agreement with the Company to extend a loan of US\$1,000,000 to the Company on 24 June 2016. Pursuant to Rule 909(3) of the Listing Manual, the value of the IPT is the amount at risk to the Company, being the total amount of interest payable by the Company on the shareholder's loan granted by Mr Mark Francis Bedingham. For illustration, the interest payable by the Company to Mr Mark Francis Bedingham, assuming that the loan has a maturity date of one year, is the sum of approximately US\$23,400 per annum.

This represents 0.24% of the NTA of the Group for FY2016 (being the relevant audited NTA at the date of the loan agreement) of US\$9,955,043. As the value of the IPT with Mr Mark Francis Bedingham is less than 3% of the Group's latest audited NTA, no announcement was required under Rule 905 of the Listing Manual.

As disclosed in Section 2.2.2 of this Circular, Mr Mark Francis Bedingham has extended further loans to the Company. For illustration, the value of the IPT, being the amount at risk to the Company, is the total amount of interest payable by the Company, the details of which are as follows:

Table 5: Illustration of value of IPT with Mr Mark Francis Bedingham

Date of Loan Agreement	Loan Amount	Interest Rate	Value of IPT (being the interest payable by the Company)⁽¹⁾
1 August 2016	US\$2,000,000	2.34% per annum	US\$46,800
28 September 2016	US\$200,000		US\$4,680
1 November 2016	US\$500,000		US\$11,700
21 November 2016	US\$500,000		US\$737.50 ⁽²⁾

Notes:

- (1) Based on the assumption that the loans have a maturity date of one year.
- (2) Being the interest accrued on the loan up to 21 December 2016, which is the date on which the loan was fully repaid by the Company.

LETTER TO SHAREHOLDERS

As the value of the IPT with Mr Mark Francis Bedingham for the above loans is less than 3% of the Group's latest audited NTA, no announcement was required under Rule 905 of the Listing Manual. The details of these loans granted by Mr Mark Francis Bedingham will be provided in the next Annual Report.

3.3 Requirement for Shareholders' Approval

Pursuant to Rule 906(1) of the Listing Manual, the Company must obtain Shareholders' approval for any interested person transaction of a value equal to, or more than:

- (i) 5% of the Group's latest audited NTA; or
- (ii) 5% of the Group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year.

3.3.1 Value of IPT for the Proposed Debt Conversion in Repayment of the Outstanding Amount

As the Company intends to repay the full Outstanding Amount by way of the Proposed Debt Conversion, the value of the IPT (being the amount at risk to the Company pursuant to Rule 909 of the Listing Manual) is the amount of the Proposed Debt Conversion of US\$3,533,867.43, representing approximately 35% of the NTA of the Group for FY2016. As such, Shareholders' approval is required for the Proposed Debt Conversion at an EGM in accordance with Rule 906(1) (a) of the Listing Manual.

3.3.2 Value of IPT for the Conversion of Outstanding Amount owed to Mr Ho Kwok Wai pursuant to the Proposed Debt Conversion

The value of the IPT (being the amount at risk to the Company) with Mr Ho Kwok Wai pursuant to the Proposed Debt Conversion is US\$3,029,419, comprising a principal amount of US\$3,000,000 and accrued interest of US\$29,419 as at 11 November 2016 (being the business day immediately preceding the signing of the Debt Conversion Deed for the purpose of determining the applicable exchange rate for the Proposed Debt Conversion). This represents approximately 30.43% of the NTA of the Group for FY2016.

Assuming the Proposed Debt Conversion is not effected, the aggregate value of IPT between the Company and Mr Ho Kwok Wai (being the interest payable on the shareholders' loans) for the current financial year ended 31 March 2017 up to the Latest Practicable Date is approximately US\$30,011, representing approximately 0.30% of the NTA of the Group for FY2016.

Save for the Proposed Debt Conversion and as disclosed in Sections 2.2.1 and 3.2.1 of this Circular, there are no other interested person transactions entered into between the Company and Mr Ho Kwok Wai for the financial year ended 31 March 2016 up to the Latest Practicable Date.

3.3.3 Value of IPT for the Conversion of Outstanding Amount Owed to Mr Mark Francis Bedingham pursuant to the Proposed Debt Conversion

The value of the IPT (being the amount at risk to the Company) with Mr Mark Francis Bedingham is US\$504,448.43, comprising a principal amount of US\$500,000 and accrued interest of US\$4,448.43 as at 11 November 2016 (being the business day immediately preceding the signing of the Debt Conversion Deed for the purpose of determining the applicable exchange rate for the Proposed Debt Conversion). This represents approximately 5.07% of the NTA of the Group for FY2016.

Assuming the Proposed Debt Conversion is not effected, the aggregate value of IPT between the Company and Mr Mark Francis Bedingham (being the interest payable on the shareholders' loans) for the current financial year ending 31 March 2017 up to the Latest Practicable Date is approximately US\$56,353, representing approximately 0.57% of the NTA of the Group for FY2016.

LETTER TO SHAREHOLDERS

Save for the Proposed Debt Conversion and as disclosed in Sections 2.2.2 and 3.2.2 of this Circular, there are no other interested person transactions entered into between the Company and Mr Mark Francis Bedingham for the financial year ended 31 March 2016 up to the Latest Practicable Date.

Save as disclosed in this Circular, the Company has not entered into any other interested person transactions for the financial year ended 31 March 2016 up to the Latest Practicable Date.

4. **SHAREHOLDERS' APPROVAL FOR THE ISSUE OF DEBT CONVERSION SHARES TO RESTRICTED PERSONS UNDER CHAPTER 8 OF THE LISTING MANUAL**

The allotment and issue of the Debt Conversion Shares require the approval of Shareholders under Section 161 of the Companies Act and Rule 805(1) of the Listing Manual, as the Company will not be issued pursuant to the general mandate granted by Shareholders during the EGM held on 26 July 2016 ("**Old Share Issue Mandate**").

In addition, Shareholders' approval is also required under Rules 804 and 812(2) of the Listing Manual as Mr Ho Kwok Wai and Mr Mark Francis Bedingham are restricted persons under Rule 812(1) of the Listing Manual, which states as follows:

"An issue must not be placed to any of the following persons:

- (a) The issuer's directors and substantial shareholders;
- (b) Immediate family members of the directors and substantial shareholders;
- (c) Substantial shareholders, related companies (as defined in Section 6 of the Companies Act), associated companies and sister companies of the issuer's substantial shareholders;
- (d) Corporations in whose shares the issuer's directors and substantial shareholders have an aggregate interest of at least 10%; or
- (e) Any person who, in the opinion of the SGX-ST, falls within category (a) to (d)."

Accordingly, the Company will be seeking Shareholders' approval for the issue of the Debt Conversion Shares to Mr Ho Kwok Wai and Mr Mark Francis Bedingham at the EGM.

5. **FINANCIAL EFFECTS**

The financial effects of the Proposed Debt Conversion set out below are purely for illustrative purposes only and do not reflect the future financial position of the Company or the Group after Completion.

5.1 **Share Capital**

The effects of the Proposed Debt Conversion on the issued and paid-up share capital of the Company as at the Latest Practicable Date are set out below:

	As at the Latest Practicable Date	
	Number of Shares	S\$
Issued and paid-up share capital	253,437,492	65,580,165
Issue of the Debt Conversion Shares	11,885,573	4,991,941 ⁽¹⁾
Enlarged issued and paid-up share capital immediately after the Proposed Debt Conversion	265,323,065	70,572,107

Note:

⁽¹⁾ Based on a currency conversion rate of US\$1: S\$1. 4126 as at 11 November 2016.

LETTER TO SHAREHOLDERS

5.2 NTA per Share

For illustrative purposes only, the effect of the Proposed Debt Conversion on the NTA per Share of the Group for FY2016 assuming that the Proposed Debt Conversion had been effected at the end of that financial year is as follows:

	Before the Proposed Debt Conversion ⁽¹⁾	After the Proposed Debt Conversion ⁽²⁾
NTA per Share (US cents) (approximate)	3.93	5.06

Notes:

⁽¹⁾ Based on 253,437,492 Shares in issue as at the Latest Practicable Date.

⁽²⁾ Based on 265,323,065 Shares, after taking into account the Debt Conversion Shares issued to Mr Ho Kwok Wai and Mr Mark Francis Bedingham.

5.3 Earnings per Share

For illustrative purposes only, the effect of the Proposed Debt Conversion on the EPS of the Group for FY2016 assuming that the Proposed Debt Conversion had been effected at the beginning of that financial year is as follows:

	Before the Proposed Debt Conversion ⁽¹⁾	After the Proposed Debt Conversion ⁽²⁾
EPS (US cents) (approximate)		
- Continued Operations	(3.22)	(3.08)
- Discontinued Operations	3.09	2.95

Notes:

⁽¹⁾ Based on 253,437,492 Shares in issue as at the Latest Practicable Date.

⁽²⁾ Based on 265,323,065 Shares, after taking into account the Debt Conversion Shares issued to Mr Ho Kwok Wai and Mr Mark Francis Bedingham.

5.4 Gearing Ratio

For illustrative purposes only, the effect of the Proposed Debt Conversion on the gearing ratio of the Group for FY2016 assuming that the Proposed Debt Conversion had been effected at the end of that financial year is as follows:

	Before the Proposed Debt Conversion	After the Proposed Debt Conversion
Total Debt (US\$) ⁽¹⁾	13,473,000	12,273,000
Total Equity (US\$)	9,955,043	13,425,198 ⁽²⁾
Gearing (times) ⁽³⁾	1.35	0.91

Notes:

⁽¹⁾ "Debt" means the aggregate amount of liabilities arising from banks, financial institutions and shareholders' loans.

⁽²⁾ Computed based on the equity attributable to the owners of the Company after taking into account net proceeds of this debt conversion but excludes the debt conversion on 19 August 2016 and the OCBC Placement on 30 November 2016.

⁽³⁾ "Gearing" means the ratio of debt to equity attributable to the owners of the Company.

LETTER TO SHAREHOLDERS

6. CHANGES IN SHAREHOLDINGS IN THE COMPANY

Based on the shareholdings of the Company as at the Latest Practicable Date, the effect of the Proposed Debt Conversion on the shareholdings of the Directors, Substantial Shareholders and existing public Shareholders are as follows:

	Before the Proposed Debt Conversion ⁽⁵⁾		The Proposed Debt Conversion			After the Proposed Debt Conversion ⁽⁶⁾					
	Direct Interest	Deemed Interest	No. of Debt Conversion of existing Shares ⁽⁵⁾	Debt Conversion Shares as percentage of enlarged Shares ⁽⁶⁾	Direct Interest	Deemed Interest					
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares				
Directors											
Ho Kwok Wai ⁽¹⁾	-	-	140,972,189	55.62	10,188,945	4.02	3.84	-	-	151,161,134	56.97
Mark Francis Bedingham ⁽²⁾	-	-	14,138,303	5.58	1,696,628	0.67	0.64	-	-	15,834,931	5.97
Fong Sing Chak Jack	-	-	1,000,000	0.39	-	-	-	-	-	1,000,000	0.38
Wong Yen Siang	-	-	-	-	-	-	-	-	-	-	-
Wee Sung Leng	-	-	-	-	-	-	-	-	-	-	-
Substantial Shareholders (other than Directors)											
Jet Palace Holdings Limited ⁽³⁾	33,400,000	13.18	-	-	-	-	-	-	33,400,000	12.59	-
Taipan Grand Investments Limited ⁽⁴⁾	77,933,000	30.75	-	-	-	-	-	-	77,933,000	29.37	-
Existing Public Shareholders	97,327,000	38.40	-	-	-	-	-	-	97,327,000	36.68	-
Total			11,885,573	4.69	4.48						

Notes:

⁽¹⁾ Mr Ho Kwok Wai is deemed to be interested in the Shares held by Jet Palace Holdings Limited (33,400,000 Shares), Taipan Grand Investments Limited (77,933,000 Shares) and EFG Bank AG (29,639,189 Shares).

⁽²⁾ Mr Mark Bedingham is deemed to be interested in 14,138,303 Shares held by Bank Julius Baer.

⁽³⁾ Jet Palace Holdings Limited's 33,400,000 Shares are registered in the name of a nominee account.

⁽⁴⁾ Taipan Grand Investments Limited's 77,933,000 Shares are registered in the name of a nominee account.

⁽⁵⁾ Based on 253,437,492 Shares in the issued and paid-up capital of the Company as at the Latest Practicable Date.

⁽⁶⁾ Based on 265,323,065 Shares in the enlarged issued and paid-up capital of the Company following completion of the Proposed Debt Conversion.

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Following completion of the Proposed Debt Conversion, approximately 36.68% of the Shares will be held in the hands of the public. As such, the Company has complied with Rule 723 of the Listing Manual.

Save as disclosed in this Circular, none of the Directors or Controlling Shareholders has any interest, direct or indirect, in the Proposed Debt Conversion.

7. PROPOSED NEW SHARE ISSUE MANDATE

7.1 Old Share Issue Mandate

The Company had, at its EGM held on 26 July 2016, passed a resolution pursuant to Section 161 of the Companies Act and Rule 806 of the Listing Manual granting the Directors authority to allot and issue Shares pursuant to the Old Share Issue Mandate. Utilising the Old Share Issue Mandate, the Company had on 30 November 2016 allotted and issued 41,370,000 new Shares (representing 19.59% of the total number of issued Shares in the capital of the Company of 211,134,050 issued Shares in the capital of the Company on the date of the EGM (after adjusting for 35,264,060 Shares due to the 2016 Debt Conversion)), pursuant to the OCBC Placement as previously announced.

Following the completion of the OCBC Placement, the total number of issued Shares in the capital of the Company was increased to 252,504,050 Shares (the “**Enlarged Share Capital**”) and the Company is left with a balance of:

- (i) 856,810 Shares representing approximately 0.34% of the Enlarged Share Capital which can be issued pursuant to the Old Share Issue Mandate other than on a pro rata basis to existing Shareholders; or
- (ii) 64,197,025 Shares representing approximately 25.42% of the Enlarged Share Capital which can be issued pursuant to the Old Share Issue Mandate to existing Shareholders on a pro rata basis.

In light of the changes to the capital structure of the Company brought about by the OCBC Placement and the Proposed Debt Conversion (if approved by Shareholders), it is proposed that the Old Share Issue Mandate be revoked and the Proposed New Share Issue Mandate be granted to the Directors pursuant to Section 161 of the Companies Act and Rule 806 of the Listing Manual.

7.2 Rationale for the Proposed New Share Issue Mandate

Subsequent to the completion of the Proposed Debt Conversion, it is anticipated that the Group’s business expansion in Myanmar, including the opening and/or construction of new retail, food and beverage outlets, and warehouses, will require more funds, either through internally generated resources or external funding. The Proposed New Share Issue Mandate will give the Board a mandate to issue new Shares with higher maximum limits as explained in Section 7.3 of this Circular, thus giving the Board greater flexibility in planning its fund raising exercises in order to cater for future operational requirements and business expansion.

The Directors are of the opinion that a general (as opposed to a specific) approval for the Board to issue new Shares of the Company under the Proposed New Share Issue Mandate will enable the Company to act quickly and take advantage of market conditions as well as enable the Directors to have greater flexibility and scope in negotiating with third parties in potential fund raising exercises or other arrangements or transactions involving the capital of the Company. The expense and delay or otherwise in having to convene further general meetings of the Company to approve the allotment and issue of new Shares and/or convertible securities of the Company in excess of the Old Share Issue Mandate would also be avoided.

LETTER TO SHAREHOLDERS

As the Company is only entitled to issue a remaining of 856,810 Shares representing approximately 0.34% of the Enlarged Share Capital other than on a pro rata basis to existing Shareholders pursuant to the Old Share Issue Mandate, the Company will need to seek specific approval from Shareholders if it wishes to carry out share placement exercise(s) in excess of 856,810 Shares to persons other than existing Shareholders on a pro rata basis at any time prior to the next AGM to be held by 30 July 2017.

Due to the volatility of the stock market, and the duration of at least 3 months before shareholders' approval can be obtained as a result of the long process involved in preparing a shareholders' circular and the notice requirement to hold an EGM, investors in general will not be prepared to commit to an investment involving listed securities unless a huge discount from the trading market price of the Shares is given to them. It will not be favourable to the Company and its minority shareholders if the Company is being placed in a position to give a huge discount from the trading market price of the Shares in order to raise funds through a share placement.

7.3 Details of the Proposed New Share Issue Mandate

The Proposed New Share Issue Mandate, if approved, will authorise the Directors to issue new shares or convertible securities in the capital of the Company (whether by way of bonus issue, rights issue or otherwise), subject to the following limitations namely, that the aggregate number of Shares and securities convertible into Shares that may be issued must not be more than 50% of the issued Shares, of which the aggregate number of Shares and securities convertible into Shares issued other than on a pro rata basis to existing Shareholders must not be more than 20% of the issued Shares. For the purpose of determining the aggregate number of Shares and securities convertible into Shares that may be issued under the Proposed New Share Issue Mandate, the percentage of issued Shares shall be based on the existing Shares at the time the Proposed New Share Issue Mandate is passed, after adjusting for:

- (a) the Debt Conversion Shares to be allotted and issued to Mr Ho Kwok Wai and Mr Mark Francis Bedingham pursuant to the Proposed Debt Conversion (if approved);
- (b) any new Shares arising from the conversion or exercise of any convertible securities in issue when the Proposed New Share Issue Mandate is approved;
- (c) any new Shares arising from exercising options or vesting of share awards outstanding or subsisting when the Proposed New Share Issue Mandate is approved; and
- (d) any subsequent bonus issue, consolidation or subdivision of Shares.

The Proposed New Share Issue Mandate, once approved, will continue in force until the conclusion of the Company's next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is earlier, unless revoked or varied by the Company in a general meeting.

8. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 24 of this Circular, will be held at 4.00 p.m. on 25 May 2017 for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions set out in the notice of EGM.

9. AUDIT COMMITTEE STATEMENT

Pursuant to Rule 921(4)(b)(i) of the Listing Manual, the opinion of an independent financial adviser is not required for an issue of Shares pursuant to Part IV of Chapter 8 of the Listing Manual, if the Audit Committee provides an opinion in the form required in Rule 917(4)(a).

The Audit Committee having reviewed, *inter alia*, the rationale for, the terms and conditions of the Debt Conversion Deeds, and the financial effects of the Proposed Debt Conversion, is of the opinion that the terms of the Proposed Debt Conversion are on normal commercial terms and are not prejudicial to the interests of the Company and the minority Shareholders.

LETTER TO SHAREHOLDERS

10. DIRECTORS' CONFIRMATIONS

The Directors confirm that as at the Latest Practicable Date:

- (a) the Group is not under pressure from its bankers to repay any of its existing borrowings;
- (b) the Group has sufficient resources to meet its existing capital commitments barring unforeseen circumstances; and
- (c) after taking into consideration the present banking facilities and shareholders' loans available for disbursement at the Company's request, the working capital available to the Group is sufficient to meet its present requirements.

11. DIRECTORS' RECOMMENDATIONS

- (a) The Directors have considered and reviewed, inter alia, the terms and conditions of the Debt Conversion Deeds, the rationale for, and the financial effects of the Proposed Debt Conversion and all other relevant facts set out in this Circular. Save for Mr Ho Kwok Wai and Mr Mark Francis Bedingham who have refrained from making any recommendation in respect of the Proposed Debt Conversion, the Directors are collectively of the view that the Proposed Debt Conversion is in the best interests of the Company. The Directors therefore recommend that Shareholders vote in favour of the Proposed Debt Conversion at the EGM.
- (b) The Directors are of the opinion that the Proposed New Share Issue Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Proposed New Share Issue Mandate.

Shareholders are advised to read this Circular in its entirety, in particular the rationale for and the financial effects of the Proposed Debt Conversion and for those who may require advice in the context of his specific investment, to consult his stockbroker, bank manager, solicitor, accountant or other professional adviser.

12. SHAREHOLDERS WHO WILL ABSTAIN FROM VOTING

Mr Ho Kwok Wai and his Associates will abstain from voting on Ordinary Resolution 1 set out in the Notice of EGM and Mr Mark Francis Bedingham and his Associates will abstain from voting on Ordinary Resolution 2 approving the allotment and issue of the Debt Conversion Shares to themselves. They will also not accept any nominations to act as proxy for any Shareholder in voting on the respective Ordinary Resolutions unless specific instruction has been given in the proxy form as to the manner in which votes are to be cast in respect of such Ordinary Resolution.

13. ACTION TO BE TAKEN BY SHAREHOLDERS

- (a) Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf must complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Company's Share Registrar, Tricor Barbinder Registration Services at 80 Robinson Road, #11-02, Singapore 068898 not later than 48 hours before the time fixed for the EGM. The completion and return of a proxy form by a Shareholder does not preclude him from attending and voting in person at the EGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.
- (b) A Depositor shall not be regarded as a shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the EGM.

LETTER TO SHAREHOLDERS

14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Debt Conversion, the Proposed New Share Issue Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

15. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 300 Beach Road #29-01 The Concourse Singapore 199555 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Annual Report of the Company for FY2016;
- (b) the Constitution of the Company; and
- (c) the Debt Conversion Deeds.

Yours faithfully
For and on behalf of the Board of Directors

Mark Francis Bedingham
Executive Director, President and CEO

NOTICE OF EXTRAORDINARY GENERAL MEETING

SINGAPORE MYANMAR INVESTCO LIMITED

Company Registration Number 200505764Z
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of **SINGAPORE MYANMAR INVESTCO LIMITED** (the “**Company**”) will be held at Sky Garden Meeting Room, 21st Floor, Straits Trading Building, 9 Battery Road, Singapore 049910 on 25 May 2017 at 4.00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

- (A) **THE PROPOSED CONVERSION OF THE AGGREGATE OUTSTANDING AMOUNT OF US\$3,533,867.43 OWING TO MR HO KWOK WAI AND MR MARK FRANCIS BEDINGHAM BY THE COMPANY INTO UP TO 11,885,573 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE ISSUE PRICE OF S\$0.42 PER SHARE; AND**
- (B) **THE PROPOSED NEW SHARE ISSUE MANDATE**

ORDINARY RESOLUTIONS

Resolution 1: The Proposed Debt Conversion and the allotment and issue of Debt Conversion Shares to Mr Ho Kwok Wai

That:

- (a) pursuant to Chapter 9 of the Listing Manual, approval be and is hereby given for the Proposed Debt Conversion being an Interested Person Transaction;
- (b) pursuant to Chapter 8 of the Listing Manual, the Directors of the Company be and are hereby authorised to allot and issue up to 10,188,945 Debt Conversion Shares to Mr Ho Kwok Wai in repayment of an aggregate amount of US\$3,029,419.00 owed by the Company to Mr Ho Kwok Wai (including accrued interest thereon at a rate of 2.34% per annum) at an issue price of S\$0.42 per Debt Conversion Share pursuant to and subject to the terms and conditions of the Debt Conversion Deed; and
- (c) the Directors of the Company be and are hereby authorised to do any and all such acts as they may, in their absolute discretion deem fit, expedient or necessary to give effect to the issue of the Debt Conversion Shares, and take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be required or as they may consider necessary or expedient for the purpose of giving effect to the Proposed Debt Conversion.

Resolution 2: The Proposed Debt Conversion and the allotment and issue of Debt Conversion Shares to Mr Mark Francis Bedingham

That:

- (a) pursuant to Chapter 9 of the Listing Manual, approval be and is hereby given for the Proposed Debt Conversion being an Interested Person Transaction;
- (b) pursuant to Chapter 8 of the Listing Manual, the Directors of the Company be and are hereby authorised to allot and issue up to 1,696,628 Debt Conversion Shares to Mr Mark Francis Bedingham in repayment of an aggregate amount of US\$504,448.43 owed by the Company to Mr Mark Francis Bedingham (including accrued interest thereon at a rate of 2.34% per annum) at an issue price of S\$0.42 per Debt Conversion Share pursuant to and subject to the terms and conditions of the Debt Conversion Deed; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) the Directors of the Company be and are hereby authorised to do any and all such acts as they may, in their absolute discretion deem fit, expedient or necessary to give effect to the issue of the Debt Conversion Shares, and take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be required or as they may consider necessary or expedient for the purpose of giving effect to the Proposed Debt Conversion.

Resolution 3: Proposed New Share Issue Mandate

That pursuant to Section 161 of the Companies Act and Rule 806 of the Listing Manual:

The resolution passed by Shareholders as Ordinary Resolution 3 at the Extraordinary General Meeting of the Company held on 26 July 2016 be and is hereby revoked and that the Directors be and are hereby authorised and empowered to:

- (a) issue Shares whether by way of rights, bonus or otherwise; and/or
- (b) make or grant offers, agreements or options that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares (collectively, “**Instruments**”),

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force, provided that:

- (i) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution and including Shares which may be issued pursuant to any adjustments effected under any relevant Instrument) to be issued pursuant to this Resolution shall not exceed fifty per cent (50%) of the total number of issued Shares in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below), of which the aggregate number of Shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued Shares in the capital of the Company (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) above, the total number of issued Shares shall be calculated and based on the total number of issued Shares in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (I) the Debt Conversion Shares to be issued pursuant to the Proposed Debt Conversion (if approved);
- (II) any new Shares arising from the conversion or exercise of any convertible securities in issue when the Proposed New Share Issue Mandate is approved;
- (III) any new Shares arising from exercising options or vesting of share awards outstanding or subsisting when the Proposed New Share Issue Mandate is approved; and
- (IV) any subsequent bonus issue, consolidation or subdivision of Shares;
- (iii) in exercising the authority granted by this Resolution, the Company shall comply with the provisions of Companies Act, the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (iv) (unless revoked or varied by the Company in a general meeting), such authority granted under this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

ABSTENTION FROM VOTING

Mr Ho Kwok Wai and his Associates shall abstain from exercising any voting rights on Resolution 1 set out in this Notice of EGM, while Mr Mark Francis Bedingham and his Associates shall abstain from exercising any voting rights on Resolution 2 set out in this Notice of EGM.

By Order of the Board
Singapore Myanmar Investco Limited

Mark Francis Bedingham
Executive Director, President and CEO
4 May 2017

Notes:

- (1) A shareholder of the Company entitled to attend and vote at the EGM may appoint not more than two proxies to attend and vote in his/her stead. A shareholder of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a shareholder of the Company.
- (2) Intermediaries such as banks and capital markets services licence holders which provide custodial services and are shareholders of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the shareholder.
- (3) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898, not later than 48 hours before the time appointed for the holding of the EGM.
- (4) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
- (5) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.
- (6) Terms not defined in this Notice of EGM shall have the meanings ascribed to them in the circular to shareholders dated 4 May 2017.

PERSONAL DATA PRIVACY:

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

Singapore Myanmar Investco Limited

Company Registration Number 200505764Z
(Incorporated in the Republic of Singapore)

IMPORTANT:

This proxy form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM EXTRAORDINARY GENERAL MEETING

I/We* _____ (Name) NRIC/Passport number* _____

of _____ (Address)

being a shareholder/shareholders* of Singapore Myanmar Investco Limited (the "Company") hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

and/or*

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

or failing him/her*, the Chairman of the Extraordinary General Meeting ("EGM") of the Company as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf at the EGM of the Company to be held at Sky Garden Meeting Room, 21st Floor, Straits Trading Building, 9 Battery Road, Singapore 049910 on 25 May 2017 at 4.00 p.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

Please tick here if more than two proxies will be appointed (Please refer to note 3). This is only applicable for intermediaries such as banks and capital markets services licence holders which provide custodial services.

All resolutions put to the vote at the EGM shall be decided by way of poll.

AS ORDINARY RESOLUTIONS		For**	Against**
1.	The Proposed Debt Conversion and the allotment and issue of Debt Conversion Shares to Mr Ho Kwok Wai		
2.	The Proposed Debt Conversion and the allotment and issue of Debt Conversion Shares to Mr Mark Francis Bedingham		
3.	The Proposed New Share Issue Mandate		

* Delete where inapplicable

** Please indicate your vote "For" or "Against" with a tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2017

Total number of Shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF



PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members of the Company, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
2. A shareholder entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
3. Intermediaries such as banks and capital markets services licence holders which provide custodial services and are members of the Company may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.
4. The instrument appointing a proxy or proxies, duly executed, must be deposited at the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898, not later than 48 hours before the time appointed for the EGM.
5. Where a shareholder appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy and, if no percentage is specified, the first named proxy shall be deemed to represent 100 per cent. of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50.
9. The submission of an instrument or form appointing a proxy by a shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.
10. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the shareholder, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
11. Terms not defined in this Proxy Form shall have the meanings ascribed to them in the circular to shareholders dated 4 May 2017.

PERSONAL DATA PRIVACY:

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.