

## SINGAPORE MYANMAR INVESTCO LIMITED

(Registration No. 200505764Z)

(Incorporated in Singapore)

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### PROPOSED PLACEMENT OF UP TO 15,411,600 NEW ORDINARY SHARES IN THE CAPITAL OF SINGAPORE MYANMAR INVESTCO LIMITED

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#### 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 30 August 2017 entered into a placement agreement (the “**Agreement**”) with CLSA Singapore Pte Ltd as placement agent (the “**Placement Agent**”). Pursuant to the Agreement, the Company has agreed to allot and issue up to 15,411,600 new ordinary shares (the “**Placement Shares**”) in the capital of the Company at a placement price of S\$0.48 (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 “**Proposed Placement**”).

The Company shall pay to the Placement Agent a placement commission of 4% of the gross proceeds raised from the Placement. The Placement is non-underwritten.

#### 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\$0.48 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 8.47% to the volume weighted average price of S\$0.5244 per Share for trades done on the Shares on the Official List of the SGX-ST on 30 August 2017, being the full market day during which the Shares were traded on the date of the signing of the Agreement.

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 25 July 2017 (“**2017 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 (excluding treasury shares and subsidiary holdings) as at the date of the 2017 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 and subsidiary holdings).

The number of issued Shares as at the date of the 2017 AGM was 265,323,065 Shares. No Shares were previously issued under the General Mandate prior to the Proposed Placement and as such, the number of Shares that may be issued pursuant to the General Mandate is 132,661,532 Shares, of which the maximum number of Shares to be issued other than on a pro-rata basis is 53,064,613 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 entitlement, dividend, right or other distributions, the record date for which falls on or before the completion of the Proposed Placement.

## 2.2 Conditions

Completion of the Proposed Placement is conditional upon the fulfilment of the following conditions, *inter alia*, on the date the Placement Shares are issued and allotted, which shall be no later than four weeks from the date of the Agreement:

- (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 Agreement by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company or the Placement Agent; and
- (iii) the representations, warranties and undertakings in the Agreement remaining true and correct in all respects.

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 2017 are set out below:

	<b>Before the Proposed Placement US\$ (cents) (approximate)<sup>(1)</sup></b>	<b>After the Proposed Placement US\$ (cents) (approximate)<sup>(1)</sup></b>
Effect of the Proposed Placement on the net tangible asset per share	9.12	10.45
Effect of the Proposed Placement on the earnings per share		
- Continued Operations	(1.55)	(1.47)
- Discontinued Operations	(1.11)	(1.05)

### Notes:

- (1) Based on a currency conversion rate of US\$1 : S\$1.3544 as at 29 August 2017 (Source: Bloomberg)

#### 4. USE OF PROCEEDS

Assuming that the Proposed Placement is fully subscribed, the net proceeds to be raised by the Company from the Proposed Placement (after deducting estimated expenses of S\$0.4 million are approximately S\$7.0 million (“**Net Proceeds**”).

The Company intends to utilise the Net Proceeds in the following manner:

(i)	Construction and fit out of retail shops and purchase of merchandise	30%
(ii)	Construction and fit out of F&B shops and purchase of F&B merchandise	30%
(iii)	Construction of service centres for the auto and construction business	10%
(iv)	Repayment of existing loans and borrowings	10%
(v)	General working capital	20%
	<b>Total:</b>	<b>100%</b>

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. Where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcements on use of proceeds and in the 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.

By Order of the Board

Mark Francis Bedingham  
Executive Director, President and CEO  
30 August 2017