

CIRCULAR DATED 21 DECEMBER 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\$7,889,708.48 OWING TO MR HO KWOK WAI AND MR MARK FRANCIS BEDINGHAM BY THE COMPANY INTO UP TO 22,262,127 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE ISSUE PRICE OF S\$0.48 PER SHARE; AND**
- (B) THE PROPOSED NEW SHARE ISSUE MANDATE**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	3 January 2018 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	5 January 2018 at 10.00 a.m.
Place of Extraordinary General Meeting	:	TKP Conference Centre, 55 Market Street #03-01, Singapore 048941

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DEFINITIONS

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

- “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 21 December 2017 in respect of the Proposed Debt Conversion and Proposed New Share Issue Mandate
- “CLSA Placement”* : The placement exercise undertaken by CLSA Singapore Pte Ltd to place 15,411,600 Shares at a placement price of S\$0.48 per Share pursuant to a placement agreement dated 30 August 2017 and completed on 11 September 2017
- “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 22,262,127 new Shares in the capital of the Company to be allotted and issued at an issue price of S\$0.48 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\$1.3544 as at 29 August 2017, comprising 13,588,737 new Shares to Mr Ho Kwok Wai and 8,673,390 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 29 August 2017 of an aggregate amount of US\$89,708.48. Of this US\$89,708.48, US\$15,854.96 has accrued on the Mr Ho Kwok Wai’s loan to be converted of US\$4,800,000, and US\$73,853.52 has accrued on Mr Mark Francis Bedingham’s loan to be converted of US\$3,000,000
<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>	:	8 December 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\$7,800,000 to be converted, of which US\$4,800,000 has been granted by Mr Ho Kwok Wai and US\$3,000,000 has been granted by Mr Mark Francis Bedingham
<i>“NTA”</i>	:	Net tangible assets
<i>“Old Share Issue Mandate”</i>	:	Has the meaning ascribed to it in Section 4 of this Circular
<i>“Ordinary Resolution”</i>	:	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

DEFINITIONS

- “Outstanding Amount”* : The aggregate outstanding amount of US\$7,889,708.48 (comprising the Loans and Interest) owed by the Company to Mr Ho Kwok Wai and Mr Mark Francis Bedingham, of which US\$4,815,854.96 is owed to Mr Ho Kwok Wai and US\$3,073,853.52 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 (excluding treasury shares and subsidiary holdings) 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
- “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.

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.

DEFINITIONS

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

21 December 2017

To: The Shareholders of Singapore Myanmar Investco Limited

Dear Sir/Madam

(A) THE PROPOSED CONVERSION OF THE AGGREGATE OUTSTANDING AMOUNT OF US\$7,889,708.48 OWING TO MR HO KWOK WAI AND MR MARK FRANCIS BEDINGHAM BY THE COMPANY INTO UP TO 22,262,127 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE ISSUE PRICE OF S\$0.48 PER SHARE; AND

(B) THE PROPOSED NEW SHARE ISSUE MANDATE

1. INTRODUCTION

The Board proposes to convene the EGM to be held on 5 January 2018 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 30 August 2017, 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.

LETTER TO SHAREHOLDERS

On 29 November 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) Shareholders' approval for the Debt Conversion being obtained.

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 53.84% of the total issued and paid-up Shares (inclusive of both direct and deemed interests) as at the Latest Practicable Date. As at the Latest Practicable Date, Mr Ho Kwok Wai has granted the following loans to the Company:

Table 1: Loans extended by Mr Ho Kwok Wai

Date of Loan Agreement	Loan Amount (US\$)	Interest Rate	Tenure	Principal Amount Disbursed and Interest Accrued as at the Latest Practicable Date (US\$)
20 October 2016	2,000,000	2.34% per annum	24 months from the date of the first disbursement of the loan	Principal amount: 2,000,000 Interest: 12,717.13
17 July 2017	3,000,000		24 months from the date of the first disbursement of the loan	Principal amount: 2,800,000 Interest: 3,137.82

The interest rate for the loans was agreed between the parties having regard to the applicable interest rate on previous shareholders' loans and is lower than the interest rate charged by United Overseas Bank Limited (being the Company's main banker) for a two-year working capital loan. All interest accruing from 29 August 2017 (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) in respect of the US\$4,800,000 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 loans were used to fund the working capital requirements of the Group, being the following:

- (i) construction of telecommunication towers;
- (ii) construction of retail shops and purchase of retail merchandise;
- (iii) fitting out of restaurants; and
- (iv) increased manpower costs incurred in relation to the Group's business expansion.

LETTER TO SHAREHOLDERS

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 5.64% of the total issued and paid-up Shares (inclusive of both direct and deemed interests) as at the Latest Practicable Date. As at the Latest Practicable Date, Mr Mark Francis Bedingham has granted the following loans to the Company, all of which have been fully disbursed:

Table 2: Loans extended by Mr Mark Francis Bedingham

Date of Loan Agreement	Loan Amount (US\$)	Interest Rate	Tenure	Interest Accrued as at the Latest Practicable Date (US\$)	Converted Pursuant to the Proposed Debt Conversion
24 June 2016	1,000,000	2.34% per annum	Repayable upon 30 days' prior notice being given by Mr Mark Francis Bedingham to the Company	13,935.23	US\$500,000 will be converted pursuant to the Proposed Debt Conversion. The balance US\$500,000 was converted pursuant to the debt conversion exercise completed on 2 June 2017
1 August 2016	2,000,000			50,128.56	Yes
28 September 2016	200,000			5,637.92	No
1 November 2016	500,000			9,789.74	Yes
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	Not applicable
20 April 2017	500,000		Repayable upon 30 days' prior notice being given by Mr Mark Francis Bedingham to the Company	6,632.79	No
17 July 2017	500,000			4,719.48	No
16 August 2017	300,000	2,200.32		No	

The interest rate for the loans was agreed between the parties having regard to the applicable interest rate on previous shareholders' loans and is lower than the interest rate charged by the Company's main banker, United Overseas Bank Limited.

All further interest accruing from 29 August 2017 (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 S\$3,000,000 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.

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.

LETTER TO SHAREHOLDERS

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 operation of 9 retail outlets in Junction City in downtown Yangon;
- (c) The distribution of food and beverage items and operation of 3 international franchises in Myanmar;
- (d) The trading and distribution of heavy equipment for the construction industry including machines and spare parts;
- (e) The provision of car-rental and limousine services under the brand name of "Europcar", with a current fleet of approximately 160 cars;
- (f) The construction, leasing and operation of telecommunication infrastructure and towers;
- (g) setting up and operation of serviced offices and provision of corporate, office administration and other related services; and
- (h) The provision of logistics and warehousing services.

The Group had faced difficulties obtaining bank borrowings on favourable terms, particularly 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.

2.3 Debt Conversion Deed

On 30 August 2017, 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\$0.48 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\$1.3544 as at 29 August 2017 (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 29 August 2017.

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\$7,889,708.48 (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\$9,399,817.14. The breakdown of the amount of US\$9,399,817.14 is as follows:

LETTER TO SHAREHOLDERS

Table 3: 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\$) ⁽¹⁾	Total Amount Owing as at the Latest Practicable Date (US\$)
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)	1,824.03	101,824.03
	19 May 2017	1,500,000		9,949.20	1,509,949.20
	24 July 2017	400,000		943.90	400,943.90
17 July 2017	24 July 2017	200,000	2.34% for 2 years from the date on which the loan was first disbursed (being 24 July 2017)	471.95	200,471.95
	01 August 2017	1,000,000		1,849.53	1,001,849.53
	22 August 2017	1,600,000		816.34	1,600,816.34
Total:		4,800,000		15,854.95	4,815,854.95

Note:

- (1) The Interest owing by the Company is calculated as at 29 August 2017, as all further interest accruing from 29 August 2017 has been waived by Mr Ho Kwok Wai pursuant to the terms of the Debt Conversion Deed.

Table 4: 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	500,000	Repayable upon 30 days' prior notice being given by Mr Mark Francis Bedingham to the Company	13,935.23 ⁽¹⁾	513,935.23
1 August 2016	2 August 2016	1,000,000		25,510.72 ⁽¹⁾	1,025,510.72
	16 August 2016	1,000,000		24,617.84 ⁽¹⁾	1,024,617.84
28 September 2016	30 September 2016	200,000		5,637.92	205,637.92
1 November 2016	2 November 2016	500,000		9,789.74 ⁽¹⁾	509,789.74
20 April 2017	16 May 2017	500,000		6,632.79	506,632.79
17 July 2017	14 July 2017	500,000		4,719.48	504,719.48
16 August 2017	16 August 2017	300,000		2,200.32	302,200.32
Total:		4,500,000			93,044.04

Note:

- (1) The Interest owing by the Company is calculated as at 29 August 2017, as all further interest accruing from 29 August 2017 has been waived by Mr Mark Francis Bedingham pursuant to the terms of the Debt Conversion Deed.

LETTER TO SHAREHOLDERS

2.4 The Debt Conversion Shares

The Debt Conversion Shares represent approximately 7.93% of the existing issued and paid-up Shares, and approximately 7.35% 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 54.37% and Mr Mark Francis Bedingham will hold approximately 8.09% 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 record date for which falls on or before the date of the issue of the Debt Conversion Shares.

The issue price of each Debt Conversion Share is at a 8.47% discount to the volume weighted average price of the Shares on 30 August 2017 of S\$0.5244, 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 15,411,600 Shares issued pursuant to the CLSA Placement. Further details of the CLSA Placement can be found in the Company's announcements dated 30 August 2017 and 11 September 2017.

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 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 approximately US\$7.35 million for FY2017. 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 53.84% 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 5.64% 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 FY2017, the NTA of the Group is approximately US\$24.19 million as at 31 March 2017.

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\$2,000,000 to the Company on 20 October 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 Ho Kwok Wai. The interest payable by the Company to Mr Ho Kwok Wai is the sum of approximately US\$46,800 per annum, and the total value at risk to the Company is US\$93,600 over the two year term of the loan.

This represents 0.94% 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 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 35 of the Company's Annual Report 2017 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\$3,000,000 on 17 July 2017. The interest payable by the Company to Mr Ho Kwok Wai, assuming the full drawdown of the loan of US\$3,000,000, is the sum of approximately US\$70,200 per annum, and the total value at risk to the Company is US\$140,400 over the two year term of the loan. As the value of the IPT with Mr Ho Kwok Wai is 0.58% of the Group's latest audited NTA for FY2017 of approximately US\$24.19 million, 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:

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Table 5: Interest payable to Mr Ho Kwok Wai as a percentage of the Group's audited NTA

FY	Shareholders' loan outstanding as at 31 March (US\$)	Maximum interest accruable (approximate) (US\$) ⁽¹⁾	Actual interest accrued (approximate) (US\$)	Value of Audited NTA	Maximum interest / Actual interest as a % of NTA
FY2016 ⁽²⁾	8,200,000	191,880	80,979	5,080,373 ⁽⁵⁾	3.78 / 1.59
FY2017 ⁽³⁾	3,100,000	72,540	30,011	9,955,043 ⁽⁶⁾	0.73 / 0.30
FY2018 ⁽⁴⁾	4,800,000	112,320	15,064	24,185,596 ⁽⁷⁾	0.46 / 0.07

Notes:

- (1) Assuming that the principal amount of the shareholders' loan was disbursed on the first day of the relevant financial year (being 1 April).
- (2) An aggregate amount of US\$7,071,651.66 (being the principal amount of shareholders' loan and interest accrued thereon) was converted pursuant to the debt conversion exercise completed on 19 August 2016. Further details may be found in the shareholders' circular dated 8 July 2016.
- (3) An aggregate amount of US\$3,029,419.00 (being the principal amount of shareholders' loan and interest accrued thereon) was converted pursuant to the debt conversion exercise completed on 2 June 2017. Further details may be found in the shareholders' circular dated 4 May 2017.
- (4) An aggregate amount of US\$4,815,854.96 (being the principal amount of shareholders' loan and interest accrued thereon) will be converted into Debt Conversion Shares pursuant to the Proposed Debt Conversion.
- (5) Being the latest audited NTA of the Group for FY2015.
- (6) Being the latest audited NTA of the Group for FY2016.
- (7) Being the latest audited NTA of the Group for FY2017.

The actual accrued interest for each of the mentioned financial years does not exceed 3% of the latest audited 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

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.

As disclosed in Section 2.2.2 of this Circular, Mr Mark Francis Bedingham has extended multiple 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 6: Illustration of value of IPT with Mr Mark Francis Bedingham

FY	Shareholders' loan outstanding as at 31 March (US\$)	Maximum interest accruable (approximate) (US\$) ⁽¹⁾	Actual interest accrued (approximate) (US\$)	Value of Audited NTA	Maximum interest / Actual interest as a % of NTA
FY2016 ⁽²⁾	2,000,000	46,800	2,080	5,080,373 ⁽⁵⁾	0.92 / 0.04
FY2017 ⁽³⁾	5,700,000	133,380	48,089	9,955,043 ⁽⁶⁾	1.34 / 0.48
FY2018 ⁽⁴⁾	4,500,000	105,300	41,060 ⁽⁸⁾	24,185,596 ⁽⁷⁾	0.44 / 0.17

Notes:

- (1) Based on the assumption that (a) the loans have a maturity date of one year and (b) the principal amount of the shareholders' loan was disbursed on the first day of the relevant financial year (being 1 April).

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- (2) An aggregate amount of US\$2,002,080.00 (being the principal amount of shareholders' loan and interest accrued thereon) was converted pursuant to the debt conversion exercise completed on 19 August 2016. Further details may be found in the shareholders' circular dated 8 July 2016.
- (3) An aggregate amount of US\$504,448.43 (being the principal amount of shareholders' loan and interest accrued thereon) was converted pursuant to the debt conversion exercise completed on 2 June 2017. Further details may be found in the shareholders' circular dated 4 May 2017.
- (4) An aggregate amount of US\$3,073,853.52 (being the principal amount of shareholders' loan and interest accrued thereon) will be converted into Debt Conversion Shares pursuant to the Proposed Debt Conversion.
- (5) Being the latest audited NTA of the Group for FY2015.
- (6) Being the latest audited NTA of the Group for FY2016.
- (7) Being the latest audited NTA of the Group for FY2017.
- (8) Being interest accrued up to LPD.

The actual accrued interest for each of the mentioned financial years does not exceed 3% of the latest audited net tangible asset values of the Group for the relevant financial years.

As the value of the IPT with Mr Mark Francis Bedingham for each of the above loans is (a) less than S\$100,000 and (b) less than 3% of the Group's audited NTA for FY2016 and FY2017, no announcement was required under Rule 905 of the Listing Manual. The details of the loans granted by Mr Mark Francis Bedingham up to 31 March 2017 are disclosed in page 35 of the Company's Annual Report 2017 under the section "Interested Person Transactions". The details of the loans granted by Mr Mark Francis Bedingham after 31 March 2017 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\$7,889,708.48, representing approximately 32.62% of the NTA of the Group for FY2017. 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\$4,815,854.96, comprising a principal amount of US\$4,800,000 and accrued interest of US\$15,854.96 as at 29 August 2017 (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 19.91% of the NTA of the Group for FY2017.

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 ending 31 March 2018 up to the Latest Practicable Date is approximately US\$39,541.69, representing approximately 0.16% of the NTA of the Group for FY2017.

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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 ending 31 March 2018 up to the Latest Practicable Date.

3.3.3 Value of IPT for the Conversion of Outstanding Amount Owed to Mr Mark Francis Bedingham Wai 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\$3,073,853.52, comprising a principal amount of US\$3,000,000 and accrued interest of US\$73,853.52 as at 29 August 2017 (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 12.71% of the NTA of the Group for FY2017.

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 2018 up to the Latest Practicable Date is approximately US\$64,267.95, representing approximately 0.27% of the NTA of the Group for FY2017.

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 ending 31 March 2018 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 ending 31 March 2018 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 AGM held on 25 July 2017 ("**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.

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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 as at 31 March 2017	253,437,492	64,670,092 ⁽¹⁾
New shares issued on 25 May 2017	11,885,573	4,961,941
New shares issued on 11 September 2017	15,411,000	7,032,921
	280,734,065	76,664,954
Issue of the Debt Conversion Shares	22,262,127	10,565,821 ⁽²⁾
Enlarged issued and paid-up share capital immediately after the Proposed Debt Conversion	302,996,792	87,230,775

Notes:

- (1) Based on the audited financial statements for FY2017.
- (2) Based on a currency conversion rate of US\$1: S\$1.3544 as at 29 August 2017, after deducting legal and listing expenses.

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 FY2017 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)	8.62	10.56

Notes:

- (1) Based on 280,734,665 Shares in issue as at the Latest Practicable Date.
- (2) Based on 302,996,792 Shares, after taking into account the Debt Conversion Shares issued to Mr Ho Kwok Wai and Mr Mark Francis Bedingham.

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5.3 Earnings per Share

For illustrative purposes only, the effect of the Proposed Debt Conversion on the EPS of the Group for FY2017 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	(1.47)	(1.36)
- Discontinued Operations	(1.05)	(0.98)

Notes:

- (1) Based on 280,734,665 Shares in issue as at the Latest Practicable Date.
- (2) Based on 302,996,792 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 FY2017 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⁾	21,082,949	14,482,949
Total Equity (US\$)	24,185,596	31,986,705 ⁽²⁾
Gearing (times) ⁽³⁾	0.87	0.45

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, excluding the effects of the debt conversion exercise completed on 2 June 2017 and the CLSA Placement, and after deducting legal and listing expenses.
- (3) "Gearing" means the ratio of debt to equity attributable to the owners of the Company.

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:

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	Before the Proposed Debt Conversion ⁽⁵⁾			The Proposed Debt Conversion			After the Proposed Debt Conversion ⁽⁶⁾		
	Direct Interest		Deemed Interest	Conversion Shares		Debt Conversion Shares as percentage of existing Shares ⁽⁵⁾	Conversion Shares as percentage of enlarged Shares ⁽⁶⁾		Deemed Interest
	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors									
Ho Kwok Wai ⁽¹⁾	–	–	151,161,134	53.84	–	–	–	–	–
Mark Francis Bedingham ⁽²⁾	–	–	15,834,931	5.64	–	–	–	–	–
Fong Sing Chak Jack	–	–	1,000,000	0.36	–	–	–	–	–
Wong Yen Siang	–	–	–	–	–	–	–	–	–
Wee Sung Leng	–	–	–	–	–	–	–	–	–
Substantial Shareholders (other than Directors)									
Jet Palace Holdings Limited ⁽³⁾	33,400,000	11.90	–	–	–	–	–	33,400,000	11.02
Taipan Grand Investments Limited ⁽⁴⁾	77,933,000	27.76	–	–	–	–	–	77,933,000	25.72
Existing Public Shareholders	112,738,600	40.16	–	–	–	–	–	112,738,600	37.21
Total			22,262,127			7.93		7.35	

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 (39,828,134 Shares).
- (2) Mr Mark Francis Bedingham is deemed to be interested in 15,834,931 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 280,734,665 Shares in the issued and paid-up capital of the Company as at the Latest Practicable Date.
- (6) Based on 302,996,792 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 37.21% 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 AGM held on 25 July 2017, 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 11 September 2017 allotted and issued 15,411,600 new Shares (representing 5.81% of the total number of issued Shares in the capital of the Company of 265,323,065 issued Shares on the date of the AGM, pursuant to the CLSA Placement as previously disclosed.

Following the completion of the CLSA Placement, the total number of issued Shares in the capital of the Company was increased to 280,734,665 Shares (the “**Enlarged Share Capital**”) and the Company is left with a balance of:

- (i) 37,653,013 Shares representing approximately 13.41% 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) 117,249,932 Shares representing approximately 41.77% 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 CLSA 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, and the purchase of retail and F&B merchandise, 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.

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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 25 of this Circular, will be held at TKP Conference Centre, 55 Market Street #03-01, Singapore 048941 on 5 January 2018 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.

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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 FY2017;
- (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 TKP Conference Centre, 55 Market Street #03-01, Singapore 048941 on 5 January 2018 at 10.00 a.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\$7,889,708.48 OWING TO MR HO KWOK WAI AND MR MARK FRANCIS BEDINGHAM BY THE COMPANY INTO UP TO 22,262,127 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE ISSUE PRICE OF S\$0.48 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 13,588,737 Debt Conversion Shares to Mr Ho Kwok Wai in repayment of an aggregate amount of US\$4,815,854.96 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\$0.48 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 8,673,390 Debt Conversion Shares to Mr Mark Francis Bedingham in repayment of an aggregate amount of US\$3,073,853.52 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\$0.48 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 6 at the Annual General Meeting of the Company held on 25 July 2017 be and is hereby revoked and that the Directors be and are hereby authorised and empowered to:

- (a) (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") 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,

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

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall be limited as follows:
- (A) without prejudice to sub-paragraph (1)(B) below, the aggregate number of shares to be issued shall not exceed 50 per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (4) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed 20 per centum (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (4) below) ("**General Limit**");
- (B) in addition to the General Limit, the aggregate number of shares to be issued by way of renounceable rights issues on a pro rata basis ("**Renounceable Rights Issues**") shall not exceed 50 per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (4) below) ("**Additional Limit**");
- (C) where an issue of shares is to be issued by way of Renounceable Rights Issues, that issue shall first use the Additional Limit, and in the event that the Additional Limit has been fully used and is insufficient to satisfy that issue, that issue may use the General Limit, but only to the extent of the then remaining General Limit;
- (D) where an issue of shares is to be issued otherwise than by way of Renounceable Rights Issue, that issue may only use the General Limit, but only to the extent of the then remaining General Limit;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (E) an issue of shares that is not for a financing purpose may only use the General Limit, but the number of such shares that may be issued shall be limited to the numerical number of the then remaining Additional Limit;
- (2) the General Limit and the Additional Limit shall not, in aggregate, exceed 100 per centum (100%) of the total number of issue shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (4) below);
- (3) no shares shall be issued pursuant to this Resolution after 31 December 2018, if on that date the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) exceeds 50 per centum (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (4) below);
- (4) (subject to such 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 (1) (A) and (1)(B) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (A) the Debt Conversion Shares to be issued 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;
- (c) 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
- (d) (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 Extraordinary General Meeting, while Mr Mark Francis Bedingham and his Associates shall abstain from exercising any voting rights on Resolution 2 set out in this Notice of Extraordinary General Meeting.

By Order of the Board
Singapore Myanmar Investco Limited

Mark Francis Bedingham
Executive Director, President and CEO
21 December 2017

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) A shareholder of the Company entitled to attend and vote at the Extraordinary General Meeting of the Company (“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 21 December 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 TKP Conference Centre, 55 Market Street #03-01, Singapore 048941 on 5 January 2018 at 10.00 a.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 21 December 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.

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