

CIRCULAR DATED 14 SEPTEMBER 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Circular is issued by Singapore Myanmar Investco Limited ("**Company**"). If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your Shares held through CDP, you need not forward this Circular, the notice of EGM and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular, the notice of EGM and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s) which are not held through CDP, please forward this Circular, the notice of EGM and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Your attention is drawn to pages 25 to 26 of this Circular in respect of actions to be taken if you wish to participate at the EGM.

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

This Circular has been made available on SGXNet and the Company's website and may be accessed at the URL: <http://sinmi.listedcompany.com/newsroom.html>. A printed copy of this Circular, the notice of EGM and the Proxy Form will NOT be despatched to Shareholders.

Pursuant to the **COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020**, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via live webcast or listening to the EGM proceedings via live audio feed, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM.



SINGAPORE MYANMAR INVESTCO LIMITED

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:

- (I.) **PROPOSED CAPITALISATION OF OUTSTANDING SHAREHOLDER LOANS AND ALLOTMENT AND ISSUANCE OF SHARES AT THE ISSUE PRICE OF S\$0.050 PER SHARE TO EXECUTIVE DIRECTOR AND SUBSTANTIAL SHAREHOLDER;**
- (II.) **ALLOTMENT AND ISSUANCE OF THE PPCF SHARES (AS DEFINED HEREIN);**
- (III.) **PROPOSED WHITEWASH RESOLUTION; AND**
- (IV.) **PROPOSED CHANGE OF NAME OF THE COMPANY TO SMI VANTAGE LIMITED**

Financial Adviser



PRIMEPARTNERS CORPORATE FINANCE PTE. LTD.

(Company Registration Number: 200207389D)
(Incorporated in the Republic of Singapore)

*Independent Financial Adviser in relation to the Proposed Loan Capitalisation
and Proposed Whitewash Resolution*



PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	4 October 2021 at 2.00 pm
Date and time of EGM	:	6 October 2021 at 2.00 pm
Place of EGM	:	The EGM will be held by way of electronic means.

Please refer to page 25 of this Circular for further details.

CONTENTS

CORPORATE INFORMATION	2
DEFINITIONS	3
CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS	8
LETTER TO SHAREHOLDERS	9
1. INTRODUCTION	9
2. THE PROPOSED LOAN CAPITALISATION	9
3. THE JUNE2021 SUBSCRIPTIONS AND THE OPTION	15
4. WHITEWASH WAIVER AND PROPOSED WHITEWASH RESOLUTION	17
5. FINANCIAL EFFECTS OF THE JUNE2021 SUBSCRIPTIONS, THE EXERCISE OF THE OPTION, THE PROPOSED LOAN CAPITALISATION AND THE ISSUANCE OF THE INTRODUCER SHARES AND PPCF SHARES.....	19
6. IFA OPINION	21
7. OPINION OF THE AUDIT COMMITTEE	22
8. PROPOSED CHANGE OF NAME.....	22
9. DIRECTORS' RECOMMENDATIONS	23
10. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS.....	24
11. ABSTENTIONS FROM VOTING	24
12. EXTRAORDINARY GENERAL MEETING.....	25
13. ACTION TO BE TAKEN BY SHAREHOLDERS.....	25
14. RESPONSIBILITY STATEMENTS.....	26
15. CONSENTS	27
16. DOCUMENTS AVAILABLE FOR INSPECTION.....	27
APPENDIX A: IFA LETTER.....	A-1
APPENDIX B: TABLE OF LOAN AGREEMENTS.....	B-1
APPENDIX C: RESULTS ANNOUNCEMENT FOR FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020	C-1
APPENDIX D: CHANGES IN SHAREHOLDING STRUCTURE	D-1
APPENDIX E: ANNOUNCEMENT DATED 21 JUNE 2021 IN RELATION TO THE9 SUBSCRIPTION AND OPTION.....	E-1
APPENDIX F: ANNOUNCEMENT DATED 23 JUNE 2021 IN RELATION TO SUBSCRIPTION OF SHARES BY JONATHAN IAN PAUL AND ONG TOON WAH	F-1
NOTICE OF EGM.....	N-1
PROXY FORM	P-1

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Ho Kwok Wai Mark Francis Bedingham Wong Yen Siang Fong Sing Chak Jack Wee Sung Leng	<i>(Non-Executive Chairman and Non-Executive Director)</i> <i>(Executive Director, President and CEO)</i> <i>(Lead Independent Director)</i> <i>(Independent Director)</i> <i>(Independent Director)</i>
COMPANY SECRETARIES	:	Lee Wei Hsiung Wang Shin Lin, Adeline	
REGISTERED OFFICE	:	300 Beach Road #31-03 The Concourse Singapore 199555	
FINANCIAL ADVISER TO THE COMPANY	:	PrimePartners Corporate Finance Pte. Ltd. 16 Collyer Quay #10-00 Income at Raffles Singapore 049318	
LEGAL ADVISER TO THE COMPANY	:	Altum Law Corporation 160 Robinson Road #26-06 SBF Center Singapore 068914	
INDEPENDENT FINANCIAL ADVISER	:	Provenance Capital Pte. Ltd. 96 Robinson Rd #13-01 SIF Building Singapore 068899	

DEFINITIONS

The following definitions apply throughout the Circular unless otherwise stated or the context otherwise requires:

- “2020 General Mandate”** : Has the meaning defined in Section 3.3 of this Circular
- “ACRA”** : The Accounting and Corporate Regulatory Authority of Singapore
- “Act”** : The Companies Act (Cap 50) of Singapore, as amended or modified from time to time
- “AIP”** : Has the meaning defined in Section 2.11
- “Announcement”** : The Company’s announcement dated 1 March 2021
- “Associate”** : In relation to any Director, CEO, 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
- 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
- “Audit Committee”** : The audit committee of the Company
- “Board”** : The board of Directors
- “Business Day”** : A day (other than Saturday, Sunday and gazetted public holidays) on which banks are open for business in Singapore
- “CDP”** : The Central Depository (Pte) Limited
- “CEO”** : Chief Executive Officer
- “Chairman of the Meeting”** : The Chairman of the EGM
- “Circular”** : This circular to Shareholders dated 14 September 2021
- “Code”** : The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
- “Company”** : Singapore Myanmar Investco Limited (Company Registration No.: 200505764Z), a public company limited by shares incorporated in Singapore, with its registered office at 300 Beach Road, #31-03 The Concourse, Singapore 199555
- “Controlling Shareholder”** : A person who:
- (a) holds directly or indirectly 15% or more of the issued share

DEFINITIONS

	capital of the Company; or
	(b) in fact exercises control over the Company
“Conversion Agreement”	: Has the meaning defined in Section 2.1 of this Circular
“Conversion Price”	: Has the meaning defined in Section 2.1 of this Circular
“Conversion Shares”	: Has the meaning defined in Section 2.1 of this Circular
“CPF”	: The Central Provident Fund Board of Singapore
“Directors”	: The directors of the Company
“EGM”	: The extraordinary general meeting of the Company to be held on 6 October 2021 at 2.00 pm by way of electronic means (via LIVE WEBCAST and AUDIO ONLY MEANS), notice of which is set out on page N-1 of this Circular
“Enlarged Share Capital”	: The enlarged share capital of the Company upon completion of the allotment and issuance of the Conversion Shares and PPCF Shares, being 513,535,187 Shares
“Executive Director”	: An executive Director of the Company
“Exercise”	: Has the meaning defined in Section 3.1 of this Circular
“Existing Share Capital”	: The existing equity share capital of the Company as at LPD, being 379,375,125 Shares
“FY”	: Financial year of the Company ended or ending 31 March (as the case may be)
“Group”	: The Company and its subsidiaries
“IFA”	: Provenance Capital Pte. Ltd.
“IFA Letter”	: The letter from the IFA dated 14 September 2021 with respect to the Proposed Loan Capitalisation as an interested person transaction and the Proposed Whitewash Resolution as set out in Appendix A
“Independent Shareholders”	: Shareholders who are considered independent for the purpose of the Proposed Loan Capitalisation and Proposed Whitewash Resolution
“Introducer”	: Has the meaning defined in Section 3.2 of this Circular
“Introducer Shares”	: Has the meaning defined in Section 3.2 of this Circular
“Issue Price”	: Has the meaning defined in Section 3.1 of this Circular
“June2021 Subscribers”	: The9, Jonathan Ian Paul and Ong Toon Wah, details of whom are further set out in Appendices E and F of this Circular
“June2021 Subscription Agreements”	: Has the meaning defined in Section 3.1 of this Circular
“June2021 Subscription Proceeds”	: Has the meaning defined in Section 3.1 of this Circular

DEFINITIONS

“June2021 Subscription Shares”	:	Has the meaning defined in Section 3.1 of this Circular
“June2021 Subscriptions”	:	Has the meaning defined in Section 3.1 of this Circular
“Lender”	:	Mark Francis Bedingham, the Executive Director, President and CEO of the Company and a Substantial Shareholder
“Listing Rules”	:	The listing manual of the SGX-ST, as amended or modified from time to time
“Loan Agreements”	:	Has the meaning defined in Section 2.1 of this Circular
“LPD”	:	8 September 2021, being the latest practicable date prior to the date of this Circular
“LPS”	:	Loss per Share
“Mainboard”	:	The main board of the SGX-ST
“Nasdaq”	:	The Nasdaq Capital Market
“NTA”	:	Net tangible assets
“Option”	:	Has the meaning defined in Section 3.1 of this Circular
“Option Proceeds”	:	Has the meaning defined in Section 3.1 of this Circular
“Option Shares”	:	Has the meaning defined in Section 3.1 of this Circular
“Ordinary Resolution”	:	A resolution to be passed by not less than 50% in value of Shareholders present and voting by proxy at the EGM
“Outstanding Amount”	:	Has the meaning defined in Section 2.1 of this Circular
“Parties”	:	Collectively, the Company and the Lender and each a “Party”
“PPCF” or “Financial Adviser”	:	PrimePartners Corporate Finance Pte. Ltd.
“PPCF Shares”	:	Has the meaning defined in Section 2.6 of this Circular
“Proposed Change of Name”	:	The proposed change of the Company’s name from “Singapore Myanmar Investco Limited” to “SMI Vantage Limited”
“Proposed Loan Capitalisation”	:	Has the meaning ascribed to it in Section 2.1 of this Circular
“Proposed Transactions”	:	Means, collectively, the Proposed Loan Capitalisation, the allotment and issuance of the PPCF Shares, Proposed Whitewash Resolution and Proposed Change of Name
“Proposed Whitewash Resolution”	:	The Ordinary Resolution at the EGM, on a poll taken, for the waiver by a majority of the Independent Shareholders of their right to receive a general offer from the Lender for all other Shares in existence, arising from the allotment and issuance of the Conversion Shares to the Lender pursuant to Rule 14 of the Code

DEFINITIONS

“Recommending Directors”	:	The Directors other than the Lender, deemed independent for the purpose of making a recommendation to Independent Shareholders in respect of the Proposed Loan Capitalisation and Proposed Whitewash Resolution, namely Ho Kwok Wai, Wong Yen Siang, Fong Sing Chak Jack and Wee Sung Leng
“Regulator”	:	Means any central bank or provincial, state, federal, national, government, semi-government, administrative, supervisory, regulatory, statutory, fiscal or judicial agency, ministry, authority, body, commission, department, tribunal, entity or recognised stock exchange (including but not limited to the Monetary Authority of Singapore, SIC and/or SGX-ST)
“Remuneration Committee”	:	The remuneration committee of the Company
“Securities Account”	:	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“SFA”	:	The Securities and Futures Act (Cap 289) of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share(s)”	:	Ordinary share(s) in the issued and paid-up share capital of the Company
“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
“SIC”	:	Securities Industry Council of Singapore
“SIC Conditions”	:	Has the meaning defined in Section 4.3 of this Circular
“SMI ESOS”	:	The Singapore Myanmar Investco Limited Employee Share Option Scheme approved by Shareholders at the extraordinary general meeting of the Company on 10 July 2017
“SMI ESOS Rules”	:	The rules of the SMI ESOS incorporated in the Company’s circular to Shareholders dated 25 July 2017
“SMI PSP”	:	The SMI Performance Share Plan (formerly known as the SWH Performance Share Plan) approved and adopted by Shareholders at the extraordinary general meeting of the Company on 30 July 2014
“Special Resolution”	:	A resolution to be passed by not less than 75% in value of Shareholders present and voting by proxy at the EGM
“Substantial Shareholder”	:	A person (including a corporation) who holds directly or indirectly 5% or more of the issued and paid up share capital in the Company
“The9”	:	The9 Limited, a company incorporated in the Cayman Islands on 22 December 1999 as an exempted company limited by shares under the name “GameNow.net Limited” and was renamed “The9 Limited” in February 2020 and listed on the Nasdaq
“Vesting of Share Awards”	:	Has the meaning defined in Section 2.3 of this Circular

DEFINITIONS

“VWAP” : Volume weighted average price of the Shares traded on the Mainboard

“Whitewash Waiver” : Has the meaning defined in Section 2.5(a) of this Circular

Currencies, Units and Others

“S\$” and “cents” : Singapore dollars and cents, the lawful currency of Singapore

“US\$” and “US cents” : United States dollars and cents, the lawful currency of the United States of America

“%” or “per cent” : Per centum or percentage

The terms “*Depositor*”, “*Depository Agent*” and “*Depository Register*” shall have the same meanings defined for them, respectively, in section 81SF of the SFA. The term “*Direct Account Holder*” shall have the same meaning defined for the term “account holder” in section 81SF of the SFA.

The term “*subsidiary*” shall have the meaning ascribed to it in section 5 of the Act.

The terms “*entity at risk*”, “*interested person*” and “*interested person transaction*” shall have the meanings defined for them, respectively, in Rule 904 of the Listing Rules.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing one gender shall, where applicable, include all other and neuter genders. References to natural persons shall, where applicable, include corporations.

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

Any reference to a time of day in this Circular is made by reference to Singapore time 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.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements.

Shareholders should not place undue reliance on such forward-looking statements. Further, the Company disclaim any responsibility to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

SINGAPORE MYANMAR INVESTCO LIMITED

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

Board of Directors

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

Registered Office

300 Beach Road
#31-03 The Concourse
Singapore 199555

14 September 2021

To: The Shareholders of Singapore Myanmar Investco Limited

Dear Shareholder

- (I.) **PROPOSED CAPITALISATION OF OUTSTANDING SHAREHOLDER LOANS AND ALLOTMENT AND ISSUANCE OF SHARES AT THE ISSUE PRICE OF S\$0.050 PER SHARE TO EXECUTIVE DIRECTOR AND SUBSTANTIAL SHAREHOLDER;**
- (II.) **ALLOTMENT AND ISSUANCE OF THE PPCF SHARES;**
- (III.) **PROPOSED WHITEWASH RESOLUTION; AND**
- (IV.) **PROPOSED CHANGE OF NAME OF THE COMPANY TO SMI VANTAGE LIMITED**

1. INTRODUCTION

The Board is seeking the approval of Shareholders at the EGM for the Proposed Transactions and the purpose of this Circular is to provide Shareholders with relevant information on the Proposed Transactions.

The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made, or reports contained in this Circular.

2. THE PROPOSED LOAN CAPITALISATION

- 2.1 Background.** The Company and the Lender had entered into, *inter alia*, 10 separate loan agreements on 28 September 2016, 20 April 2017, 17 July 2017, 16 August 2017, 11 December 2017, 16 March 2018, 17 April 2018, 15 May 2018, 3 July 2018 and 14 August 2018, pursuant to which the Lender extended cash loans of the total principal amount of US\$4,700,000 to the Company at an interest rate of 2.34% per annum ("**Loan Agreements**"), details of which are set out in **Appendix B**.

The loans provided by the Lender have been used for working capital as well as bank loan interest payments for the Company's existing travel and retail business in Myanmar.

The total amount under the Loan Agreements comprising principal and all accrued interest as at 1 March 2021, which the Company has not repaid and remains due and owing to the Lender, is US\$5,050,582.39 ("**Outstanding Amount**"). After discussions with the Lender, the Company proposed the amount to be capitalised, such that there is meaningful improvement to the balance sheet of the Company, while taking into account that the remaining loan would continue to be serviceable by the Company.

On 1 March 2021, the Company announced that it had entered into an agreement on the same date for the proposed capitalisation of the Outstanding Amount, and the allotment and issuance of 132,910,062 new Shares to the Lender ("**Conversion Shares**") at the issue price of S\$0.050 per Conversion Share ("**Conversion Price**"), equivalent to approximately US\$0.038, in full and final discharge and settlement of the Company's obligation to repay the Outstanding Amount to the Lender under the Loan Agreements ("**Conversion Agreement**"), pursuant to the terms and subject to the conditions of the Conversion

LETTER TO SHAREHOLDERS

Agreement (“**Proposed Loan Capitalisation**”).

- 2.2 Information on the Lender.** The Lender is the Executive Director, President and CEO of the Company, as well as a Substantial Shareholder with an existing aggregate direct and deemed interest in 43,008,321 Shares, comprising 11.3% of the Company’s Existing Share Capital, as at LPD.
- 2.3 Authority.** The allotment and issuance of the Conversion Shares to the Lender pursuant to the Proposed Loan Capitalisation will result in the Lender’s aggregate deemed and direct interest in the Company’s Existing Share Capital increasing from 11.3% (comprising 43,008,321 Shares) as at LPD to 34.3% (comprising 175,918,383 Shares) of the Enlarged Share Capital, with the free float of Shares in the hands of the public decreasing to 24.8% (above the minimum 10% prescribed under Rule 723 of the Listing Rules) on the assumption that there will be no other changes in the number of Shares in the Existing Share Capital of the Company and no change in the number of Shares held by non-public Shareholders from the LPD up till the date of the allotment and issuance of the Conversion Shares to the Lender. As such, the Proposed Loan Capitalisation will constitute:
- (a) a transfer of a controlling interest in the Company to the Lender pursuant to Rule 803 of the Listing Rules;
 - (b) an issuance of Shares to a Director pursuant to Rules 804 and 805 of the Listing Rules;
 - (c) an issuance of Shares to a Substantial Shareholder and a Director pursuant to Rule 812(1)(a) of the Listing Rules, and
 - (d) an interested person transaction pursuant to Rule 906(1)(a) of the Listing Rules, as the Outstanding Amount (being the consideration for the Conversion Shares) is 35.2% of the latest audited consolidated NTA of the Group of US\$14.4 million as at 31 March 2020¹. As at LPD, the Group has not entered into any transactions with the Lender:
 - (i.) in the financial year ended 31 March 2021 save in relation to the allotment and issuance of 14,000,000 new Shares to the Lender for no consideration pursuant to grant of an award under the SMI PSP on 4 June 2020 at the issue price of S\$0.021 per Share (being the market price on 27 March 2020, the date of the grant); and
 - (ii.) in the current financial year ending 31 March 2022 save in relation to the allotment and issuance of 4,500,000 Shares to the Lender for no consideration pursuant to the grant of an award to the Lender under the SMI PSP on 8 April 2021 at the issue price of S\$0.131 per Share (being the market price on 13 June 2019, the date of the grant) (“**Vesting of Share Awards**”) and the extension of additional loans to the Company on 1 April 2021 and 14 May 2021 amounting to an aggregate of approximately US\$200,000.

Accordingly, specific approval for the Proposed Loan Capitalisation by the Independent Shareholders will be sought at the EGM in accordance with Rules 803, 804, 805, 812(2) and 906(1)(a) of the Listing Rules and section 161 of the Act. For the avoidance of doubt, the approval of the Shareholders is not being sought in respect of all other interested person transactions, where applicable.

- 2.4 SFA.** The Conversion Agreement and the Proposed Loan Capitalisation, including the allotment and issuance of the Conversion Shares to the Lender, is entered into pursuant to the ‘safe harbour’ exemptions for a private placement under section 272B of the SFA and in compliance with the conditions of these exemptions in the SFA and the Lender is not accepting the Company’s offer of the Conversion Shares with a view to such offer being subsequently offered to another person in Singapore, where such subsequent offer is contrary to the provisions of the SFA. No prospectus, offer information statement or offer document will be issued by the Company or registered with the Monetary Authority of Singapore.

¹ The Company announced on 1 June 2021 that SGX-ST had granted the Company’s application for (i) the extension of time to 15 September 2021 for the Company to issue unaudited full year financial results with regard to compliance with Rule 705(1) of the Listing Rules, (ii) the extension of time to 1 December 2021 for the Company to issue the sustainability report with regard to compliance with Rule 7011A of the Listing Rules, and (iii) the extension of time to 15 December 2021 for the Company to convene its AGM for FY2021 with regard to compliance with Rule 707(1) of the Listing Rules.

LETTER TO SHAREHOLDERS

2.5 Code. The Proposed Loan Capitalisation is also subject to, *inter alia*,:

- (a) the waiver by SIC of the obligation of the Lender to make a mandatory take-over offer for all other Shares in existence arising from the allotment and issuance of the Conversion Shares, pursuant to Rule 14 of the Code ("**Whitewash Waiver**"), and the fulfilment of any such condition that SIC may impose which are reasonably acceptable to the Company and the Lender, and
- (b) the passing of the Proposed Whitewash Resolution.

More information on the Whitewash Waiver and the Proposed Whitewash Resolution is set out in Section 4 of this Circular.

2.6 Financial Adviser. The Company has appointed PPCF as its Financial Adviser for the Proposed Loan Capitalisation and pursuant to the terms of its engagement with PPCF, will allot and issue to PPCF, 1,250,000 new Shares at the Conversion Price, amounting in value to S\$62,500, in consideration of half of the professional fees due to PPCF ("**PPCF Shares**"). PPCF's role as Financial Adviser includes, *inter alia*, advising the Company on the structuring, pricing and timing of the Proposed Loan Capitalisation, the review of announcements and documents prepared for public release or for submission to the regulatory authorities, as well as coordinating any responses to queries from the regulatory authorities in relation to the Proposed Loan Capitalisation. Fees to PPCF are due and payable upon meeting the relevant milestones. Specifically, part of the fees which include fees payable to PPCF in Shares are due upon (i) specific approval of the Shareholders to be obtained at the EGM in accordance with Rule 805 of the Listing Rules, section 161 of the Act and subject to the same selling restrictions described in Section 2.4 above, and (ii) the completion of the Proposed Loan Capitalisation.

2.7 Principal Terms of the Conversion Agreement.

Proposed Loan Capitalisation : Subject to the terms and conditions of the Conversion Agreement, the Company shall allot and issue to the Lender, and the Lender shall subscribe for, the Conversion Shares at the Conversion Price, fractional entitlements to be disregarded, in consideration for the sum of US\$5,050,582.39, which shall be fully satisfied in lieu of repayment by the Company to the Lender of the Outstanding Amount under the Loan Agreements.

Conversion Price : The Conversion Price of S\$0.050 was agreed on between the Company and the Lender after taking into account factors such as the general share price and net asset value of the Company prior to the signing of the Conversion Agreement as well as the extent of potential dilution to the minority Shareholders.

The Conversion Price represents a 127.3% premium above the VWAP of S\$0.022 per Share, on 26 February 2021, being the last full market day on which the Shares were traded on the Mainboard prior to the signing of the Conversion Agreement as a show of confidence by the Lender in the future plans, viability and anticipated performance of the Group.

Conversion Shares : **132,910,062** new Shares (constituting approximately 35.0% of the Company's entire Existing Share Capital as at LPD and 25.9% of the Company's entire Enlarged Share Capital) to be allotted and issued by the Company and listed and quoted on the Mainboard.

Status : The Conversion Shares and the PPCF Shares shall be allotted and issued (a) free from all encumbrances, (b) ranking *pari passu* in all respects with and carry all rights similar to the existing Shares, except that they will not rank for any dividend, right, allotment or other distribution, accruing on a record date which falls on or before the completion of the Proposed Loan Capitalisation, and (c) not subject to any rights of pre-emption or first refusal or any restriction on disposal placed by any party or by contractual undertaking or otherwise or under any restrictions by any law or authority restricting the sale and transfer of the Conversion Shares.

LETTER TO SHAREHOLDERS

No Other Entitlements : Save pursuant to the express terms and conditions of the Conversion Agreement, the Proposed Loan Capitalisation does not confer on the Lender, any rights or entitlements to participate in any distributions and/or offers of further securities made by the Company.

Undertakings : The Company will cause to be submitted to the SIC, an application for the Whitewash Waiver and thereafter, an additional listing application to SGX-ST for the listing and quotation of the Conversion Shares and the PPCF Shares on the Mainboard.

The Lender will, until and subject to completion of the Proposed Loan Capitalisation, not take any action to enforce his right to repayment of the Outstanding Amount (or any part thereof) from the Company under the Loan Agreements.

Agreed Exchange Rate : For the purposes of computing the number of Conversion Shares to be issued, the Parties have agreed that the exchange rate between S\$ and US\$ shall be US\$1.00 to S\$1.3297.

2.8 Conditions Precedent. The Proposed Loan Capitalisation is subject to, *inter alia*, certain conditions precedent, including the following:

- (a) approval of the Directors (with the Lender abstaining) for the entering into of the Conversion Agreement and the transactions under the Conversion Agreement and any related transactions in relation thereto;
- (b) the respective representations and warranties of the Parties set out in the Conversion Agreement being true and accurate in all material respects and each of them having performed and complied with all their respective undertakings, covenants and agreements set out in the Conversion Agreement;
- (c) the Shares not being suspended by the SGX-ST from trading on the Mainboard other than in relation to trading halts not exceeding three (3) market days pending announcements of the Company;
- (d) an opinion by the IFA:
 - (i.) pursuant to Rule 921(4)(a) of the Listing Rules stating whether the Proposed Loan Capitalisation (and all other transactions which are the subject of aggregation pursuant to Rule 906 of the Listing Rules) is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders, and
 - (ii.) stating whether the allotment and issuance of the Conversion Shares to the Lender pursuant to the Proposed Loan Capitalisation, which is subject to the Proposed Whitewash Resolution, is fair and reasonable and if the Recommending Directors should recommend that the Independent Shareholders should vote in favour of the Proposed Whitewash Resolution;
- (e) all licenses, consents, permits, approvals, waivers, authorisations or other orders of and all notices, registrations, submissions or filings with all relevant Regulators, entitled third-parties, counterparties, financing or facility providers of the Parties as may be required for or in connection with the transactions under the Conversion Agreement and such other transactions in connection therewith and incidental thereto having been obtained, and not having been withdrawn, revoked or amended and if subject to any conditions, such conditions being reasonably acceptable to the Parties and are fulfilled, and all other actions having been taken by or on behalf of the Parties to comply with all applicable legal and other requirements necessary to ensure that the allotment and issuance of the Conversion Shares to the Lender by the Company is in accordance with, and do not infringe any existing law, statute, regulation, decision, ruling, judgment, award, code, practice, direction, decree, order, contract or agreement,

LETTER TO SHAREHOLDERS

including without limitation:

- (i.) granting of the Whitewash Waiver by SIC, and the fulfilment of any such condition that the SIC may impose which are reasonably acceptable to the Parties, and
 - (ii.) approval-in-principle of the SGX-ST for, *inter alia*, the listing and quotation of the Conversion Shares on the Mainboard;
- (f) specific approval of the Shareholders (with the Lender and his associates abstaining) pursuant to Rules 803, 804, 805, 812(2) and 906 of the Listing Rules and such approval not having been qualified or withdrawn, at the EGM, for the entering into the Conversion Agreement, all transactions contemplated under the Conversion Agreement and such other transaction in connection therewith and incidental thereto, including without limitation, the allotment and issuance of the Conversion Shares to the Lender;
- (g) approval of the Proposed Whitewash Resolution by the Independent Shareholders as described in Section 2.5(b) above; and
- (h) no relevant Regulator taking, instituting, implementing or threatening to take, institute or implement any action, enforcement, proceeding, suit, investigation, inquiry, reference or decision, and no law, statute, regulation, decision, ruling, award, direction, practice, judgment, decree or order having been made, proposed, enacted or implemented, and no steps having been taken, and there not continuing to be in effect or outstanding any law, statute, regulation, decision, ruling, award, direction, practice, judgment, decree or order which would or might:
- (i.) make any transaction contemplated in the Conversion Agreement or any other transactions in connection herewith and incidental hereto, void illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same, and/or
 - (ii.) render the Lender unable to be allotted and issued all or any of the Conversion Shares in the manner set out in the Conversion Agreement.

2.9 Lender's Representations and Warranties. The Lender has represented, warranted and undertaken to the Company in the Conversion Agreement, *inter alia*, that:

- (a) the Lender acknowledges that his subscription for the Conversion Shares is made pursuant to the Company's reliance on the 'safe harbour' exemptions for a private placement under section 272B of the SFA and in compliance with all the conditions of these exemptions in the SFA therein;
- (b) the Lender is an accredited investor as defined in the SFA and is subscribing for the Conversion Shares as principal for his own benefit and will not be holding the Conversion Shares on trust or for the benefit of other parties;
- (c) the Lender shall comply with all the conditions of the 'safe harbour' exemptions for a private placement under section 272B of the SFA and is not accepting the Company's offer of the Conversion Shares with a view to such offer being subsequently offered to another person in Singapore, where such subsequent offer is contrary to the provisions of the SFA;
- (d) save as disclosed in this Circular, the Lender has no other relationship or dealings with the Company, and is not a person acting in concert with any other Shareholder;
- (e) the Lender has recused and will recuse himself from all of the Directors' deliberations and decision-making processes relating to any matter concerning the Proposed Loan Capitalisation or the Conversion Agreement, and:
 - (i.) the Lender and his associates will abstain from voting on or being appointed as proxies for the Shareholders' resolutions in relation to the Proposed Loan Capitalisation, and

LETTER TO SHAREHOLDERS

- (ii.) the Lender and parties acting in concert with him will abstain from voting or being appointed as proxies for the Proposed Whitewash Resolution,

in connection herewith, at the EGM.

2.10 Rationale and Use of Proceeds. The allotment and issuance of the Conversion Shares by the Company to the Lender under the Proposed Loan Capitalisation is in lieu of cash repayment by the Company to the Lender of the Outstanding Amount due and owing under the Loan Agreements and accordingly, no cash proceeds will be received by the Company from the Lender. Subject to and upon completion of the allotment and issuance of the Conversion Shares to the Lender under the Proposed Loan Capitalisation, the Loan Agreements shall be irrevocably and unconditionally terminated and settled, and the Company shall be fully, absolutely, finally and forever exonerated, released and discharged from the Loan Agreements, and the Lender shall have no further or other claims of any nature whatsoever against the Company, arising out of or in relation to the Outstanding Amount and/or the Loan Agreements.

The Proposed Loan Capitalisation will enable the Group to augment its capital base by converting the Outstanding Amount into equity of the Company and significantly strengthen the Group's balance sheet and improve its debt-equity position. The Group had further considered that the Proposed Loan Capitalisation will require additional preparation time and effort of the management team that may have been spent on other projects as well as the professional expenses to be incurred for the exercise. The completion of the Proposed Loan Capitalisation will also result in shareholding dilution of other Shareholders due to the issuance of new Shares to the Lender.

Upon completion of the Proposed Loan Capitalisation, the aggregate amount owing by the Group to the Lender will be reduced from approximately US\$5.8 million as at LPD to approximately US\$0.7 million under four other loan agreements between the Company and the Lender dated 10 September 2018, 11 October 2018, 1 April 2021 and 14 May 2021 for loans by the Lender to the Company that are not capitalised under the Conversion Agreement. This will provide opportunities for the Group to raise funds from the public and financial institutions in future due to the Group's improved balance sheet. The short-term obligation to repay the Outstanding Amount would be settled and the Group's cash can be used for other purposes.

No placement agent was appointed by the Company for the Proposed Loan Capitalisation. In view of the specific purpose of discharging and releasing the Company from the obligation to repay the Outstanding Amount to the Lender under the Loan Agreements, there is no underwriting arrangement for the Proposed Loan Capitalisation.

The Board (with the Lender abstaining) has weighed the benefits against the potential costs to the Company as elaborated above and is of the view that the Proposed Loan Capitalisation is beneficial to and in the interests of the Company and enable the Group to improve its working capital position and reduce its indebtedness and gearing while conserving its cash resources. The Proposed Loan Capitalisation is also a show of confidence by the Lender in the future plans, viability and anticipated performance of the Group.

The Board is of the opinion that after taking into consideration the present financial position of the Group, including its banking facilities, its bank and cash balances, the working capital available to the Group is sufficient to meet its present requirements.

The latest financial position of the Company as at 30 September 2020, including its net asset position and net profit figures are set out in an extract of the Company's results announcement for the period ended 30 September 2020 in **Appendix C**.

2.11 Additional Listing Application. On 30 August 2021, the Company announced that SGX-ST has granted in-principle approval for the listing and quotation of, the June2021 Subscription Shares, the Option Shares, the Introducer Shares, the Conversion Shares and PPCF Shares ("AIP") subject to (i) the June2021 Subscription Shares, the Option Shares and the Introducer Shares being placed out within seven (7) market days from the date of the AIP (being 27 August 2021); (ii) Shareholders' approval at the EGM for Ordinary Resolution 1 and Ordinary Resolution 2 and (iii) the Conversion Shares and the PPCF Shares being placed out within seven (7) market days from the date of the EGM.

LETTER TO SHAREHOLDERS

The AIP is not to be taken as an indication of the merits of the June2021 Subscription, the Proposed Loan Capitalisation, the June2021 Subscription Shares, the Option Shares, the Introducer Shares, the Conversion Shares, the PPCF Shares, the Company and/or its subsidiaries.

- 2.12 Outstanding Share Options under SMI ESOS.** The Company has awarded options which may be exercised to take up unissued Shares pursuant to the SMI ESOS. As at LPD, 1,363,900 options under the SMI ESOS still remain outstanding and unexercised including the 461,400 options granted and announced by the Company on 6 July 2021. Pursuant to Rule 10.3(e) of the SMI ESOS Rules, unless the Remuneration Committee considers an adjustment to be appropriate, an issue of Shares pursuant to any debt conversion, such as the Proposed Loan Capitalisation, shall not normally be recognised as a circumstance requiring adjustments to any outstanding unexercised options under the SMI ESOS. Accordingly, the Remuneration Committee has not considered that any adjustment is appropriate for outstanding unexercised options under the SMI ESOS. Save for the foregoing outstanding unexercised options under the SMI ESOS and the Option, the Company has no other existing warrants or other instruments convertible into Shares.
- 2.13 Outstanding Share Awards under the SMI PSP.** As at LPD, there are no unvested Share awards under the SMI PSP.

3. THE JUNE2021 SUBSCRIPTIONS AND THE OPTION

- 3.1 Background.** On 21 June 2021 and 23 June 2021, the Company announced its entry into subscription agreements with the June2021 Subscribers ("**June2021 Subscription Agreements**") for, *inter alia*, the allotment and issuance of an aggregate of 19,383,333 new Shares to the June2021 Subscribers ("**June Subscription Shares**") in the proportions set out in the table below, at the issue price of S\$0.030 for each new Share ("**Issue Price**") for an aggregate consideration of S\$581,500 ("**June2021 Subscription Proceeds**"), pursuant to the terms and subject to the conditions of the June2021 Subscription Agreements (collectively, the "**June2021 Subscriptions**").

Pursuant to the terms and subject to the conditions of the Company's June2021 Subscription Agreement with The9, the Company has also granted to The9, the option to subscribe from the Company, up to the aggregate of 33,250,000 new Shares ("**Option Shares**") in exchange for sum of up to S\$997,500, at the Issue Price for each Option Share ("**Option Proceeds**") to be paid by The9 to the Company in consideration for the Option Shares to be allotted and issued by the Company to The9 ("**Option**"). The9 shall be entitled to exercise the Option for all or any of the Option Shares by serving a notice in writing on the Company any time prior to the date falling 90 consecutive calendar days from 21 June 2021, being the date of the June2021 Subscription Agreement between the Company and The9 ("**Exercise**").

On 16 August 2021, the Company announced that it had received, on the same date, the written notice of the Exercise of the Option from The9 to subscribe for the maximum 33,250,000 Option Shares in consideration for the sum of S\$997,500 at the Issue Price for each Option Share, in accordance with the terms of the Company's June2021 Subscription Agreement with The9.

On 1 September 2021, the Company had announced that it had, on the same date, allotted and issued the June2021 Subscription Shares, the Option Shares and the Introducer Shares to the June2021 Subscribers, The9 and the Introducer respectively.

LETTER TO SHAREHOLDERS

Name of June2021 Subscriber	Number of June2021 Subscription Shares Allotted and Issued	June2021 Subscription Proceeds Received by the Company (S\$)	Number of Option Shares Allotted and Issued	Option Proceeds Received by the Company (S\$)	% Interest in Enlarged Share Capital
The9	11,083,333	332,500	33,250,000	997,500	8.6%
Jonathan Ian Paul	3,300,000	99,000	–	–	0.6%
Ong Toon Wah	5,000,000	150,000	–	–	1.0%
Total	19,383,333	581,500	33,250,000	997,500	10.2%

Copies of the Company's announcements dated 21 June 2021 and 23 June 2021 are set out in their entirety in **Appendices E and F** of this Circular.

- 3.2 Introducer.** No placement agent was appointed by the Company for the purposes of the June2021 Subscriptions and the Option. The June2021 Subscribers were introduced to the Company through Blackrun Corporate Pte. Ltd., a global investment firm headquartered in Singapore ("**Introducer**"). The Introducer was identified by the Company from its CEO's wide range of contacts in Singapore through his involvement with private equity firms and special purpose acquisition companies.

Pursuant to the terms of the June2021 Subscription Agreements and the Option, the Company has allotted and issued to the Introducer, an aggregate of 5,245,000 new Shares at the Issue Price, amounting in value of approximately S\$157,350 as finder's fees due to the Introducer for the June2021 Subscriptions and the Option, *pro rata* to the number of Option Shares Exercised by The9 ("**Introducer Shares**").

- 3.3 Authority for the June2021 Subscription Shares, Option Shares and Introducer Shares.** The June2021 Subscription Shares, Option Shares and Introducer Shares were allotted and issued to the June2021 Subscribers, The9 and the Introducer respectively pursuant to the general mandate obtained from Shareholders at the annual general meeting of the Company held on 27 October 2020 ("**2020 General Mandate**") to allot and issue new Shares whether by way of rights, bonus or otherwise, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided always that the aggregate number of Shares to be issued pursuant to the 2020 General Mandate (including Shares to be issued in pursuance of instruments or granted pursuant to the 2020 General Mandate) does not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of Shares (including shares to be issued in pursuance of instruments made or granted pursuant to the 2020 General Mandate) to be issued other than on a *pro rata* basis to Shareholders does not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings)².

- 3.4 Compliance of the June2021 Subscriptions and the Option with the Listing Rules.** No transfer of a controlling interest pursuant to Rule 803 of the Listing Rules will arise from the allotment and issuance of the June2021 Subscription Shares, Option Shares and the Introducer Shares. Ong Toon Wah had a business relationship with The9 between 2003 and 2007, during which he helped to acquire the distribution rights over the World of Warcraft game in China, and the listing of The9 on Nasdaq. Save as

² Pursuant to Rule 806(3) of the Listing Rules, the percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) is based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of the resolution by Shareholders at the annual general meeting of the Company held on 27 October 2020 approving the 2020 General Mandate, after adjusting for new Shares arising from the exercise of share options under the SMI ESOS or vesting of share awards under the SMI PSP that were outstanding or subsisting at the time of the passing of the resolution by Shareholders at the annual general meeting of the Company held on 27 October 2020 approving the 2020 General Mandate.

LETTER TO SHAREHOLDERS

described in the foregoing, the June2021 Subscribers have no prior connections (including any business relationship) among themselves and with the Company, the Directors, or the Substantial Shareholders. Prior to the June2021 Subscriptions, the June2021 Subscribers and the Introducer do not hold, directly or indirectly, any Shares. The June2021 Subscribers and the Introducer are not interested persons as defined under Chapter 9 of the Listing Rules and do not fall under the class of restricted persons as specified in Rule 812(1) of the Listing Rules.

Accordingly, Shareholders' approval was not required for the allotment and issuance of the June2021 Subscription Shares, Option Shares and Introducer Shares.

3.5 Use of Proceeds. The June2021 Subscription Proceeds and Option Proceeds, in aggregate of S\$1,579,000 will be used by the Company for the following:

- (a) 50% for business investments. As at LPD, the Company is still in the process of identifying suitable investment and/or joint venture opportunities; and
- (b) 50% to meet the Group's anticipated general working capital requirement for the purposes of meeting general overheads and other operating expenses of the Group (such as rent, salaries, administrative expenses and professional fees), as well as the expenses of approximately S\$24,000 incurred by the Company for the June2021 Subscriptions.

Pending deployment of the June2021 Subscription Proceeds and Option Proceeds, such proceeds may be placed as deposits with financial institutions in short term money markets or debt instruments or for any other purposes on a short-term basis, but in accordance with the terms of the June2021 Subscription Agreements, as the Directors may, in their absolute discretion, deem fit.

3.6 The Company will make periodic announcements on the utilisation of the June2021 Subscription Proceeds and Option Proceeds as and when such use of the June2021 Subscription Proceeds and Option Proceeds are materially disbursed under Rule 704(30), and provide a status report in its annual report under Rule 1207(20). Where the June2021 Subscription Proceeds or Option Proceeds have been used for working capital purposes, the Company will disclose a breakdown with specific details on how the June2021 Subscription Proceeds and Option Proceeds have been applied in the announcements and annual reports. Where there is any material deviation from the stated use of the June2021 Subscription Proceeds and Option Proceeds, the Company will announce the reasons for such deviations.

4. WHITEWASH WAIVER AND PROPOSED WHITEWASH RESOLUTION

4.1 Change in Shareholding Composition of the Company. Upon completion of the Proposed Loan Capitalisation and the allotment and issuance of the PPCF Shares, the shareholding composition of the Company will be as set out in **Appendix D**.

4.2 Mandatory General Offer under Rule 14 of the Code. Except with SIC's consent, where any person, who holds less than 30% of the voting rights of a public company to which the Code applies, acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of such a company, such persons must extend offers immediately, on the basis set out in Rule 14 of the Code to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares.

Upon completion of the Proposed Loan Capitalisation, the Lender will control 34.3% of all the voting rights of the Enlarged Share Capital, and the Lender would be obliged to make a mandatory general offer under Rule 14 of the Code to all the Shares of the Independent Shareholders.

Pursuant to Note 1 of the Notes on Dispensation from Rule 14 of the Code, when the issue of new securities as consideration for, *inter alia*, a cash subscription, would otherwise result in an obligation to make a general offer under Rule 14 of the Code, SIC will normally waive the obligation if there is an independent vote at a shareholders' meeting and for this purpose, "independent vote" means a vote by shareholders who are not involved in, or interested in, the transaction in question.

LETTER TO SHAREHOLDERS

- 4.3 Whitewash Waiver from SIC.** Pursuant to an application by the Company and Lender for the Whitewash Waiver, the SIC had on 8 September 2021 waived the obligation for the Lender to make a mandatory offer under Rule 14 of the Code as a result of the Proposed Loan Capitalisation, subject to the following conditions ("**SIC Conditions**"):
- (a) a majority of holders of voting rights of Shareholders approve at a general meeting, before the allotment and issuance of the Conversion Shares to the Lender, the Proposed Whitewash Resolution by way of a poll to waive their rights to receive a general offer from the Lender;
 - (b) the Proposed Whitewash Resolution is separate from other resolutions;
 - (c) the Lender and his concert parties as well as parties not independent of him abstain from voting on the Proposed Whitewash Resolution;
 - (d) the Lender and his concert parties did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of Shares in the Company (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in this Circular):
 - (i.) during the period between the date of the Announcement (ie. 1 March 2021) and the date Shareholders' approval is obtained for the Proposed Whitewash Resolution; and
 - (ii.) in the six (6) months prior to the date of the Announcement, but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Proposed Loan Capitalisation;
 - (e) the Company appoints an independent financial adviser to advise the Independent Shareholders on the Proposed Whitewash Resolution;
 - (f) the Company setting out clearly in this Circular:
 - (i.) details of the Proposed Loan Capitalisation and issuance of the Conversion Shares to the Lender;
 - (ii.) the dilution effect of the issuance of the Conversion Shares to existing holders of voting rights;
 - (iii.) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by the Lender and his concert parties as at LPD;
 - (iv.) the number and percentage of voting rights to be acquired by the Lender and his concert parties as a result of the Proposed Loan Capitalisation; and
 - (v.) specific and prominent reference to the fact that Shareholders, by voting for the Proposed Whitewash Resolution, are waiving their rights to a general offer from the Lender at the highest price paid by the Lender and his concert parties for Shares in the past six (6) months preceding the commencement of the offer;
 - (g) this Circular states that the Whitewash Waiver granted by the SIC to the Lender from the requirement to make a general offer under Rule 14 is subject to the conditions stated at Paragraphs 4.3(a) to 4.3(f) above;
 - (h) the Company obtaining SIC's approval in advance for those parts of the Circular that refer to the Proposed Whitewash Resolution; and
 - (i) to rely on the Proposed Whitewash Resolution, the approval for the Proposed Whitewash Resolution must be obtained within three (3) months from the date of grant of the Whitewash Waiver by SIC (being 8 September 2021) and the allotment and issuance of the Conversion

LETTER TO SHAREHOLDERS

Shares to the Lender pursuant to the Proposed Loan Capitalisation must be completed within three (3) months of the Shareholders' approval of the Proposed Whitewash Resolution.

As at the date of this Circular, all the above SIC Conditions have been satisfied, save for (a), (c) and (i) above which are expected to be satisfied only at or after the EGM.

- 4.4 The Proposed Whitewash Resolution.** Independent Shareholders are requested to vote by way of a poll, on the Proposed Whitewash Resolution, set out as Ordinary Resolution 3 in the notice of EGM, waiving their rights to receive a mandatory general offer from the Lender for the remaining Shares not already owned or controlled by him and his concert parties.

SHAREHOLDERS SHOULD NOTE THAT:

- (a) **BY VOTING FOR THE PROPOSED WHITEWASH RESOLUTION, SHAREHOLDERS ARE WAIVING THEIR RIGHTS TO A MANDATORY GENERAL OFFER UNDER RULE 14 OF THE CODE FROM THE LENDER AT THE HIGHEST PRICE PAID BY THE LENDER AND HIS CONCERT PARTIES FOR THE SHARES IN THE SIX (6) MONTHS PRECEDING THE ANNOUNCEMENT OF THE PROPOSED LOAN CAPITALISATION; AND**
 - (b) **THE PROPOSED LOAN CAPITALISATION IS CONDITIONAL UPON SHAREHOLDERS VOTING IN FAVOUR OF THE PROPOSED WHITEWASH RESOLUTION. IN VIEW OF THIS, IN THE EVENT THAT THE PROPOSED WHITEWASH RESOLUTION IS NOT PASSED BY THE INDEPENDENT SHAREHOLDERS, THE PROPOSED LOAN CAPITALISATION WOULD NOT TAKE PLACE.**
- 5. FINANCIAL EFFECTS OF THE JUNE2021 SUBSCRIPTIONS, THE EXERCISE OF THE OPTION, THE PROPOSED LOAN CAPITALISATION AND THE ISSUANCE OF THE INTRODUCER SHARES AND PPCF SHARES**

As at LPD, the issued and paid-up share capital of the Group is S\$89,940,625 comprising 379,375,125 Shares. For illustration only, the *pro forma* effects on the share capital and the financial effects of the June2021 Subscriptions, the Exercise of the Option, the Proposed Loan Capitalisation and the issuance of Introducer Shares and PPCF Shares are set out below and are prepared based on the following bases and assumptions:

- (a) the effects on the share capital are computed as at the LPD;
- (b) the financial effects on the NTA and gearing are computed based on the latest announced consolidated financial results of the Group for FY2020 and the assumption that the June2021 Subscriptions, The9's Exercise of the Option, the Proposed Loan Capitalisation and the issuance of Introducer Shares and PPCF Shares had been effected on 31 March 2020; and
- (c) the financial effects on the LPS are computed based on the latest announced consolidated financial results of the Group for FY2020 and the assumption that the June2021 Subscriptions, The9's Exercise of the Option, the Proposed Loan Capitalisation and the issuance of Introducer Shares and PPCF Shares had been effected on 1 April 2019 and the basic weighted average number of shares is computed as at the LPD; and
- (d) an exchange rate of US\$1.00:S\$1.33.

LETTER TO SHAREHOLDERS

Share Capital

	Before the June2021 Subscriptions, Exercise of the Option and Proposed Loan Capitalisation	As at LPD, after the June2021 Subscriptions, the Exercise of the Option and allotment and issuance of Introducer Shares	After the Proposed Loan Capitalisation and allotment and issuance of PPCF Shares
No. of Shares	321,496,792	379,375,125	513,535,187
Paid-up capital (S\$)	88,204,275 ⁽¹⁾	89,940,625 ⁽¹⁾	96,648,628

NTA

	Before the June2021 Subscriptions, Exercise of the Option and Proposed Loan Capitalisation	As at LPD, after the June2021 Subscriptions, the Exercise of the Option and allotment and issuance of Introducer Shares	After the Proposed Loan Capitalisation and allotment and issuance of PPCF Shares
NTA (US\$'000)	14,364	15,551	20,602
No. of Shares	321,496,792	379,375,125	513,535,187
NTA per Share (US cents)	4.47	4.10	4.01
NTA per Share (Singapore cents)	5.95	5.45	5.33

LPS

	Before the June2021 Subscriptions, Exercise of the Option and Proposed Loan Capitalisation	As at LPD, after the June2021 Subscriptions, the Exercise of the Option and allotment and issuance of Introducer Shares	After the Proposed Loan Capitalisation and allotment and issuance of PPCF Shares
Loss attributable to owners of the Company (US\$'000)	(10,335)	(10,335)	(10,335)
Basic weighted average number of Shares	321,410,254	354,960,606	419,829,207
LPS (US cents)	(3.22)	(2.91)	(2.46)
LPS (Singapore cents)	(4.28)	(3.87)	(3.27)

LETTER TO SHAREHOLDERS

Gearing

	Before the June2021 Subscriptions, Exercise of the Option and Proposed Loan Capitalisation	As at LPD, after the June2021 Subscriptions, the Exercise of the Option and allotment and issuance of Introducer Shares	After the Proposed Loan Capitalisation and allotment and issuance of PPCF Shares
Total borrowings (US\$'000)	12,738 ⁽⁴⁾	12,738	7,687
Total equity attributable to owners of the Company (US\$'000)	14,856	16,043	21,094
Debt-to-equity ratio ⁽²⁾ (times)	0.86	0.79	0.36
Total assets (US\$'000)	41,705 ⁽⁴⁾	42,892	42,892
Debt ratio ⁽³⁾ (times)	0.31	0.30	0.18

Notes:

- (1) Excluding expenses for the allotment and issuance of shares incurred in the financial years ended 31 March 2017, 31 March 2018 and 31 March 2021.
- (2) Debt-to-equity ratio is computed using total borrowings divided by total equity attributable to owners of the Company.
- (3) Debt ratio is computed using total borrowings divided by total assets.
- (4) With the inclusion of additional loans extended by the Lender to the Company in cash in April and May 2021 amounting to an aggregate of approximately US\$200,000.

6. IFA OPINION

- 6.1** Provenance Capital Pte. Ltd. has been appointed as the IFA pursuant to Rule 921(4)(a) of the Listing Rules as well as to the Recommending Directors in relation to the Proposed Loan Capitalisation as an IPT and the Proposed Whitewash Resolution. The IFA Letter setting out its opinion and advice in full, is set out in **Appendix A** of this Circular.

The following is an extract from Section 7 of the IFA Letter (as reproduced in italics below) and should be read by Shareholders in conjunction with, in the full context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated.

"In arriving at our opinion in respect of the Proposed Loan Capitalisation as an IPT and the Proposed Whitewash Resolution, we have reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment:

- (a) rationale for the Proposed Loan Capitalisation;*
- (b) assessment of the financial terms of the Proposed Loan Capitalisation;*
- (c) dilution impact on the Minority Shareholders arising from the Proposed Loan Capitalisation; and*
- (d) other relevant considerations.*

Overall, based on our analysis and after having considered carefully the information available to

LETTER TO SHAREHOLDERS

us, we are of the opinion that the Proposed Loan Capitalisation, as an IPT, is on normal commercial terms and is not prejudicial to the interests of the Company and its Minority Shareholders.

In addition, we are of the view that the financial terms of the Proposed Loan Capitalisation, being the subject of the Proposed Whitewash Resolution, are fair and reasonable, and the Proposed Whitewash Resolution, when considered in the context of the Proposed Loan Capitalisation, is not prejudicial to the interest of the Minority Shareholders.

Our opinion in relation to the Proposed Loan Capitalisation as an IPT and the Proposed Whitewash Resolution should be considered in the context of the entirety of this Letter and the Circular.”

6.2 Shareholders are advised to read the IFA Letter set out in **Appendix A** to this Circular, in its entirety.

7. OPINION OF THE AUDIT COMMITTEE

Having considered, *inter alia*, the terms of the Conversion Agreement, financial effects and rationale of the Proposed Loan Capitalisation as well as the advice of the IFA in the IFA Letter, the Audit Committee is of the view that the Proposed Loan Capitalisation, as an IPT, is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

The Audit Committee further recommends any individual Shareholder who may require specific advice to consult his stockbroker, bank manager, solicitor, accountant or other professional adviser and strongly advises Shareholders to read this Circular and IFA Letter in its entirety carefully.

8. PROPOSED CHANGE OF NAME

8.1 **Background and Rationale.** The Company wishes to effect a change of name to represent the beginning of a new phase of its corporate history. The Company is proposing to change its name to “SMI Vantage Limited”.

The Company has chosen “Vantage” to associate its brand image with “vantage point”, which means an excellent location from which to look out over a landscape or in this case business opportunities. This will support the new strategic direction of the Company after the Board’s strategic review of SMI’s continuing business operations, so as to maximise value for shareholders and to pivot and propel the Company in a new direction encompassing cryptocurrency, software-as-a-service and other high-tech platforms. At the same time, the retaining of “SMI” in its name creates a link back to the Company’s recent past focus in Myanmar but showcases the Company’s transition back to its Singapore base and the many new opportunities found in Singapore, Southeast Asia and further afield.

The Board is of the view that the Proposed Change of Name will be beneficial to the Company by more accurately reflecting the Group’s new strategic direction. The Proposed Change of Name will also allow the public and the Company’s business partners to better identify with the Company going forward. Discussions with new strategic partners are at a preliminary stage and there is no certainty that any exclusive or binding arrangements will materialise. The Board will provide further updates to Shareholders in due course and also seek the approval of Shareholders for any diversification of its core business at the appropriate time.

Accordingly, the Directors propose to change the name of the Company from “Singapore Myanmar Investco Limited” to “SMI Vantage Limited”.

Shareholders should note that the change of the Company’s name does not affect the legal status of the Company or any of the rights of Shareholders, and the existing Shares will continue to be traded on the Mainboard.

Under section 28 of the Act, a change of name of the Company requires the approval of Shareholders by way of a Special Resolution. Accordingly, approval for the Proposed Change of Name by the

LETTER TO SHAREHOLDERS

Shareholders will be sought at the EGM in accordance with section 28 of the Act.

- 8.2 Approvals.** An application was made to ACRA to reserve the name “SMI Vantage Limited” on 1 April 2021. ACRA gave its approval on the same date for the use of the name “SMI Vantage Limited”, which has been reserved until 28 November 2021.

The Proposed Change of Name will be proposed as a Special Resolution and will be subject to Shareholders’ approval at the EGM. Subject to the passing of the Special Resolution at the EGM, the Company will, as soon as reasonably practicable after the EGM, lodge the requisite notifications with ACRA. The Company will adopt “SMI Vantage Limited” as its new name with effect from the issue of the Certificate of Incorporation on the Change of Name of Company by ACRA. The name “SMI Vantage Limited” shall replace all references to “Singapore Myanmar Investco Limited” in the Constitution of the Company thereafter.

The Company will release an announcement to notify Shareholders when the Proposed Change of Name takes effect. Shareholders should note that the change of the Company’s name, if effected, will not affect (i) the identity or legal status of the Company, (ii) any of the rights or obligations of the Company, (iii) any of the rights of Shareholders, or (iv) the Group’s day-to-day business operations and financial position.

- 8.3 No Impact on Existing Share Certificates.** Shareholders should note that notwithstanding the Proposed Change of Name, the Company will not recall existing share certificates in respect of the Shares.

Existing share certificates bearing the name “Singapore Myanmar Investco Limited” issued prior to the date on which the Proposed Change of Name takes effect, will continue to be *prima facie* evidence of legal title. **No further action is required to be taken on the part of the Shareholders in respect of existing share certificates.**

9. DIRECTORS’ RECOMMENDATIONS

- 9.1 The Proposed Loan Capitalisation and the allotment and issuance of the PPCF Shares (Ordinary Resolutions 1 and 2).** In respect of the Proposed Loan Capitalisation, after having considered, *inter alia*, the advice of the IFA as set out in the IFA Letter, the Recommending Directors are of the opinion that the Proposed Loan Capitalisation and the allotment and issuance of the PPCF Shares are in the best interests of the Company and accordingly, recommend that the Independent Shareholders vote in favour of the Proposed Loan Capitalisation and the allotment and issuance of the PPCF Shares.
- 9.2 The Proposed Whitewash Resolution (Ordinary Resolution 3).** In respect of the Proposed Whitewash Resolution, after having considered, *inter alia*, the advice of the IFA as set out in the IFA Letter, the Recommending Directors are of the opinion that the Proposed Whitewash Resolution is in the best interests of the Company and accordingly, recommend that the Independent Shareholders vote in favour of the Proposed Whitewash Resolution.
- 9.3 The Proposed Change of Name (Special Resolution 4).** Having considered, *inter alia*, the rationale and the benefits of the Proposed Change of Name, the Directors are of the opinion that the Proposed Change of Name is in the best interests of the Company and accordingly, recommend that Shareholders vote in favour of the Proposed Change of Name.
- 9.4 Inter-conditionality of Ordinary Resolutions 1, 2 and 3.** Shareholders should note that Ordinary Resolution 1 relating to the Proposed Loan Capitalisation, Ordinary Resolution 2 relating to the allotment and issuance of the PPCF Shares and Ordinary Resolution 3 relating to the Proposed Whitewash Resolution set out in the notice of EGM are inter-conditional. As such, if any one of Ordinary Resolutions 1, 2 or 3 is not passed, the remaining Ordinary Resolutions would not be carried.

For the avoidance of doubt, Special Resolution 4 is not conditional upon either of Ordinary Resolution 1, 2 or 3.

LETTER TO SHAREHOLDERS

10. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 10.1** The Recommending Directors, including Ho Kwok Wai have confirmed to the Company, in reviewing this Circular and making the recommendations set out in Section 9 above, that save as disclosed in this Circular, none of them have, to the best of their knowledge, any connection (including business relationships) with (a) the Lender in respect of the Proposed Loan Capitalisation and (b) the June2021 Subscribers or their directors or substantial shareholders in respect of the June2021 Subscriptions and the Option.
- 10.2** The interests held (including deemed and direct) by the Directors and Substantial Shareholders in the Shares as at LPD are set out as follows:

Number of Shares	Direct Interest	Deemed Interest	Total Interest	% of Voting Rights ⁽¹⁾
Directors				
Ho Kwok Wai ⁽²⁾	–	164,749,871	164,749,871	43.4%
Mark Francis Bedingham ⁽³⁾	–	43,008,321	43,008,321	11.3%
Fong Sing Chak Jack ⁽⁴⁾	–	1,000,000	1,000,000	0.3%
Wong Yen Siang	–	–	–	–
Wee Sung Leng	–	–	–	–
Substantial Shareholders (other than Directors)				
Jet Palace Holdings Limited ⁽⁵⁾	–	33,400,000	33,400,000	8.8%
Taipan Grand Investments Limited ⁽⁶⁾	–	77,933,000	77,933,000	20.5%
The9 Limited ⁽⁷⁾	–	44,333,333	44,333,333	11.7%
The9 Singapore Pte. Ltd. ⁽⁷⁾	44,333,333	–	44,333,333	11.7%

Notes:

- (1) Percentage is calculated based on 379,375,125 Shares as at the LPD.
- (2) 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 (53,416,871 Shares).
- (3) Mr Mark Francis Bedingham is deemed to be interested in 38,508,321 Shares held by Bank Julius Baer.
- (4) Mr Fong Sing Chak Jack's 1,000,000 Shares are registered in the name of a nominee account.
- (5) Jet Palace Holdings Limited's 33,400,000 Shares are registered in the name of a nominee account.
- (6) Taipan Grand Investments Limited's 77,933,000 Shares are registered in the name of a nominee account.
- (7) The9 Limited is deemed to be interested in the Shares held by The9 Singapore Pte. Ltd. by virtue of its 100% shareholding in The9 Singapore Pte. Ltd..

11. ABSTENTIONS FROM VOTING

Pursuant to Rule 919 of the Listing Rules, interested persons and their associates must abstain from voting on resolutions relating to a matter in respect of which such persons are in. Accordingly, the Lender being an interested person under Chapter 9 of the Listing Rules will abstain, and will procure that his associates abstain, from voting and/or acting as proxies at the EGM on the Ordinary Resolution for the approval of the Proposed Loan Capitalisation.

Pursuant to Sub-paragraph (c) of the SIC Conditions, the Whitewash Waiver is subject to the Lender

LETTER TO SHAREHOLDERS

and parties acting in concert with him and parties not independent of them abstaining from voting on the Proposed Whitewash Resolution. Accordingly, the Lender and parties acting in concert with him and parties not independent of him will abstain from voting and/or acting as proxies at the EGM on the Ordinary Resolution for the Proposed Whitewash Resolution.

As at LPD, none of the Shareholders are associates or persons acting in concert with the Lender.

12. EXTRAORDINARY GENERAL MEETING

Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via live webcast or listening to the EGM proceedings via live audio feed, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM.

Accordingly, the EGM, notice of which is set out on pages N-1 to N-4 of this Circular, will be held by way of electronic means (via LIVE WEBCAST i.e. to contemporaneously observe the proceedings of the meeting by audio and video means and AUDIO ONLY MEANS i.e. contemporaneous observation of the meeting proceedings by audio only means such as by telephone), on 6 October 2021 at 2 p.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the resolutions for the approval of each Proposed Transaction.

As the COVID-19 situation continues to evolve, the Company will closely monitor the situation and any prevailing guidelines issued by the government authorities. Accordingly, the Company may be required to take further measures as appropriate, at short notice, up to the date of the EGM, in relation to the convening of the EGM. Conversely, the Company needs to prepare for the EGM logistics based on circumstances prevailing as at the latest practicable time before the issue of the notice of EGM and Shareholders will not be able to attend a physical meeting in person even if the situation improves by the date of the EGM. The Company would like to thank Shareholders for their patience, understanding and co-operation, in this regard. Shareholders should check the Company's announcements on SGXNET for any latest updates in relation to the EGM.

13. ACTION TO BE TAKEN BY SHAREHOLDERS

Due to the current COVID-19 restriction orders in Singapore, Shareholders will NOT be allowed to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM through a "live" webcast or "live" audio feed as set out below:

- (a) **Watching the EGM proceedings via Webcast or listing to the EGM proceedings via live audio feed.** Shareholders must pre-register at the pre-registration website at the URL: <https://conveneagm.sg/SINMIEGM2021> from now till 4 October 2021 at 2.00 p.m. to enable the Company to verify their status as Shareholders.

Following the verification, authenticated Shareholders will receive an email by 12.00 p.m. on 5 October 2021. The email will contain login credentials and instructions to access the live audio-visual webcast or audio-only of the EGM proceedings. Shareholders who do not receive an email by 5 October 2021 at 12.00 p.m., but have registered by 2.00 p.m. on 4 October 2021, should contact the Company's Share Registrar, Tricor Barbinder Share Registration Services by email at sg.is.proxy@sg.tricorglobal.com.

- (b) **Submitting questions in advance of the EGM.** Shareholders will not be able to ask questions during the live audio-visual webcast of the EGM proceedings. Therefore, it is important for Shareholders to pre-register and submit their questions in advance of the EGM.

Shareholders can submit questions related to the resolutions to be tabled for approval at the EGM to the Chairman of the EGM, in advance, via email to the Company's Share Registrar, Tricor Barbinder Share Registration Services by email at sg.is.proxy@sg.tricorglobal.com and should include the Shareholder's identification details to allow the Company to verify

LETTER TO SHAREHOLDERS

Shareholder's status. All questions must be submitted by 2.00 p.m. on 30 September 2021 and the Company will not be able to address questions received after the cut-off time and date. The Company shall address substantial and relevant questions (as may be determined by the Company in its sole discretion) received from the Shareholders relating to the Proposed Transactions prior to the EGM via SGXNet and the Company's website.

The Company will publish the minutes as well as responses to the questions received for the EGM on the SGXNet and on the Company's corporate website within one (1) month after the EGM.

(c) **Voting by Proxy.** Shareholders (other than CDP) holding Shares who wish to vote, should complete, sign and return the Shareholder proxy form attached to the notice of EGM in accordance with the instructions printed therein as soon as possible and, must appoint the Chairman of the EGM as their proxy by completing and submitting the proxy form to the Company in the following manner:

- (i) If submitted by post, be deposited at registered office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898; or
- (ii) If submitted electronically, be submitted via email to the Company's Share Registrar, Tricor Barbinder Share Registration Services at sg.is.proxy@sg.tricorglobal.com;

in either case not later than forty-eight (48) hours before the time fixed for holding the EGM, which is by 2.00 p.m. on 4 October 2021.

In appointing the Chairman of the EGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting in the Proxy Form, failing which the appointment will be treated as invalid. If the appointor is a corporate, the Proxy Form must be executed under seal or the hand of its duly authorised officer or attorney.

In view of the current COVID-19 measures which may make it difficult for Shareholders to submit completed proxy forms by post, Shareholders are strongly encouraged to submit completed proxy forms electronically via email.

The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly complete, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy (such as in the case the appointor submits more than one instrument of proxy).

A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited at least 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to vote on any or all of the resolutions at the EGM by appointing the Chairman of the EGM as his/her proxy to do so on his/her behalf. In view of section 81SJ(4) of the Securities and Futures Act (Cap. 289), Singapore, 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/her name appears in the Depository Register maintained by the CDP at least seventy-two (72) hours before the EGM. Any Shareholder who is holding his/her shares via the CDP but whose name is not registered with the CDP seventy-two (72) hours before the EGM will not be entitled to attend and vote at the EGM. Accordingly, even if such shareholder deposits his/her proxy form forty-eight (48) hours before the EGM, the Chairman of the EGM who is appointed as his/her proxy will not be entitled to vote on his/her behalf at the EGM.

14. RESPONSIBILITY STATEMENTS

14.1 **Directors.** 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 Transactions, the June2021 Subscriptions, 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

LETTER TO SHAREHOLDERS

misleading. Where information in the 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 the Circular in its proper form and context.

- 14.2 **Financial Adviser.** To the best of the Financial Adviser's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the June2021 Subscriptions, the Company and its subsidiaries, and the Financial Adviser is not aware of any facts the omission of which would make any statement in this Circular misleading.

15. CONSENTS

The Company's Financial Adviser, PrimePartners Corporate Finance Pte. Ltd., has given and has not withdrawn its written consent to the issue of the Circular with the inclusion of its name and all references thereto, in the form and context in which it appears in the Circular.

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (a) its name and the (b) IFA Letter, and all references thereto, in the form and context in which it appears in this Circular.

The Company's legal adviser, Altum Law Corporation, has given and has not withdrawn its written consent to the issue of the Circular with the inclusion of its name and all references thereto, in the form and context in which it appears in the Circular.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 300 Beach Road, #31-03, The Concourse, Singapore 199555, during normal business hours, for three (3) months from the date of this Circular:

- (a) the Conversion Agreement;
- (b) the June2021 Subscription Agreements;
- (c) the IFA Letter;
- (d) the Constitution of the Company;
- (e) the annual report of the Company for the financial year ended 31 March 2020; and
- (f) the letters of consent referred to in paragraph 15 of the Circular.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to enquiries@sin-mi.com to make an appointment in advance. The Company will arrange a date when each shareholder can come to the registered office to inspect the documents accordingly. The inspection of documents will be arranged with each shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

By Order of the Board

Ho Kwok Wai
Non-Executive Chairman
14 September 2021

APPENDIX A – IFA LETTER

PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

14 September 2021

To: The Recommending Directors of Singapore Myanmar Investco Limited
(deemed to be independent in respect of the Proposed Loan Capitalisation and
the Proposed Whitewash Resolution)

Mr Ho Kwok Wai (Non-Executive Chairman and Non-Executive Director)
Mr Wong Yen Siang (Lead Independent Director)
Mr Fong Sing Chak Jack (Independent Director)
Mr Wee Sung Leng (Independent Director)

Dear Sirs,

PROPOSED CAPITALISATION OF SHAREHOLDER LOANS AS AN INTERESTED PERSON TRANSACTION AND IN RELATION THERETO, THE PROPOSED WHITEWASH RESOLUTION

*Unless otherwise defined or the context otherwise requires, all terms used in this letter (“**Letter**”) have the same meanings as defined in the circular to shareholders of Singapore Myanmar Investco Limited (“**Shareholders**”) dated 14 September 2021 (“**Circular**”). The latest practicable date for the purposes of this Letter is 8 September 2021 (“**Latest Practicable Date**”), which is defined as LPD in the Circular.*

1. INTRODUCTION

1.1 Proposed Loan Capitalisation

On 1 March 2021 (“**Announcement Date**”), Singapore Myanmar Investco Limited (“**Company**”) and together with its subsidiaries, “**Group**”) announced that it had on that date entered into an agreement (“**Conversion Agreement**”) with Mr Mark Francis Bedingham (“**Mr Bedingham**” or “**Lender**”) for the proposed capitalisation of shareholder loans (“**Proposed Loan Capitalisation**”) amounting to US\$5,050,582.39 which are due and owing to the Lender, by way of the allotment and issuance to the Lender of 132,910,062 new ordinary shares in the capital of the Company (“**Conversion Shares**”) at the issue price of S\$0.050 per Share (“**Issue Price**”).

Mr Bedingham is the Executive Director, President and Chief Executive Officer (“**CEO**”) of the Company, and a substantial Shareholder with a deemed interest in 38,508,321 Shares, representing 12.1% of the issued share capital of the Company comprising 316,996,792 Shares as at the Announcement Date.

Since January 2016, Mr Bedingham had from time-to-time extended shareholder loans to the Company by the entry of loan agreements with the Company, some of which had been settled. As at the Latest Practicable Date, there are 14 outstanding loan agreements which were entered into between the Company and the Lender during the period between 28 September 2016 and 14 May 2021 with total principal amount of shareholder loans extended amounting to US\$5,350,000. These shareholder loans are denominated in US\$, unsecured and bear interest at the rate of 2.34% per annum. Interest on these shareholder loans had not been paid to the Lender. As at the Latest Practicable Date, the accrued interest on these shareholder loans is approximately US\$438K.

APPENDIX A – IFA LETTER

For the purpose of the Proposed Loan Capitalisation, it is proposed that the principal amount of shareholder loans of US\$4,700,000 and associated accrued interest of US\$350,582.39 as at 1 March 2021, totalling US\$5,050,582.39 (“**Loan Capitalisation Amount**”), be settled by way of the allotment and issuance of 132,910,062 Conversion Shares.

However, as the Proposed Loan Capitalisation is pending completion, interests on the shareholder loans will continue to accrue until the completion date and any outstanding accrued interest not so settled by the Proposed Loan Capitalisation will continue to accrue.

On the assumption that the Proposed Loan Capitalisation is completed on the Latest Practicable Date, the following principal amount of shareholder loans and accrued interest would be outstanding as at the Latest Practicable Date:

- (a) of the total principal amount of shareholder loans of US\$5,350,000, US\$4,700,000 would be settled via the Proposed Loan Capitalisation and US\$650,000 would remain outstanding;
- (b) accrued interest on the shareholder loans of US\$4,700,000 as at the Latest Practicable Date would amount to approximately US\$406K, of which US\$350,582.39 would be settled via the Proposed Loan Capitalisation and approximately US\$55K would continue to compound and accrue; and
- (c) accrued interest on the remaining shareholder loans of US\$650,000 would amount to approximately US\$32K as at the Latest Practicable Date.

Following from the above, as at the Latest Practicable Date, the aggregate outstanding principal amount of the shareholder loans and accrued interest would be approximately US\$737K.

1.2 Changes in issued share capital of the Company

Since the Announcement Date and up to the Latest Practicable Date, the issued share capital of the Company had increased by 62,378,333 Shares, from 316,996,792 Shares to 379,375,125 Shares pursuant to (a) 4,500,000 new Shares issued to Mr Bedingham on 8 April 2021 arising from the vesting of share awards which were granted to him for no consideration as part of the Company’s performance share award plan; and (b) the issuance of 57,878,333 new Shares on 1 September 2021 to investors and the introducer in relation to a private placement exercise by the Company.

Salient information of the changes in issued share capital of the Company are set out in Section 3.2 of this Letter.

Arising from the above, as at the Latest Practicable Date, Mr Bedingham’s holding of Shares had increased to 43,008,321 Shares but his shareholding interest in the Company was diluted to 11.34% as result of the above private placement exercise.

The Proposed Loan Capitalisation will result in Mr Bedingham increasing his shareholding interest in the Company by 132,910,062 Conversion Shares, from 43,008,321 Shares to 175,918,383 Shares.

PrimePartners Corporate Finance Pte. Ltd. (“**PPCF**”) is the financial adviser to the Company (“**Financial Adviser**”) for the Proposed Loan Capitalisation. Pursuant to their terms of engagement with the Company, the Financial Adviser will be allotted and issued 1,250,000 new Shares at the same Issue Price of S\$0.05 each as the Proposed Loan Capitalisation (“**PPCF Shares**”), amounting in value to S\$62,500, as consideration for part of their professional fees.

APPENDIX A – IFA LETTER

The enlarged issued share capital of the Company after the Proposed Loan Capitalisation and the issuance of the PPCF Shares would comprise 513,535,187 Shares. Mr Bedingham's shareholding interest would increase to 34.26% of the enlarged issued share capital of the Company ("**Enlarged Share Capital**").

1.3 Shareholders' approval

The Proposed Loan Capitalisation will require Shareholders' approval at the extraordinary general meeting ("**EGM**") under the following rules in the listing manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"):

- (a) Rule 803 – transfer of a controlling interest in the Company to the Lender;
- (b) Rule 804 – issuance of Shares to the Lender as a director of the Company ("**Director**");
- (c) Rule 805 – issuance of Shares other than under the general mandate approved at the Company's last annual general meeting ("**AGM**");
- (d) Rule 812 – issuance of Shares to the Lender as a substantial Shareholder and a Director; and
- (e) Rule 906(1) – the Proposed Loan Capitalisation constitutes an interested person transaction ("**IPT**") as the Lender is deemed an interested person ("**Interested Person**") under the Listing Manual, and the value of the IPT exceeds 5% of the Group's latest audited net tangible assets ("**NTA**"). Based on the Company's latest published audited financial statements for the financial year ended 31 March 2020 ("**FY2020**"), the Loan Capitalisation Amount, being the value of the IPT, represents 35.2% of the Group's audited NTA of US\$14.36 million as at 31 March 2020.

Besides seeking Shareholders' approval for the Proposed Loan Capitalisation as an IPT, Rule 921(4)(a) also requires an opinion from an independent financial adviser ("**IFA**") to opine on whether the Proposed Loan Capitalisation is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

As the Proposed Loan Capitalisation will result in the Lender increasing his existing shareholding interest in the Company to more than 30% of the enlarged share capital of the Company, the Lender will thereby trigger the 30% mandatory takeover threshold under Rule 14 of The Singapore Code on Take-overs and Mergers ("**Code**"). Under such a situation, the Lender will be required to make a mandatory general offer ("**Mandatory Offer**") for the remaining Shares not owned or controlled by him and his concert parties pursuant to Rule 14.1 of the Code, unless such an obligation is waived by the Securities Industry Council ("**SIC**").

As it is not the intention of the Lender to make a takeover offer for the remaining Shares in the Company, an application was made to seek an exemption from the SIC to waive such obligation of the Lender to make the Mandatory Offer ("**Whitewash Waiver**") pursuant to the Proposed Loan Capitalisation.

On 8 September 2021, the SIC had granted the Whitewash Waiver to the Lender, subject to the satisfaction of certain conditions, including *inter alia*, the approval of the proposed whitewash resolution ("**Proposed Whitewash Resolution**") by the majority of the independent Shareholders present and voting at the EGM, by way of a poll, to waive their rights to receive a Mandatory Offer from the Lender, and the appointment of an IFA to advise the independent Shareholders on the Proposed Whitewash Resolution.

Accordingly, the Proposed Loan Capitalisation is subject to the approval of the Proposed Whitewash Resolution by the independent Shareholders and the opinion of the IFA on the Proposed Whitewash Resolution.

APPENDIX A – IFA LETTER

The Proposed Loan Capitalisation, Proposed Whitewash Resolution and the issuance of the PPCF Shares are subject to Shareholders' approval at the EGM and are inter-conditional upon each other.

1.4 Recommending Directors

As at the Latest Practicable Date, the Directors are:

- (i) Mr Ho Kwok Wai, Non-Executive Chairman and Non-Executive Director;
- (ii) Mr Bedingham, Executive Director, President and CEO;
- (iii) Mr Wong Yen Siang (Lead Independent Director);
- (iv) Mr Fong Sing Chak Jack (Independent Director); and
- (v) Mr Wee Sung Leng (Independent Director).

Mr Bedingham, being the Interested Person and Director, will abstain from making any recommendation to the Shareholders in relation to the Proposed Loan Capitalisation and the Proposed Whitewash Resolution, and he and his associates will also abstain from voting on their Shares on Ordinary Resolution 1 and Ordinary Resolution 3 in relation thereto at the EGM. Other than Mr Bedingham and his associates, the remaining Shareholders (including the controlling Shareholder Mr Ho Kwok Wai) are considered independent in respect of the Proposed Loan Capitalisation and the Proposed Whitewash Resolution ("**Minority Shareholders**").

The Company has confirmed that the remaining four Directors, namely, Messrs Ho Kwok Wai, Wong Yen Siang, Fong Sing Chak Jack and Wee Sung Leng are deemed as independent directors for the purposes of the Proposed Loan Capitalisation and the Proposed Whitewash Resolution ("**Recommending Directors**").

1.5 IFA

Provenance Capital Pte. Ltd. ("**Provenance Capital**") has been appointed as the IFA pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the Recommending Directors in respect of the Proposed Loan Capitalisation as an IPT and the Proposed Whitewash Resolution.

This Letter is therefore issued pursuant to Rule 921(4)(a) of the Listing Manual as well as addressed to the Recommending Directors and sets out, *inter alia*, our evaluation and opinion on the Proposed Loan Capitalisation as an IPT and the Proposed Whitewash Resolution. This Letter forms part of the Circular which provides, *inter alia*, the details of the Proposed Loan Capitalisation and the Proposed Whitewash Resolution and the recommendation of the Recommending Directors to the Minority Shareholders.

2. TERMS OF REFERENCE

Provenance Capital has been appointed as the IFA pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the Recommending Directors in respect of the Proposed Loan Capitalisation as an IPT and the Proposed Whitewash Resolution. We are not and were not involved in or responsible for, in any aspect, the discussions in relation to the Proposed Loan Capitalisation and the Proposed Whitewash Resolution, nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the Proposed Loan Capitalisation and the Proposed Whitewash Resolution or to obtain the approval of the Shareholders for the Proposed Loan Capitalisation and the Proposed Whitewash Resolution, and we do not, by this Letter, warrant the merits of the Proposed Loan Capitalisation and the Proposed Whitewash Resolution, other than to express an opinion on whether the Proposed Loan Capitalisation as an IPT is on normal commercial terms and is not prejudicial to the interests of the Company and its Minority Shareholders and whether the financial terms of the

APPENDIX A – IFA LETTER

Proposed Loan Capitalisation, being the subject of the Proposed Whitewash Resolution, are fair and reasonable, and the Proposed Whitewash Resolution, when considered in the context of the Proposed Loan Capitalisation, is not prejudicial to the interest of the Minority Shareholders.

It is not within our terms of reference to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks of the Proposed Loan Capitalisation and the Proposed Whitewash Resolution or to compare their relative merits vis-à-vis alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and we have not made such evaluation or comments. Such evaluation or comments, if any, remains the responsibility of the Directors and/or the management of the Company (“**Management**”) although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

In the course of our evaluation, we have held discussions with the Directors, the Management and/or their professional advisers (where applicable) and have examined and relied to a considerable extent on the information set out in the Circular, other publicly available information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Directors, the Management and/or the professional advisers (where applicable). Whilst care has been exercised in reviewing the information which we have relied upon, we have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. We have nevertheless made such reasonable enquiries and judgment on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular in relation to the Proposed Loan Capitalisation and the Proposed Whitewash Resolution have been reasonably made after due and careful enquiry. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information but nevertheless have made reasonable enquiries and exercised judgment on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

Save as disclosed, we would like to highlight that all information relating to the Company and the Group which we have relied upon in arriving at our opinion has been obtained from publicly available information and/or from the Directors and the Management and the professional advisers (where applicable). We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Company or the Group at any time or as at the Latest Practicable Date.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of the Company and/or the Group, or to express, and we do not express, a view on the future growth prospects, value and earnings potential of the Company and/or the Group after the Proposed Loan Capitalisation and the Proposed Whitewash Resolution. Such review or comments, if any, remain the responsibility of the Directors and the Management, although we may draw upon their views or make such comments in respect thereof (to the extent required by the Listing Manual and/or deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter. We have not obtained from the Company and/or the Group, any projection of the future performance including financial performance of the Company and/or the Group, and we did not conduct discussions with the Directors and the Management on, and did not have access to, any

APPENDIX A – IFA LETTER

business plan and financial projections of the Company and/or the Group. In addition, we are not expressing any view as to the prices at which the shares of the Company may trade or the future value, financial performance or condition of the Company and/or the Group, upon or after the completion of the Proposed Loan Capitalisation.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, property, plant and equipment) and we have not been furnished with any such evaluation or appraisal.

Our opinion as set out in this Letter is based on market, economic, industry, monetary and other conditions (if applicable) prevailing as at the Latest Practicable Date and the information and representations provided to us as at the Latest Practicable Date. In arriving at our opinion, with the consent of the Directors and the Company, we have taken into account certain other factors and have made certain assumptions as set out in this Letter. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcement, relevant to the Proposed Loan Capitalisation and/or the Proposed Whitewash Resolution, which may be released by the Company after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder or any specific group of Shareholders. As each Shareholder may have different investment objectives and profiles, we recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) or objective(s) consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no view, whether express or implied, on the contents of the Circular (other than this Letter and the extract of our opinion in the Circular).

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes, other than for the purpose of the EGM and for the purpose of the Proposed Loan Capitalisation and/or the Proposed Whitewash Resolution, at any time and in any manner without the prior written consent of Provenance Capital in each specific case.

We have prepared this Letter pursuant to Rule 921(4)(a) of the Listing Manual as well as addressed to the Recommending Directors for their benefit and for the purpose of their consideration of the Proposed Loan Capitalisation as an IPT and the Proposed Whitewash Resolution. The recommendation to be made to the Minority Shareholders in relation to the Proposed Loan Capitalisation and the Proposed Whitewash Resolution shall remain the responsibility of the Recommending Directors.

Our opinion in relation to the Proposed Loan Capitalisation as an IPT and the Proposed Whitewash Resolution should be considered in the context of the entirety of this Letter and the Circular.

APPENDIX A – IFA LETTER

Responsibility Statement by the Directors

The Directors have confirmed that, having made all reasonable enquiries and to the best of their respective knowledge and belief, information and representations provided to us by the Company are accurate. They have also confirmed that, upon making all reasonable enquiries and to their best knowledge and belief, all material information available to them in connection with the Proposed Loan Capitalisation and the Proposed Whitewash Resolution, the Company and/or the Group have been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other material information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Proposed Loan Capitalisation and the Proposed Whitewash Resolution, the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

3. KEY INFORMATION ON THE COMPANY AND THE GROUP

3.1 Overview

The Company is incorporated in Singapore and listed on the Mainboard of the SGX-ST.

The Company was placed on the watch-list of the SGX-ST pursuant to the Financial Entry Criteria under Rule 1311(1) of the Listing Manual on 4 December 2019, as the Group had reported 3 consecutive financial years of pre-tax losses and a market capitalisation of less than S\$40 million in the last 6 months.

The impact of the COVID-19 pandemic which started in early 2020 had severely affected the Group's performance commencing from the 4th quarter of FY2020. Hence, the Group had continued to report losses for FY2020 and for the 6-month period ended 30 September 2020 ("HY2021").

As at the Latest Practicable Date, the Directors are:

- (i) Mr Ho Kwok Wai (Non-Executive Chairman and Non-Executive Director);
- (ii) Mr Bedingham (Executive Director, President and CEO);
- (iii) Mr Wong Yen Siang (Lead Independent Director);
- (iv) Mr Fong Sing Chak Jack (Independent Director); and
- (v) Mr Wee Sung Leng (Independent Director).

With respect to the Proposed Loan Capitalisation as an IPT and the Proposed Whitewash Resolution, Mr Bedingham is the Interested Person. As such, he will abstain from making any recommendation to Shareholders in relation to the Proposed Loan Capitalisation and the Proposed Whitewash Resolution, and he and his associates will also abstain from voting on their Shares on the ordinary resolutions in relation thereto at the EGM.

Accordingly, the Recommending Directors with respect to the Proposed Loan Capitalisation and the Proposed Whitewash Resolution are Messrs Ho Kwok Wai, Wong Yen Siang, Fong Sing Chak Jack and Wee Sung Leng.

3.2 Changes in issued share capital of the Company

As at the Announcement Date, the issued share capital of the Company comprises 316,996,792 Shares. Since the Announcement Date and up to the Latest Practicable Date, the issued share capital of the Company had increased by 62,378,333 Shares, from 316,996,792 Shares to 379,375,125 Shares due to the following share issuances:

APPENDIX A – IFA LETTER

Issuance of 4,500,000 new Shares to Mr Bedingham

On 8 April 2021, the Company issued and allotted 4,500,000 new Shares to Mr Bedingham for no consideration pursuant to the vesting of share awards which were granted to him as part of the Company's performance share award plan. Accordingly, as at the Latest Practicable Date, Mr Bedingham holds 43,008,321 Shares.

Issuance of 57,878,333 new Shares pursuant to private placement exercise

On 21 June 2021 and 23 June 2021, the Company announced *inter alia* that it had entered into subscription agreements ("**June2021 Subscription Agreements**") with The9 Limited ("**The9**"), Mr Jonathan Paul and Mr Ong Toon Wah (collectively "**June2021 Subscribers**") to:

- (a) issue 19,383,333 new Shares to the June2021 Subscribers at the issue price of S\$0.03 each ("**Subscription Shares**") for a consideration of S\$581,500 in cash;
- (b) grant to The9 the option ("**Option**") to subscribe up to 33,250,000 new Shares ("**Option Shares**") at the issue price of S\$0.03 each for a sum of up to S\$997,500, at any time within 90 days from 21 June 2021, being the date of the subscription agreement between the Company and The9; and
- (c) issue up to 5,245,000 new Shares at the issue price of S\$0.03 each ("**Introducer Shares**") to Blackrun Corporate Pte. Ltd. ("**Introducer**") amounting in value of up to S\$157,350 as finders fees for the June2021 Subscription Agreements and the Option.

On 16 August 2021, the Company announced the receipt of the written notice of the exercise of the Option from The9 to subscribe for the maximum 33,250,000 Option Shares at the issue price of S\$0.03 each.

On 1 September 2021, the Company announced the completion of the above private placement exercise.

Accordingly, as at the Latest Practicable Date, the issued share capital of the Company comprises 379,375,125 Shares and the respective shareholding interests of the Shareholders are as follows:

Shareholders	As at the Latest Practicable Date	
	No. of Shares	%
Mr Ho Kwok Wai	164,749,871	43.43
Mr Bedingham	43,008,321	11.34
<u>June2021 Subscribers</u>		
- The9 ⁽¹⁾	44,333,333	11.69
- Mr Jonathan Paul	3,300,000	0.87
- Mr Ong Toon Wah	5,000,000	1.32
Introducer	5,245,000	1.38
Others	113,738,600	29.98
Total	379,375,125	100.00⁽²⁾

Notes:

- (1) These Shares are held through The9's wholly-owned subsidiary, The9 Singapore Pte. Ltd.; and
- (2) Does not add up to 100% due to rounding.

APPENDIX A – IFA LETTER

As set out in the table above, the substantial Shareholders as at the Latest Practicable Date are:

- (a) Mr Ho Kwok Wai (Non-Executive Chairman and Non-Executive Director) who has a deemed interest in 164,749,871 Shares, representing 43.43% of the issued share capital of the Company;
- (b) Mr Bedingham (Executive Director, President and CEO) who has a deemed interest in 43,008,321 Shares, representing 11.34% of the issued share capital of the Company; and
- (c) The9, the new investor, which has a deemed interest in 44,333,333 Shares, representing 11.69% of the issued share capital of the Company.

Upon the completion of the Proposed Loan Capitalisation and the issuance of the PPCF Shares, the issued share capital of the Company will increase further to 513,535,187 Shares, and Mr Bedingham's interest in the Company will increase to 34.26% of the Enlarged Share Capital.

Outstanding employee share options

As at the Latest Practicable Date, the Company has 1,363,900 outstanding employee share options granted pursuant to the Company's employee share option scheme, the salient details are set out below:

Date of grant	No. of options	Exercise price	Exercise period
4 October 2017	282,500	S\$0.460	From 4 October 2019 to 3 October 2022
8 June 2018	245,000	S\$0.290	From 8 June 2020 to 7 June 2023
13 June 2019	375,000	S\$0.130	From 13 June 2021 to 12 June 2024
6 July 2021	461,400	S\$0.130	From 6 July 2022 to 5 July 2024
Total	1,363,900		

Accordingly, based on the respective exercise periods, a total of 902,500 share options are eligible to be exercised into new Shares as at the Latest Practicable Date. However, these share options are currently out-of-the-money based on the market Share price of S\$0.121 as at the Latest Practicable Date, and as the number of new Shares involved upon the exercise of these share options is insignificant, they will not have a material dilution impact on the Minority Shareholders' interests in the Company before and after the Proposed Loan Capitalisation as set out in Section 6.3 of this Letter. None of the Directors hold any of the above share options.

Save for the above, the Company has no outstanding unvested share awards under the Company's performance share award plan, and no outstanding instruments convertible into, rights to subscribe for, and options in respect of, the Shares or securities which carry voting rights in the Company. The Company does not hold any treasury shares as at the Latest Practicable Date.

3.3 New business direction

Prior to the Company's announcement on 30 June 2021, the principal businesses of the Group were focused on the emerging economy of Myanmar in the travel & fashion retail, food & beverage and logistics/supply chain segments.

On 30 June 2021, the Company announced its new business direction encompassing cryptocurrency, Software-as-a-Service and other high-tech platforms, after carrying out a strategic review of its continuing business operations.

APPENDIX A – IFA LETTER

The Company believed that The9, which had become a new substantial Shareholder following the private placement exercise as described in Section 3.2 above, will enable the Company to tap into The9's extensive knowledge of cryptocurrency, gaming and in other areas of digital expertise and assist the Group in forming new partnerships with companies in the areas of gaming, augmented reality and digital entertainment. The9 is a high-tech internet company listed on the Nasdaq Stock Exchange.

In conjunction with the new business direction and to represent the beginning of a new phase of its corporate history, the Company is proposing a change of name from "Singapore Myanmar Investco Limited" to "**SMI Vantage Limited**" subject to Shareholders' approval at the EGM by way of passing of Special Resolution 4. For the avoidance of doubt, Special Resolution 4 is not conditional upon either of the ordinary resolutions for the Proposed Loan Capitalisation, issuance of the PPCF Shares or the Proposed Whitewash Resolution.

3.4 Key financial information of the Group

On 1 June 2021, the Company had announced *inter alia* the approval from the SGX-ST for the extension of time to release its unaudited full year financial results for the year ended 31 March 2021 ("FY2021") to 15 September 2021 and to hold its AGM to 15 December 2021. The key reasons for the extension of time were due to the difficulties faced by the Group in view of the COVID situation in Myanmar and the declaration of the one-year state of emergency in Myanmar in February 2021.

Shareholders are to take note of any announcements by the Company with respect to the financial results for FY2021 which may be published after the Latest Practicable Date.

3.4.1 Financial performance of the Group

Accordingly, we have set out below a summary of the key financial results of the Group for the last 3 financial years ended 31 March, i.e. FY2018, FY2019 and FY2020, and the latest interim results for the half year ended 30 September 2020 ("HY2021") and the corresponding period for the preceding year (i.e. HY2020):

US\$'000	Audited			Unaudited	
	FY2018	FY2019	FY2020	HY2020	HY2021
Revenue	23,999	23,370	20,881	11,432	740
Gross profit/(loss)	5,432	6,099	5,444	2,777	(1,003)
(Loss) from continuing operations, net of tax	(3,403)	(2,589)	(10,457)	(2,536)	(3,192)
Profit/(Loss) from discontinued operations, net of tax	(7,581)	(2,333)	(100)	19	95
(Loss) attributable to					
- equity holders of the Company	(10,730)	(4,741)	(10,335)	(2,480)	(3,090)
- non-controlling interests	(254)	(181)	(222)	(37)	(7)

Source: Company's annual reports for FY2019 and FY2020, and results announcement for HY2021

FY2018 to FY2020

Overall, revenue of the Group declined from FY2018 to FY2020 due mainly to the change in business away from the construction and auto businesses as the Group continued to focus on the retail and F&B business segments. In addition, the initial impact of the COVID-19 pandemic had affected the Group's businesses during the 4th quarter of FY2020.

APPENDIX A – IFA LETTER

The Group reported losses from its continuing operations from FY2018 to FY2020.

Loss from discontinued operations was in relation to the sale of the Group's telecommunication tower assets in Myanmar in April 2019, which was completed in October 2019. As these assets were classified as held for sale in FY2018 and FY2019, various charges including penalty cost payable to a tower supplier and impairment charges were made to the financial results in FY2018 and FY2019.

Both the losses from continuing operations and discontinued operations had contributed to the overall loss attributable to equity holders of the Company from FY2018 to FY2020.

HY2021 vs HY2020

The COVID-19 pandemic continued to severely affect the Group's businesses during HY2021, in particular, following the Myanmar government orders to suspend operations of the Yangon International Airport from the end of March 2020. As such, revenue of the Group for HY2021 fell significantly to US\$740,000 compared to US\$11.4 million in HY2020.

The Group sustained a gross loss in HY2021 compared to gross profit achieved in prior years from FY2018 to FY2020, and in HY2020. Efforts to reduce costs have resulted in more than US\$2.5 million of savings in HY2021 but this was insufficient to compensate for the more than 90% drop in revenue during this period.

The Yangon International Airport continued to remain closed since 30 March 2020 and no official announcement has yet been made as to the reopening of the airport as at the Latest Practicable Date.

3.4.2 Key financial position of the Group

A summary of the statement of financial position of the Group as at 30 September 2020 based on the Company's latest unaudited results announcement for HY2021 is set out below:

US\$'000	Unaudited as at 30 September 2020
<u>Non-current assets</u>	
Property, plant and equipment	8,839
Intangible assets	403
Right-of-use assets	989
Investments in jointly-controlled entities	791
Trade and other receivables, non-current	14,599
Other assets, non-current	57
	<u>25,678</u>
<u>Current assets</u>	
Inventories	82
Trade and other receivables, current	10,481
Other assets, current	674
Cash and cash equivalents	957
	<u>12,194</u>
Total assets	<u>37,872</u>
<u>Non-current liabilities</u>	
Lease liability, non-current	782
Other financial liabilities, non-current	390
	<u>1,172</u>

APPENDIX A – IFA LETTER

US\$'000	Unaudited as at 30 September 2020
<u>Current liabilities</u>	
Trade and other payables	9,846
Income and other tax payable	772
Lease liability, current	1,792
Other financial liabilities, current	12,916
	25,326
Total liabilities	26,498
<u>Total equity</u>	
Equity attributable to owners of the Company	11,485
Non-controlling interests	(111)
Total equity	11,374

NAV of the Group as at 30 September 2020	US\$11,485,000
NTA of the Group as at 30 September 2020	US\$11,082,000
Number of outstanding Shares as at 30 September 2020	316,996,792
NAV per Share as at 30 September 2020	
- in US\$	0.0362
- in S\$ equivalent*	0.0495
NTA per Share as at 30 September 2020	
- in US\$	0.0350
- in S\$ equivalent*	0.0477

Source: Company's results announcement for HY2021

* based on the exchange rate of US\$1:S\$1.3654 on 30 September 2020 (Source: Bloomberg L.P.)

Assets

Total assets comprised mainly (a) trade and other receivables of US\$25.1 million (66.2% of total assets) with significant amount being more than 365 days due, and (b) property, plant and equipment of US\$8.8 million (23.3% of total assets) which are mainly in relation to leasehold improvements and plant and equipment.

Liabilities

Total liabilities comprised mainly (i) other financial liabilities of US\$13.3 million (50.2% of total liabilities) in relation to bank loans and shareholder loans, and (ii) trade and other payables of US\$9.8 million (37.2% of total liabilities). The shareholder loans are loans extended by the 2 substantial Shareholders to the Company. As at 30 September 2020, the outstanding shareholder loans (including accrued interests) from Mr Bedingham and Mr Ho Kwok Wai were US\$5.47 million and US\$2.03 million respectively.

Pursuant to the Proposed Loan Capitalisation, bulk of the outstanding shareholder loans from Mr Bedingham will be settled via the allotment and issuance of the Conversion Shares to him. Key terms of the Proposed Loan Capitalisation are set out in Section 4 below.

APPENDIX A – IFA LETTER

Equity

Equity attributable to owners of the Company or NAV of the Group as at 30 September 2020 was US\$11.5 million. The amount of intangible assets of the Group is insignificant. After excluding intangible assets of US\$0.4 million, the NTA of the Group was US\$11.1 million. The NAV per Share and NTA per Share were US\$0.0362 (S\$0.0495) and US\$0.0350 (S\$0.0477) respectively as at 30 September 2020.

Post 30 September 2020 and up to the Latest Practicable Date, the Company had issued 62,378,333 new Shares as set out in Section 3.2 of this Letter and the net proceeds raised from the private placement exercise amounted to S\$1,555,000 after deducting estimated expenses of S\$24K.

Accordingly, the adjusted NTA (“**Adjusted NTA**”) per Share as at 30 September 2020 after taking into consideration the above share issuances would be as follows:

	S\$'000 equivalent	Per Share (S\$)
Unaudited NTA of the Group as at 30 September 2020	15,131	0.0477 ⁽¹⁾
Add: Net proceeds from the private placement exercise	1,555	
Adjusted NTA as at 30 September 2020	16,686	0.0440⁽²⁾

Notes:

(1) Based on 316,996,792 Shares as at 30 September 2020; and

(2) Based on 379,375,125 Shares as at the Latest Practicable Date.

4. PROPOSED LOAN CAPITALISATION

4.1 Key terms of the Proposed Loan Capitalisation

Details of the Proposed Loan Capitalisation under the Conversion Agreement are set out in Section 2 of the Circular. The salient terms of the Proposed Loan Capitalisation are set out below:

Lender	Mr Bedingham
Loan Capitalisation Amount	US\$5,050,582.39 comprising principal amount of US\$4,700,000 and accrued interest of US\$350,582.39 as at 1 March 2021
Number of Conversion Shares	132,910,062 new Shares
Issue Price of the Conversion Shares	S\$0.050 for each Conversion Share
Financial Adviser to the Company on the Proposed Loan Capitalisation	PPCF, which will be issued the 1,250,000 PPCF Shares at the issue price of S\$0.050 each, amounting in value to S\$62,500, in consideration of part of the professional fees due to the Financial Adviser
Undertakings	<p>The Company will cause to be submitted to the SIC an application for the Whitewash Waiver and thereafter, an additional listing application to the SGX-ST for the listing and quotation of the Conversion Shares and the PPCF Shares on the SGX-ST.</p> <p>The Lender undertakes that he will, until and subject to the completion of the Proposed Loan Capitalisation, not take any action to enforce his right to repayment of the Loan Capitalisation Amount (or any part thereof) from the Company under the loan agreements.</p>

APPENDIX A – IFA LETTER

Agreed Exchange Rate	For the purpose of computing the number of Conversion Shares to be issued, the parties have agreed to use the exchange rate of US\$1.00:S\$1.3297 (“ Agreed Exchange Rate ”).
Conditions precedent and inter-conditional	As set out in Section 4.2 below, in particular, the Proposed Loan Capitalisation, the allotment and issue of PPCF Shares and the Proposed Whitewash Resolution are subject to Shareholders’ approval at the EGM as Ordinary Resolutions 1, 2 and 3 respectively, and the passing of these resolutions are inter-conditional upon each other.

4.2 Conditions Precedent

The Proposed Loan Capitalisation is subject to and conditional upon the fulfilment and satisfaction of various conditions precedent as set out in Section 2.8 of the Circular, including the following:

- (a) the Shares not being suspended by the SGX-ST from trading on the Mainboard other than in relation to trading halts not exceeding 3 market days pending announcements of the Company;
- (b) grant of the Whitewash Waiver by the SIC;
- (c) approval in-principle (“**AIP**”) of the SGX-ST for, *inter alia*, the listing and quotation of the Conversion Shares;
- (d) specific approval of the Shareholders (with the Lender and his associates abstaining) pursuant to Rules 803, 804, 805, 812(2) and 906 of the Listing Manual at the EGM in relation to the Proposed Loan Capitalisation;
- (e) approval of the Minority Shareholders for the Proposed Whitewash Resolution; and
- (f) IFA opinion on the Proposed Loan Capitalisation as an IPT and the Proposed Whitewash Resolution.

The Proposed Loan Capitalisation involves the passing of Ordinary Resolution 1, which is inter-conditional upon the passing of Ordinary Resolution 2 (issuance of the PPCF Shares) and Ordinary Resolution 3 (the Proposed Whitewash Resolution) as set out in the Notice of EGM in the Circular. If any of these resolutions is not passed, the Proposed Loan Capitalisation and the issuance of the PPCF Shares will not be proceeded with.

An application has been made to the SGX-ST for the approval of the listing and quotation of the Conversion Shares and the PPCF Shares.

On 30 August 2021, the Company announced the receipt of the AIP from the SGX-ST for *inter alia* the listing and quotation of the Conversion Shares and the PPCF Shares on the SGX-ST, subject to certain conditions which are set out in Section 2.11 of the Circular. The AIP granted by the SGX-ST is not to be taken as an indication of the merits of *inter alia* the Proposed Loan Capitalisation, the Conversion Shares, the PPCF Shares, the Company and/or its subsidiaries.

Application has been made for the Whitewash Waiver to the SIC and the details of the approval from the SIC on the Whitewash Waiver are set out in Section 5 below.

4.3 Rationale of the Proposed Loan Capitalisation

No cash proceeds will be received by the Company under the Proposed Loan Capitalisation.

APPENDIX A – IFA LETTER

The Proposed Loan Capitalisation will enable the Group to augment its capital base by converting the Loan Capitalisation Amount into equity of the Company and significantly strengthen the Group's balance sheet and improve its debt-equity position.

The improved balance sheet position of the Group will provide opportunities for the Group to raise funds from the public and financial institutions in the future.

The conversion of the Loan Capitalisation Amount into equity will conserve cash for the Group which can be used for other purposes.

5. PROPOSED WHITEWASH RESOLUTION

5.1 Whitewash Waiver

Under Rule 14.1 of the Code, where (a) any person who acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carrying 30% or more of the voting rights in the company; or (b) any person who together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights in the company and such person, or any person acting in concert with him, acquires in any period of 6 months additional shares carrying more than 1% voting rights, he is required to make a mandatory general offer for all the shares in the company which he does not already own or control.

As at the Latest Practicable Date, the Lender and parties deemed acting in concert with him own, in aggregate, 43,008,321 Shares, representing 11.34% of the existing issued share capital of the Company comprising 379,375,125 Shares.

The Proposed Loan Capitalisation will involve the issuance of 132,910,062 Conversion Shares to the Lender, which will result in the Lender increasing his existing shareholding interest in the Company to more than 30% of the enlarged share capital of the Company. Accordingly, the Lender will be required to make a Mandatory Offer for the Shares not already owned or controlled by him and parties deemed acting in concert with him pursuant to Rule 14.1 of the Code unless such obligation is waived by the SIC.

An application was made to the SIC on behalf of the Lender for the Whitewash Waiver to waive the Lender of his obligation to make the Mandatory Offer for the Company under Rule 14.1 of the Code as a result of the issuance of the Conversion Shares to the Lender.

On 8 September 2021, the SIC had granted the Whitewash Waiver to the Lender subject to the satisfaction of certain conditions ("**SIC Conditions**"), the details of which are set out in Section 4.3 of the Circular.

An extract of the SIC Conditions is set out below:

<p>"3</p>	<p><i>After considering all the information and representations contained in your letters and emails, the Council waives the obligation for the Subscriber to make a mandatory offer under Rule 14 of the Code as a result of the Proposed Subscription, subject to the following conditions:</i></p> <p>(a) <i>a majority of holders of voting rights of Shareholders approve at a general meeting, before the allotment and issuance of New Shares to the Subscriber, a resolution (the "Whitewash Resolution") by way of a poll to waive their rights to receive a general offer from the Subscriber;</i></p> <p>(b) <i>the Whitewash Resolution is separate from other resolutions;</i></p> <p>(c) <i>the Subscriber and its concert parties as well as parties not independent of him abstain from voting on the Whitewash Resolution;</i></p>
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APPENDIX A – IFA LETTER

- (d) *the Subscriber and his concert parties did not acquire or are not to acquire any Shares or instruments convertible into and options in respect of Shares in the Issuer (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which have been disclosed in the Circular):-*
 - (i) *during the period between the Announcement and the date Shareholder's approval is obtained for the Whitewash Resolution; and*
 - (ii) *in the 6 months prior to the Announcement but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Proposed Subscription;*
- (e) *the Issuer appoints an independent financial adviser to advise the Independent Shareholders on the Whitewash Resolution;*
- (f) *the Issuer sets out clearly in its Circular:-*
 - (i) *details of the Proposed Subscription and issuance of the New Shares to the Subscriber;*
 - (ii) *the dilution effect of the issuance of the New Shares to existing holders of voting rights;*
 - (iii) *the number and percentage of voting rights in the Issuer as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares in the Issuer held by the Subscriber and his concert parties at the latest practicable date;*
 - (iv) *the number and percentage of voting rights to be acquired by the Subscriber and his concert parties as a result of the Proposed Subscription;*
 - (v) *specific and prominent reference to the fact that Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Subscriber at the highest price paid by the Subscriber and his concert parties for the Shares in the Issuer in the past 6 months preceding the commencement of the offer;*
- (g) *the Circular states that the waiver granted by the Council to the Subscriber from the requirement to make a general offer under Rule 14 is subject to the conditions stated at 3(a) to 3(f) above;*
- (h) *the Issuer obtains the Council's approval in advance for those parts of the Circular that refer to the Whitewash Resolution; and*
- (i) *to rely on the Whitewash Resolution, the approval for the Whitewash Resolution must be obtained within 3 months of the date of this e-mail and the allotment and issuance of the New Shares to the Subscriber pursuant to the Proposed Subscription must be completed within 3 months of the approval of the Whitewash Resolution."*

As at the Latest Practicable Date, all the above SIC Conditions have been satisfied, save for (a), (c) and (i) above which are expected to be satisfied only at or after the EGM.

The Minority Shareholders are therefore asked to vote, on a poll, on the Proposed Whitewash Resolution as Ordinary Resolution 3 in the Notice of EGM set out in the Circular.

We wish to highlight to the Recommending Directors to advise the Minority Shareholders that:

APPENDIX A – IFA LETTER

- by voting in favour of the Proposed Whitewash Resolution, they will be waiving their rights to a mandatory general offer from the Lender at the highest price paid by the Lender and its concert parties for the Shares in the past 6 months preceding the commencement of the offer which they would have otherwise been obliged to make for the Shares in accordance with Rule 14 of the Code;
- the Proposed Loan Capitalisation is conditional upon Shareholders voting in favour of the Proposed Whitewash Resolution. In view of this, in the event that the Proposed Whitewash Resolution is not passed by the Minority Shareholders, the Proposed Loan Capitalisation would not take place; and
- it should also be noted that the Proposed Loan Capitalisation, the issue and allotment of the PPCF Shares and the Proposed Whitewash Resolution are inter-conditional upon each other. If any one of these resolutions is not approved, the Proposed Loan Capitalisation and the issue and allotment of the PPCF Shares will not be proceeded with.

5.2 Shareholding interests

The issuance of the 132,910,062 Conversion Shares and 1,250,000 PPCF Shares arises from the Proposed Loan Capitalisation, and will result in the Lender holding shareholding interest above 30% of the Enlarged Share Capital.

The shareholding interest of the Lender in the Company as at the Latest Practicable Date and after the issuance of all the Conversion Shares and PPCF Shares, is as follows:

Shareholders	As at the Latest Practicable Date		After the issuance of the Conversion Shares and the PPCF Shares	
	No. of Shares	%	No. of Shares	%
<u>Substantial Shareholders</u>				
Mr Ho Kwok Wai	164,749,871	43.43	164,749,871	32.08
Lender	43,008,321	11.34	175,918,383	34.26
The9 ⁽¹⁾	44,333,333	11.69	44,333,333	8.63
<u>Non-substantial shareholders</u>				
Financial Adviser	-	-	1,250,000	0.24
Others	127,283,600	33.55	127,283,600	24.79
Total	379,375,125	100.00⁽²⁾	513,535,187	100.00

Notes:

- (1) These Shares are held through The9's wholly-owned subsidiary, The9 Singapore Pte. Ltd.; and
- (2) Does not add up to 100% due to rounding.

6. EVALUATION OF THE PROPOSED LOAN CAPITALISATION AS AN IPT AND THE PROPOSED WHITEWASH RESOLUTION

In our evaluation of the Proposed Loan Capitalisation as an IPT and the Proposed Whitewash Resolution, we have given due consideration to, *inter alia*, the following key factors:

- (a) rationale for the Proposed Loan Capitalisation;
- (b) assessment of the financial terms of the Proposed Loan Capitalisation;

APPENDIX A – IFA LETTER

- (c) dilution impact on the Minority Shareholders arising from the Proposed Loan Capitalisation; and
- (d) other relevant considerations.

6.1 Rationale for the Proposed Loan Capitalisation

It is not within our terms of reference to comment or express an opinion on the merits of the Proposed Loan Capitalisation. Nevertheless, we have reviewed the Company's rationale for the Proposed Loan Capitalisation as set out in Section 2.10 of the Circular and Section 4.3 of this Letter.

We note the following salient points:

- (a) overall, the 2 substantial Shareholders have extended various unsecured shareholder loans over the years to the Company to fund the operational requirements and working capital of the Group. As at 30 September 2020, the outstanding shareholder loans (including accrued interests) from Mr Ho Kwok Wai and the Lender amounted to US\$2.03 million and US\$5.47 million respectively.

As at 30 September 2020, total borrowings from banks and the substantial Shareholders were US\$13.3 million compared to the total equity of the Group of US\$11.4 million, resulting in a debt-equity or gearing ratio of 1.17 times.

The Proposed Loan Capitalisation of US\$5.05 million will improve the debt-equity position of the Group. As an illustration, based on the financial position of the Group as at 30 September 2020, the conversion of the shareholder loans of US\$5.05 million to equity, will reduce total debt to US\$8.25 million and enlarge the equity base to US\$16.45 million, resulting in reducing the gearing ratio significantly from 1.17 times to 0.50 times;

- (b) the improved balance sheet position of the Group will provide opportunities for the Group to raise funds from the public and financial institutions in the future;
- (c) the conversion of the Loan Capitalisation Amount into equity will conserve cash for the Group which can be used for other purposes; and
- (d) the Proposed Loan Capitalisation is also a show of confidence by the Lender on the future plans, viability and anticipated performance of the Group.

6.2 Assessment of the financial terms of the Proposed Loan Capitalisation

6.2.1 Loan Capitalisation Amount

Parties to the Conversion Agreement have agreed to use the Agreed Exchange Rate of US\$1.00:S\$1.3297 as at 1 February 2021 as published by the Monetary Authority of Singapore for the purpose of the Proposed Loan Capitalisation, as the Conversion Agreement was entered on 1 March 2021.

The Loan Capitalisation Amount of US\$5,050,582.39 is deemed fully settled and discharged with the issuance of 132,910,062 Conversion Shares to the Lender. This would imply that the Conversion Shares would be issued at **US\$0.0380 each**, and upon conversion to S\$ at the Agreed Exchange Rate, the Company and the Lender had agreed to the Issue Price of **S\$0.050** for each Conversion Share.

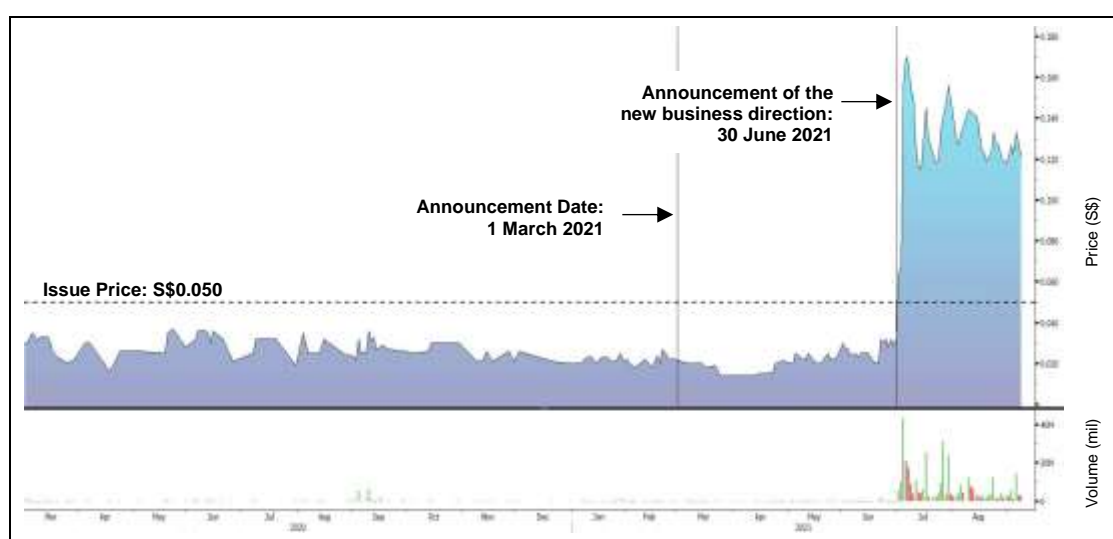
As a reference, as at the Latest Practicable Date, the foreign exchange rate was US\$1:S\$1.3457. (Source: Bloomberg L.P.)

6.2.2 Issue Price

The Issue Price of S\$0.050 for each New Share represents a premium of 127.3% above the volume weighted average price (“VWAP”) of the Shares of S\$0.0220 on 26 February 2021, being the last trading day prior to the release of the announcement of the Proposed Loan Capitalisation after trading hours on 1 March 2021 i.e. the Announcement Date. There was no trade done on the Shares on the Announcement Date.

We also note the historical trading performance and trading activity of the Shares for the one-year period from 2 March 2020 to 1 March 2021, and up to the Latest Practicable Date (“**Period Under Review**”), as shown in the chart below:

Price movement and trading volume of the Shares for the Period Under Review



Source: Bloomberg L.P.

Our observations

- (a) For the one-year period up to the Announcement Date, based on daily last transacted prices, the Shares had traded between a low of S\$0.016 and a high of S\$0.037. The VWAP of the Shares during this one-year period was S\$0.0298. Hence, the Issue Price of the Conversion Shares of S\$0.050 is significantly above these market prices;
- (b) After the Announcement Date and up to the Company's announcement of its new business direction on 30 June 2021, the Shares had continued to trade significantly below the Issue Price, between a low of S\$0.014 and a high of S\$0.032 based on daily last transacted prices;
- (c) The Company made further announcements on 15 July 2021 and 24 August 2021 on its progress in the new business. The market appeared to have reacted strongly to the Company's announcements in relation to its new business direction. Based on daily last transacted prices, the Share price had jumped multiple folds to close at a high of S\$0.17 on 6 July 2021. Since then and up to the Latest Practicable Date, the Share prices had fluctuated between S\$0.115 and S\$0.167 based on daily last transacted prices. As at the Latest Practicable Date, the last transacted Share price was S\$0.121. The Issue Price of the Conversion Shares of S\$0.050 is now significantly below the current market Share price;

APPENDIX A – IFA LETTER

- (d) On 21 and 23 June 2021, the Company had announced the private placement exercise with the June 2021 Subscribers at the issue price of S\$0.03 for each new Share. The Issue Price of S\$0.05 for each Conversion Share is higher than the above issue price; and
- (e) For the one-year period up to the Announcement Date, trading liquidity on the Shares was low with an average daily trading volume of 101,177⁽¹⁾ Shares, representing 0.09% of the free float of the Shares⁽²⁾. The Shares were also not traded on most days, as the Shares had traded on 98 out of a total of 251 trading days when the SGX-ST was opened for trading. After the Announcement Date and up to 30 June 2021, trading liquidity on the Shares had remained low with average daily trading volume of 69,994 Shares. From 30 June 2021 and up to the Latest Practicable Date, trading liquidity on the Shares had increased significantly, with an average daily trading volume of 7.6 million Shares.

Notes:

- (1) The average daily trading volume of the Shares is computed based on the total volume of Shares traded on the SGX-ST (excluding off-market transactions) during the one-year period up to the Announcement Date, divided by the number of days when the SGX-ST was open for trading (excluding days with full day trading halt on the Shares) during that period; and
- (2) Free float refers to the Shares other than those directly and deemed held by the Directors and substantial Shareholders. For the purposes of computing the average daily trading volume as a percentage of free float, we have used the free float of approximately 113 million Shares based on the free float of 35.56% as disclosed in the annual report of the Company for FY2020.

6.2.3 Adjusted NTA per Share

As set out in Section 3.4.2 of this Letter, the Adjusted NTA per Share is S\$0.0440 as at 30 September 2020.

The Issue Price of S\$0.05 for each Conversion Share represents a premium of 13.6% above the Adjusted NTA per Share as at 30 September 2020.

6.3 Dilution impact on the Minority Shareholders arising from the Proposed Loan Capitalisation

Overall, the issuance of the Conversion Shares pursuant to the Proposed Loan Capitalisation will significantly increase the shareholding interest of the Lender and as a result dilute other existing Shareholders' interests in the Company.

The issuance of the 1,250,000 PPCF Shares arising from the Proposed Loan Capitalisation would also increase the issued share capital of the Company but would have minimal dilutive impact on the shareholding interests of existing Shareholders.

Accordingly, the shareholding interest of the Lender in the Company as at (i) the Latest Practicable Date; and (ii) after the issuance of the Conversion Shares and the PPCF Shares, is as follows:

Shareholders	As at the Latest Practicable Date		After the issuance of the Conversion Shares and the PPCF Shares	
	No. of Shares	%	No. of Shares	%
<u>Substantial Shareholders</u>				
Mr Ho Kwok Wai	164,749,871	43.43	164,749,871	32.08
Lender	43,008,321	11.34	175,918,383	34.26
The9 ⁽¹⁾	44,333,333	11.69	44,333,333	8.63

APPENDIX A – IFA LETTER

Shareholders	As at the Latest Practicable Date		After the issuance of the Conversion Shares and the PPCF Shares	
	No. of Shares	%	No. of Shares	%
<u>Non-substantial shareholders</u>				
Financial Adviser	-	-	1,250,000	0.24
Others	127,283,600	33.55	127,283,600	24.79
Total	379,375,125	100.00⁽²⁾	513,535,187	100.00

Notes:

- (1) These Shares are held through The9's wholly-owned subsidiary, The9 Singapore Pte. Ltd.; and
- (2) Does not add up to 100% due to rounding.

Our observations

Following the completion of the Proposed Loan Capitalisation, the Lender will also become a Controlling Shareholder, alongside with Mr Ho Kwok Wai, whose shareholding interest in the Company will be diluted from 43.43% to 32.08%.

All other existing Shareholders, including The9, will be similarly diluted as a result of the issuance of the Conversion Shares and the PPCF Shares. The9 will remain as a substantial Shareholder after the completion of the Proposed Loan Capitalisation.

6.4 Other relevant considerations

6.4.1 Financial effects on the Group resulting from the Proposed Loan Capitalisation

Details on the financial effects of the Proposed Loan Capitalisation are set out in Section 5 of the Circular which are based on the Group's financial information for FY2020 and certain assumptions. The financial effects are for illustrative purposes only and do not purport to be an indication or a projection of the results and financial position of the Group after the completion of the Proposed Loan Capitalisation.

In summary, we note that the Proposed Loan Capitalisation would have the following financial effects on the Group based on its latest unaudited results announcement for HY2021:

(a) Share capital

Although no cash proceeds will be raised from the Proposed Loan Capitalisation, the equity/share capital of the Company will be augmented as a result of the Proposed Loan Capitalisation. The number of issued Shares will increase mainly by the Conversion Shares and, to a smaller extent, the PPCF Shares, as part of the exercise of the Proposed Loan Capitalisation.

(b) NTA of the Group

As the Issue Price is at a premium above the Adjusted NTA per Share as at 30 September 2020, the issuance of the Conversion Shares is therefore accretive to the Adjusted NTA per Share.

(c) Loss per Share ("LPS")

The Proposed Loan Capitalisation will result in interest savings for the Group and will also have a dilutive effect on LPS due to the enlarged number of issued Shares after the Proposed Loan Capitalisation.

(d) Gearing

The Proposed Loan Capitalisation has a significant positive impact on the gearing ratio of the Group as it simultaneously reduces the borrowings of the Group and increases the equity base of the Company.

6.4.2 Conditions Precedent to the Proposed Loan Capitalisation

The Proposed Loan Capitalisation involves the fulfilment of various conditions precedent, and the Proposed Loan Capitalisation is inter-conditional upon the approval for the issuance of the PPCF Shares and the Proposed Whitewash Resolution. Hence, if any of the Ordinary Resolutions 1, 2 or 3 as set out in the Notice of EGM in the Circular is not passed, the Proposed Loan Capitalisation and the issuance of the PPCF Shares will not be proceeded with.

6.4.3 Issuance of new Shares to unrelated third parties

We note that the issuance of the PPCF Shares to the Financial Adviser (otherwise deemed as an unrelated third party to the Company) is proposed to be issued at the same Issue Price as the Conversion Shares.

Further, the private placement exercise which was announced after the Proposed Loan Capitalisation and which involved the issuance of new Shares to the June 2021 Subscribers, who are unrelated third parties, was at S\$0.03 each. The Conversion Shares to be issued at S\$0.05 each could be viewed as being transacted on terms not more favourable than these unrelated third parties.

Hence, the Conversion Shares to be issued to the Lender could be viewed as being transacted on terms similar to and not more favourable than unrelated third parties.

7. OUR OPINION

In arriving at our opinion in respect of the Proposed Loan Capitalisation as an IPT and the Proposed Whitewash Resolution, we have reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment:

- (a) rationale for the Proposed Loan Capitalisation;
- (b) assessment of the financial terms of the Proposed Loan Capitalisation;
- (c) dilution impact on the Minority Shareholders arising from the Proposed Loan Capitalisation; and
- (d) other relevant considerations.

Overall, based on our analysis and after having considered carefully the information available to us, we are of the opinion that the Proposed Loan Capitalisation, as an IPT, is on normal commercial terms and is not prejudicial to the interests of the Company and its Minority Shareholders.

In addition, we are of the view that the financial terms of the Proposed Loan Capitalisation, being the subject of the Proposed Whitewash Resolution, are fair and reasonable, and the Proposed Whitewash Resolution, when considered in the context of the Proposed Loan Capitalisation, is not prejudicial to the interest of the Minority Shareholders.

APPENDIX A – IFA LETTER

Our opinion in relation to the Proposed Loan Capitalisation as an IPT and the Proposed Whitewash Resolution should be considered in the context of the entirety of this Letter and the Circular.

Our opinion, as disclosed in this Letter, is based on publicly available information and information provided by the Directors and Management, and does not reflect any projections of future financial performance of the Company and/or the Group after the completion of the Proposed Loan Capitalisation. In addition, our opinion is based on the economic and market conditions prevailing as at the Latest Practicable Date and is solely confined to our views on the Proposed Loan Capitalisation as an IPT and the Proposed Whitewash Resolution.

Our opinion is required pursuant to Rule 921(4)(a) of the Listing Manual as well as addressed to the Recommending Directors for their benefit and for the purpose of their consideration of the Proposed Loan Capitalisation as an IPT and the Proposed Whitewash Resolution. The recommendation to be made by them to the Minority Shareholders shall remain their responsibility. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes, other than for the purposes of the EGM, the Proposed Loan Capitalisation as an IPT and the Proposed Whitewash Resolution, at any time and in any manner without the prior written consent of Provenance Capital in each specific case.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

APPENDIX B: TABLE OF LOAN AGREEMENTS

No.	Date of Loan	Interest Rate per annum (%)	Principal Loan Amount (US\$)	Accrued interest as of 1 March 2021 (US\$)	Outstanding Amount including all accrued interest as of 1 March 2021 (US\$)
1.	28 September 2016	2.34	200,000.00	21,694.76	221,694.76
2.	20 April 2017	2.34	500,000.00	44,484.30	544,484.30
3.	17 July 2017	2.34	500,000.00	42,507.22	542,507.22
4.	16 August 2017	2.34	300,000.00	24,911.46	324,911.46
5.	11 December 2017	2.34	1,000,000.00	75,129.04	1,075,129.04
6.	16 March 2018	2.34	500,000.00	34,598.90	534,598.90
7.	17 April 2018	2.34	250,000.00	16,805.18	266,805.18
8.	15 May 2018	2.34	500,000.00	32,621.82	532,621.82
9.	3 July 2018	2.34	750,000.00	45,967.11	795,967.11
10.	14 August 2018	2.34	200,000.00	11,862.60	211,862.60
Total			4,700,000.00	350,582.39	5,050,582.39



Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements Announcement For the Reporting Period Ended 30 September 2020

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

1(a) A statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding reporting year.

(In US\$'000)	Note	Group		%
		6 months ended 30/09/2020 FY2021	6 months ended 30/09/2019 FY2020	
Description				
Revenue	1	740	11,432	(93.5)
Cost of Sales		(1,743)	(8,655)	(79.9)
Gross (Loss)/Profit	2	(1,003)	2,777	(136.1)
Gross (Loss)/Profit Margin		(135.5%)	24.3%	
Other Items of Income				
Other Income	3	13	283	(95.4)
Other Gains	4	111	33	N.M.
Other Items of Expenses				
Selling & Distribution Costs	5	(533)	(1,155)	(53.9)
Administrative Expenses	6	(1,021)	(3,078)	(66.8)
Finance Costs	7	(467)	(531)	(12.1)
Other Charges	8	(358)	(748)	(52.1)
Share of results of Associates, net of tax		*	*	N.M.
Share of results of jointly-controlled entities, net of tax		63	(52)	N.M.
Loss Before Income Tax from Continuing Operations	9	(3,195)	(2,471)	29.3
Income Tax Benefit/(Expenses)		3	(65)	N.M.
Loss from Continuing Operations, Net of Tax		(3,192)	(2,536)	25.9
Profit from Discontinued Operations, Net of Tax	10	95	19	N.M.
Loss, Net of Tax and total comprehensive loss		(3,097)	(2,517)	23.0
Loss, Net of Tax and total comprehensive loss, Attributable to:-				
Equity holders of the Company		(3,090)	(2,480)	24.6
Non-Controlling Interests		(7)	(37)	(81.1)
Loss, Net of Tax and total comprehensive loss		(3,097)	(2,517)	23.0

*less than \$1,000

N.M. denotes not meaningful

Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting period ended 30 September 2020

(In US\$'000)	Note	Group		%
		6 months ended 30/09/2020 FY2021	6 months ended 30/09/2019 FY2020	Increase/ (Decrease)
1(a)(ii) Loss included the following:				
Depreciation and amortisation of property, plant and equipment and intangible assets	11	(1,438)	(1,379)	4.3
Gain/(Loss) on disposal of property, plant and equipment	4	19	(261)	(107.4)
Gain on disposal of subsidiary	4	25	-	100.0
Gain on modification of leases	4	56	-	100.0
Foreign exchange (loss)/gain	8	(358)	699	(151.2)
Other income				
- Interest income	3	7	9	(22.2)
Finance costs				
- Interest expense	7	(467)	(531)	(12.0)

N.M. denotes not meaningful

Current taxation

Provision for current year
Overprovision in respect of prior year

	Group		%
	6 months ended 30/09/2020 FY2021	6 months ended 30/09/2019 FY2020	Increase/ (Decrease)
	-	-	-
	3	(65)	(104.9)
Total	3	(65)	(104.9)

Total

N.M. denotes not meaningful

Explanatory notes on performance for 1HFY2021:

1. Revenue

Due to the onset of COVID19 in the first quarter of 2020, group revenue decreased from US\$11.4 million in 1HFY2020 to US\$740K for 1HFY2021.

With, the Group's primary source of revenue, Travel Retail, being no longer able to operate as the airport had been ordered, by the Myanmar government, to suspend operations from the end of March, No meaningful revenue could be generated in 1HFY2020 from a business that represents over 70% of the Group's revenue. Limited sales were generated in the domestic market from the Group's Retail business. It should be noted that the Group's domestic partners' stores have been closed for approximately half of the time during 1HFY2021 which has severely impacted sales revenue. The Group made the decision to significantly reduce purchasing from overseas suppliers, with the Group's business partners in Myanmar predominantly selling from their existing stock. SMI Retail sales have consequently reduced from US\$9.0 million to US\$0.4 million for 1HFY2021.

In the F&B business sector, the five domestic cafes and restaurants managed by SMI Food Concepts have been negatively impacted by the prohibition on dine-in and as a consequence, overall revenue for our Food & Beverages business decreased by US\$0.9 million or 85.8%, from US\$1.1 million to US\$0.2 million compared to corresponding period last year.

Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting period ended 30 September 2020

The decline in revenue for Auto services reflected the decision to downsize the fleet and exit this business during the course of FY2021. No further transactions have been made for Construction Equipment, also reflecting the decision to exit this business at the end of FY2021.

2. Gross Profit

The Group operated with a net gross loss margin as no CAPEX usage fees were charged to the local business partner, Royal Golden Sky (RGS), for the use of the stores and restaurants, including fixtures and fittings, investment at the airport for 1HFY2021 due to the YIA lockdown, while the corresponding cost of sales (namely depreciation on the CAPEX investment at the airport) were booked in at the top line in accordance to the Group's fixed asset depreciation policy.

The Group's F&B franchise business gross profit margin has increased to 65.6%, compared to 57.9% in FY2020 due to strong cost management measures which includes lower payroll costs.

3. Other Income

Other income relates to consultancy fees charged to the joint venture, royalty and franchise income.

The reduction in other income was mainly attributable to the ending of charges to the SMI Senko's Joint Venture related to cessation of management personnel deployment, as well as, no further commission recognised for Construction Equipment sales.

4. Other Gains

Other Gains was mainly attributable to the US\$56K gain on the modification of leases, a one-off recognition of a US\$25K gain on disposal of subsidiaries and gain on disposal of car fleets.

5. Selling & Distribution Costs

Selling & Distribution costs for 1HFY2021 decreased by US\$0.6 million from 1HFY2020 due mainly to the substantial reductions in staffing level and staff cost reduction in Retail and F&B business segments due to COVID-19 restrictions.

6. Administrative Expenses

Administrative expenses decreased significantly by US\$2.0 million mainly due to reduction of head counts and salaries and wages reduction across the organisation. All expatriate positions have been eliminated and senior executives have taken pay reductions ranging from 100% of salary to 30% to 40% throughout 1HFY2021.

The Group has also downsized the office space (and costs) in Singapore and Myanmar since the start of FY2021.

7. Finance Costs

Finance costs represents interest cost on shareholders and bank borrowings and notional interest costs imputed on right-of-use asset and lease liabilities recognised on the leases contracted under its F&B franchise business and the Singapore office.

8. Other Charges

Other Charges of US\$0.3 million mainly relate to a net exchange loss from the revaluation of the Myanmar Kyat denominated loans due to the weakening of the US Dollar.

9. Loss before income tax from continuing operations

The closure of the airport resulting in minimal travel retail revenue has obviously severely impacted the Group's revenue. Efforts to reduce costs have resulted in more than USD 2.5 million of savings but this is insufficient to compensate for the more than 90% drop in revenue.

10. Discontinued operations

As at 11 April 2019, the Company, together with its subsidiary, Myanmar Infrastructure Group Pte Ltd. ("MIG") entered into a tower asset sale and transfer agreement with Irrawaddy Green Towers Limited and Irrawaddy Towers Asset Holding Pte. Ltd. ("IGT") for the sale of all TPR's telecommunications towers in Myanmar. MIG Group results are presented separately in the consolidated income statement as "Discontinued operation".

the extraordinary general meeting held on 18th September 2019 at which shareholders voted if the disposal, all the conditions precedent for the Proposed Disposal had been fulfilled or if the tower sale was completed.

≈ 15% of the Purchase Price was received on 9 October 2019.

Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting period ended 30 September 2020

Further to the Final Award of the Singapore International Arbitration Centre, SMI acquired 3% of the shares owned by Golden Infrastructure Group (GIG) on 19 June 2020 for USD 393,000.

The Group has subsequently sold all of its shares in MIG on 29 June 2020 for sales proceeds of US\$50K.

The Group has also applied for the strike off of its wholly owned subsidiaries, namely SMI Infrastructure Services Pte Ltd and SMI Mobile Pte Ltd on 18 September 2020.

The Group entered into discussions to acquire the 35% of Kinnaya Pte Ltd (the Group's Serviced Office Joint Venture) shares it does not already owned and this was subsequently completed on 6th October 2020.

10. Note 10 continued

(In US\$'000)		6 months ended 30/09/2020 FY2021	6 months ended 30/09/2019 FY2020
Description	Note		
Revenue		-	600
Cost of Sales		3	(257)
Gross Profit		3	343
Other Items of Income			
Other Gains	a	160	8
Other Items of Expenses			
Distribution Costs		(2)	(1)
Administrative Expenses		11	(248)
Finance Costs		-	-
Other Charges	a	(104)	(83)
Profit Before Income Tax from Discontinued Operations		68	19
Income tax expense		27	-
Profit from Discontinued Operations, Net of Tax		95	19

a. Includes intercompany loan forgiveness recognised upon the exit of the Tower business

11. Depreciation and Amortisation

Depreciation was in line with previous year.

Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting period ended 30 September 2020

1(b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding reporting year.

(In US\$'000) Description	Note	Group		Company	
		30/09/2020	31/03/2020	30/09/2020	31/03/2020
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	12	8,839	10,102	523	575
Intangible Assets	13	403	492	-	-
Right-of-use Assets	14	989	1,524	193	232
Investments in Subsidiaries		-	-	181	181
Investments in Jointly-Controlled Entities		791	478	900	650
Investments in Associates		-	-	-	-
Trade and Other Receivables, Non-Current	15	14,599	14,599	15,210	15,210
Other Assets, Non-Current	16	57	73	23	23
Total Non-Current Assets		25,678	27,268	17,030	16,871
Current Assets					
Inventories	17	82	487	-	-
Trade and Other Receivables, Current	15	10,481	12,086	8,011	8,982
Other Assets, Current	16	674	792	533	597
Cash and Cash Equivalents		957	872	436	59
Total Current Assets		12,194	14,237	8,980	9,638
Total Assets		37,872	41,505	26,010	26,509
EQUITY AND LIABILITIES					
Equity Attributable to equity holders of the company					
Share Capital		59,862	59,862	59,862	59,862
Accumulated Losses		(48,999)	(45,521)	(44,712)	(43,507)
Employee share option reserve		622	515	622	515
Total Equity attributable to Owners of the Parent		11,485	14,856	15,772	16,870
Non-Controlling Interests		(111)	(103)	-	-
Total Equity		11,374	14,753	15,772	16,870
Non-Current Liabilities					
Lease Liability, Non-Current	14	782	1,662	131	168
Other Financial Liabilities, Non-Current	19	390	-	390	-
Total Non-Current Liabilities		1,172	1,662	521	168
Current Liabilities					
Trade and Other Payables	18	9,846	9,892	2,938	2,689
Income and Other Tax Payable		772	938	1	4
Lease Liability, Current	14	1,792	1,722	78	78
Other Financial Liabilities, Current	19	12,916	12,538	6,700	6,700
Total Current Liabilities		25,326	25,090	9,717	9,471
Total Liabilities		26,498	26,752	10,238	9,639
Total Equity and Liabilities		37,872	41,505	26,010	26,509

Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting period ended 30 September 2020

1(b)(i) Explanatory notes on financial position as at 30 September 2020:

Financial position

The Group's total assets stood at US\$37.9 million as at 30 September 2020, a decrease of US\$3.6 million or 8.7%, from US\$41.5 million as at 31 March 2020.

The net decrease of US\$3.6 million includes depreciation charge of US\$1.4 million, a reduction of US\$0.5 million for right-of-use asset, a reduction of inventory of US\$0.4 million, a reduction of US\$0.1 million for other assets and a US\$1.5 million reduction in trade and other receivables, partially offset by an increase in investments in Joint Ventures of US\$0.3 million.

12. Property, Plant and Equipment

Decrease of US\$1.3 million in PPE is mainly attributable to depreciation on retail shops in domestic malls and airport and F&B outlets in domestic malls.

13. Intangible Assets

The decrease in intangible assets is mainly attributable to amortisation on license fees and franchise fees.

14. Right-of-use asset / Lease liability

The Group has adopted SFRS (I) 16 w.e.f FY2020 and has recognised a right-of-use asset of US\$1.0 million and lease liability for leases that are longer than 12 months, mainly for leases under the F&B franchise business in Myanmar and the Singapore office lease. The reduction of US\$0.5 million in 1HFY2021 is due to a cessation of a 3 year rental lease for one of the F&B outlets in the domestic mall during 1HFY2021.

15. Trade and Other Receivables

Trade and Other Receivables decreased mainly due to a loan to equity conversion for the Group's Logistics Joint Venture of US\$500K and disposal of the net assets of the Group's wholly owned subsidiary, MIG, and its subsidiary TPR.

Details of the Trade and Other Receivables are set out below:-

	Sep-20	Mar-20	Var
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Trade Receivables			
Third Parties	27,846	30,568	(2,722)
Less: Allowance for impairment	(6,221)	(6,422)	201
Net trade receivables	21,625	24,146	(2,521)
<u>Non trade & other receivables</u>			
Deferred consideration from disposal of subsidiaries	508	575	(67)
Others	45	31	14
Less: Allowance for impairment	(401)	(401)	-
Net non trade receivables	152	205	(53)
Joint Ventures	353	949	(596)
Associates	2,690	948	1,742
GST/commercial tax receivable	260	437	(177)
Total trade and other receivables	25,080	26,685	(1,605)

Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting period ended 30 September 2020

Aging of the Group's trade receivables as at 30 September 2020 is given in Table 3 below:

	Sep-20		Mar-20	
Trade Receivables Aging	\$'000	%	\$'000	%
Within credit terms	27	0.1%	2,854	9%
<u>Past due :</u>				
91 - 150 days	124	0.4%	2,645	9%
151 - 365 days	9,899	35.5%	10,918	36%
Over 365 days	17,796	63%	14,151	46%
Provision for impairment losses	(6,221)		(6,422)	
Total	21,625		24,146	

16. Other Assets
Other assets relate mainly to prepayments and advance payments to suppliers.
17. Inventories
Inventories reduce by US\$0.4 million due to the sales of goods.
18. Trade and Other Payables
Trade and other payables decreased to US\$7.5 million mainly due to the disposal of net assets of the Group's wholly owned subsidiary, MIG, and its subsidiary TPR.

The breakdown for trade and other payables are as follows:

	30-Sep-20 FY2021	31-Mar-20 FY2020
Trade payables	7,390	7,725
Accrued liabilities	2,044	1,769
Joint ventures	40	29
Deposits from customers	63	77
Deferred income	2	25
Others	307	267
	9,846	9,892

In US\$'000	Trade payables by Segment		%
	30-Sep-20	31-Mar-20	Change
Travel and fashion retail	4,603	4,825	-5%
Construction services	1	-	0%
Auto services	380	456	-17%
Food and beverages	1,178	1,221	-4%
Discontinued operations	362	35	N.M.
Unallocated	1,228	1,188	3%
Less: Discontinued operations	(362)	-	-100%
Total	7,390	7,725	-4%

19. Financial Liabilities
Increase in financial liabilities was mainly due to a disbursement of one tranche of shareholder loan in June 2020.

Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting period ended 30 September 2020

1(b)(ii) Aggregate amount of group's borrowing and debt securities.

(In US\$'000)	As at 30/09/2020	As at 31/03/2020
	Secured	Secured
Amount repayable in one year or less, or an demand	6,084	5,838
Amount repayable after one year	-	-
Total	6,084	5,838

**The figures above excludes all lease liabilities and shareholders loan*

Details of any collateral

The banking facilities of the Group as at 30 September 2020 comprise loans and overdrafts. These facilities are secured by:

- (i) corporate guarantees from the Company
- (ii) personal guarantees from a director of the company
- (iii) floating charge over a subsidiary's bank account

Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting period ended 30 September 2020

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding reporting year.

(In US\$'000)	Group	
	6 months ended 30/09/2020 (FY2021)	6 months ended 30/09/2019 (FY2020)
Cash Flows from Operating Activities		
Loss before tax from Continuing Operations	(3,195)	(2,471)
Profit before tax from Discontinued Operations	68	19
	(3,127)	(2,452)
Adjustments for:		
Depreciation of property, plant and equipment	1,156	1,225
Depreciation of right-of-use assets	195	62
Amortisation of intangible assets	90	98
Gain on modification of leases	(56)	-
Interest income	(7)	(9)
Interest expense	467	531
(Gain)/loss on disposal of property, plant and equipment	(19)	279
Gain on disposal of subsidiaries	(25)	-
Property, plant and equipment written off	-	48
Inventory written off	-	-
Share of results of jointly-controlled entity - net of tax	(63)	52
Share of results of associates - net of tax	*	*
Non-cash share based payments	107	107
Foreign exchange adjustment – unrealised loss/(gain)	370	(38)
Operating Cash Flows before Changes in Working Capital	(912)	(97)
Changes in working capital		
Inventories	405	(593)
Trade and Other Receivables	1,525	(5,251)
Other Assets	593	189
Trade and Other Payables	(1,326)	1,465
Net Cash Flows generated from/(used in) Operations	285	(4,287)
Income tax refund/(paid)	3	(65)
Net Cash Flows generated from/(used in) Operating Activities	288	(4,352)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(122)	(943)
Acquisition of jointly-controlled entity	-	(150)
Acquisition of subsidiary, net of cash acquired	(390)	-
Purchase of intangible assets	-	(13)
Proceeds from disposal of tower stock & plant and equipment	288	8,257
Proceeds from disposal of subsidiaries, net of cash	47	-
Interest received	6	9
Net Cash Flows (used in)/generated from Investing Activities	(171)	7,160
Cash Flows from Financing Activities		
Decrease in restricted fixed bank deposits	20	125
Repayment of finance leases	(240)	(833)
Repayment of borrowings	(36)	(353)
Loans from shareholders	390	-
Interest paid	(125)	(440)

Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting period ended 30 September 2020

Net Cash Flows generated from/(used in) from Financing Activities	9	(1,501)
Net increase in Cash and Cash Equivalents	126	1,307
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	(3,450)	(3,330)
Effect of exchange rate changes on cash balances held in foreign currencies	(303)	32
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	(3,627)	(1,991)

*Denotes lesser than USD \$1,000

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts:

(In US\$'000)	Group	
	As at 30/09/2020	As at 31/03/2020
Cash and bank balances	957	743
Bank overdraft	(4,584)	(4,302)
Restricted fixed bank deposits	-	(20)
Discontinued operations	-*	129
	(3,627)	(3,450)

*Disposed on 29th June 2020

Note: Restricted fixed bank deposits refer to monies pledged to bankers to cover short-term and long-term borrowings

Cash flow statement

As at the end of the reporting period, the Group's cash and cash equivalents decreased by US\$0.1 million from a deficit of US\$3.5 million as at 31 March 2020 to a deficit of US\$3.6 million as at 30 September 2020.

Net cash flows generated from operating activities for 1HFY2021 of US\$0.3 million were mainly attributable to the US\$1.5 million reduction in receivables, US\$0.4 million reduction of inventories, US\$0.6 reduction in other assets, partially offset with US\$1.3 million reduction in payables and operating cash flow before working capital changes of US\$0.9 million.

Net cash flows used in investing activities of US\$0.2 million for 1HFY2021 were mainly due to the acquisition of the non-controlling interests in MIG of US\$393K and US\$0.1 million for reorganisation of Retail space at YIA, partially offset by US\$0.3 million for sales proceeds from disposal of property, plant and equipment.

Net cash flows generated from financing activities amounted to US\$9K for 1HFY2021. This was mainly due to a extension of US\$390K of shareholder loan, partially offset with repayment of bank borrowings and lease liabilities (which arises from the recognition of right-of-use assets and lease liabilities for the rental lease and interest paid).

Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting period ended 30 September 2020

- 1(d) (i) A statement (for the issuer and group) showing either
 (i) all changes in equity or
 (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding reporting year.

Group (In US\$'000)	Share Capital A	Accumulated Losses B	Employee share option reserve C	Attributable to Parent D = A + B + C	Non- Controlling Interests E	Total Equity F = D + E
Opening Balance at 1 April 2020	59,862	(45,520)	515	14,857	(103)	14,754
Movement in Equity:						
Total comprehensive loss for the year	-	(3,090)	-	(3,090)	(7)	(3,097)
<u>Total contributions by and distributions to owners</u>						
Grant of equity-settled performance share plan	-	-	107	107	-	107
<u>Changes in ownership interests in subsidiaries</u>						
Acquisition of non-controlling interests without a change in control	-	(389)	-	(389)		(389)
Disposal of subsidiary without a change in control	-	-	-	-	(1)	(1)
Closing Balance at 30 September 2020	59,862	(48,999)	622	11,485	(111)	11,374
Opening Balance at 1 April 2019	59,862	(35,186)	81	24,757	119	24,876
Movement in Equity:						
Total comprehensive loss for the year	-	(10,335)	-	(10,335)	(222)	(10,557)
Grant of equity-settled performance share plan	-	-	434	434	-	434
Closing Balance at 31 March 2020	59,862	(45,521)	515	14,856	(103)	14,753

Company (In US\$'000)	Share Capital	Accumulated losses	Employee share option reserve	Total Equity
Opening Balance at 1 April 2020	59,862	(43,508)	515	16,869
Movement in Equity:				
Total comprehensive loss for the year	-	(1,204)	-	(1,204)
Grant of equity-settled performance share plan	-	-	107	107
Closing Balance at 30 September 2020	59,862	(44,712)	622	15,772
Opening Balance at 1 April 2019	59,862	(34,519)	81	25,424
Movement in Equity:				
Total comprehensive loss for the year	-	(8,988)	-	(8,988)
Equity share options issued	-	-	434	434
Closing Balance at 31 March 2020	59,862	(43,507)	515	16,870

Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting period ended 30 September 2020

(A) Employee Share Option Plan

The Group's Employee Share Option Scheme ("SMI ESOS") was approved and adopted at the Extraordinary General Meeting ("EGM") of the Company held on 25 July 2017.

The movement of share options of the Company during the reporting period ended 30 September 2020 is as follows:

Date of grant/(forfeiture)	Balance outstanding at 1 April 2020	Number of share options granted	Number of share options forfeited	Balance outstanding at 30 September 2020
Opening balance	1,483,400	1,345,000	(1,436,800)	1,391,600
01/04/2020	-	-	(441,300)	(441,300)
Total	1,483,400	1,345,000	(1,878,100)	950,300

(B) Performance Share Plan

The Group's Performance Share Plan ("PSP") was adopted at an Extraordinary General Meeting on 30 June 2014.

The Company has on 13 June 2019, granted a total of 4,500,000 share award under the SMI Performance Share Plan to Mark Francis Bedingham, a Director of the Company. The share has a vesting period of 24 months from 1 April 2019.

The Company has on 27 March 2020, granted a total of 14,000,000 share award under the SMI Performance Share Plan to Mark Francis Bedingham, a Director of the Company.

The movement of shares of the Company during the reporting period ended 30 September 2020 is as follows:

Date of grant/issuance	Balance outstanding at 1 April 2020	Number of shares granted	Number of shares issued	Number of shares forfeited	Balance outstanding at 30 September 2020
04/06/2020	-	18,500,000	(14,000,000)	-	4,500,000
Total	-	18,500,000	(14,000,000)	-	4,500,000

- (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Company	30/09/2020	31/03/2020
The total number of issued shares	316,996,792	302,996,792

The Company did not hold any treasury shares as at 30 September 2020 and 31 March 2020.

- (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures are unaudited.

- 3 Where the figures have been audited and reviewed, the auditors' report (including any qualifications or emphasis of matter).

Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting period ended 30 September 2020

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Note 5 below, the Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current financial period and the most recent audited financial statements for the financial year ended 31 March 2020.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.

The Group has adopted all the applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)s") and the related Interpretations to SFRS(I)s ("SFRS(I)INT") that are effective for the financial periods beginning on or after 1 April 2020. The adoption of these SFRS(I)s and SFRS(I)INT did not result in any substantial change to the Group's and the Company's accounting policies and has no significant impact on the financial statements for the current financial reporting period.

- 6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

(In US cents)	Group	
	1HFY2021	1HFY2020
Loss per share ("EPS") for the period (Based on the average number of ordinary shares)		
<i>Basic</i>		
Continuing operations	(1.02)	(0.82)
Discontinued operations	0.03	0.01
	(0.99)	(0.81)
Weighted average number of shares	312,123,864	302,996,792
<i>On a fully diluted basis</i>		
Continuing operations	(0.99)	(0.82)
Discontinued operations	0.03	0.01
	(0.96)	(0.81)
Weighted average number of shares	321,496,792	302,996,792

- 7 Net assets value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the: -
(a) current reporting period reported on; and
(b) immediately preceding reporting year.

(In US cents)	Group		Company	
	30/09/2020	31/03/2020	30/09/2020	31/03/2020
Net asset value per ordinary share	3.62	4.90	4.98	5.57

Net asset value per ordinary share was calculated based on the total number of issued shares of 316,996,792 as at 30 September 2020 (31 March 2020: 302,996,792).

Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting period ended 30 September 2020

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -
- any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of 1HFY2021 vs 1HFY2020

A breakdown of our revenue and profit before tax derived from our businesses for the 1HFY2021 and 1HFY2020 is as set out below: -

Revenue	First Half (1HFY2021)		First Half (1HFY2020)	
	US\$'000	%	US\$'000	%
Travel and fashion retail	368	49.7	8,959	78.4
Construction services	-	0.0	375	3.3
Auto services	75	10.1	803	7.0
Food and beverages	162	22.0	1,117	9.8
Others	135	18.2	178	1.5
Total	740	100.0	11,432	100.0

Profit/(Loss) after income tax	First Half (1HFY2021)	First Half (1HFY2020)
Travel and fashion retail	(1,351)	1,719
Construction services	(5)	50
Auto services	(93)	(12)
Food and beverages	(489)	(396)
Others	(29)	(62)
	(1,967)	1,299
<u>Unallocated expenses:</u>		
Head office expenses	(831)	(3,196)
Finance income	7	9
Finance charges	(467)	(531)
Share of results of associates, net of tax	*	*
Share of results of jointly-controlled entities, net of tax	63	(52)
Income tax expenses	3	(65)
Loss from continuing operations	(3,192)	(2,536)
Loss from discontinued operations	95	19
Loss after income tax	(3,097)	(2,517)

Note: Profit/(loss) before tax for each business included revenue and costs that were directly attributable to each business.

Revenue

As noted above, no meaningful level of sales to the airport has been possible as the airport has been closed since end of March. Sales to the domestic market has also been limited due to numerous lockdowns and a restricted retail operating environment. Similarly, SMI's F&B outlets have also been severely affected by the prohibition of dine-in through much of the six months in Yangon city. It should be noted that delivery and take-

Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting period ended 30 September 2020

away services worked far less well in Myanmar as the supporting service providers and related infrastructure is extremely limited.

As noted above, SMI made a decision in FY2020 to exit the car rental and Construction Equipment sales business.

EBITDA

The Group EBITDA loss was mainly a reflection of much reduced sales from the Retail business due to the impact of COVID-19 starting in the last few months of FY2020 and has continued right throughout the first half of FY2021. In addition to virtually no sales recognised from SMI Retail to its local business partners, it has also not been possible to charge CAPEX usage fees to those local business partners owing to the closure of the stores at the airport, directly related to the airport having shut down from the end of March.

Loss from continuing operations, net of tax

Substantial cost reduction measures have been put in place but this cannot compensate for the over 90% reduction in revenue.

Profit from discontinued operations, net of tax

The results for 1H FY2021 for discontinued operations is immaterial as most of the operations of the disposed Tower business has ceased with effect from October 2019. The Group has also disposed of MIG Group on 29th June 2020.

- 9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement was disclosed to shareholders previously.

- 10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The impact the COVID 19 pandemic will continue to have a great impact on the Group's business for the rest of the financial year. The Yangon International Airport has been closed since March 30th. No official announcement has been made as to the reopening of the airport. As travel retail sales represents approximately 70% of our revenue, the Company has taken a prudent view as to when the reopening may occur and has put in place strong cost reduction measures including reduced salaries, unpaid leave provisions, and has embarked on extensive rent reduction and rent mitigation with its landlords.

11 Dividend

- (a) Any dividend recommended for the current financial period reported on?

None.

- (b) Any dividend recommended for the corresponding period of the immediately preceding financial year?

Not applicable.

- (c) Date Payable

Not applicable.

- (d) Books Closure Date

Not applicable.

- 12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared/recommendeded for the period ended 30 September 2020 because the Company is loss-making.

Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting period ended 30 September 2020

- 13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPTs.

- 14 Negative confirmation pursuant to Rule 705(5).

The Directors of Singapore Myanmar Investco Limited (the "Company"), do hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results of the period ended 30 September 2020 to be false or misleading in any material aspect.

- 15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

16. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the company or any of its principal subsidiaries who is a relative of a director or Chief Executive Officer or substantial shareholder of the Company.

Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting period ended 30 September 2020

PART II – ADDITIONAL INFORMATION REQUIRED FOR HALF YEAR ANNOUNCEMENT

17 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

(a) Business Segment

1HFY2021 (In US\$'000)	Travel and fashion retail	Construction services	Auto services	Food and beverages	Unallocated	Total
Total revenue by Segment	368	-	75	162	135	740
Recurring EBITDA	(490)	(5)	(88)	(31)	(746)	(1,360)
Interest income	-	-	7	-	-	7
Finance costs	(290)	(3)	(40)	(37)	(97)	(467)
Depreciation, amortisation and impairment	(860)	-	(5)	(459)	(114)	(1,438)
ORBIT	(1,640)	(8)	(126)	(527)	(957)	(3,258)
<i>ORBIT Margin</i>	<i>N.M.</i>	-	<i>N.M.</i>	<i>N.M.</i>	<i>N.M.</i>	<i>N.M.</i>
Loss before tax from continuing operations	(1,640)	(8)	(126)	(527)	(957)	(3,258)
Income tax credit						3
Share of results of JV - net of tax						63
Loss after tax from continuing operations						(3,192)
Loss from discontinued operations						95
Loss for the year						(3,097)

Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting period ended 30 September 2020

1HFY2020 (In US\$'000)	Travel and fashion retail	Construction services	Auto services	Food and beverages	Unallocated	Total
Total revenue by Segment	8,959	375	803	1,117	178	11,432
Recurring EBITDA	2,725	50	51	(256)	(3,088)	(518)
Interest income	-	6	3	-	-	9
Finance costs	(324)	(38)	(76)	-	(93)	(531)
Depreciation, amortisation and impairment	(1,006)	-	(63)	(140)	(170)	(1,379)
ORBIT	1,395	18	(85)	(396)	(3,351)	(2,419)
<i>ORBIT Margin</i>	15.6%	4.9%	(10.4%)	(35.4%)	<i>N.M.</i>	(21.1%)
Loss before tax from continuing operations	1,395	18	(85)	(396)	(3,351)	(2,419)
Income tax credit						(65)
Share of results of Associates - net of tax						*
Share of results of JV - net of tax						(52)
Loss after tax from continuing operations						(2,536)
Loss from discontinued operations						19
Loss for the year						(2,517)

Singapore Myanmar Investco Limited

(Company Registration No. 200505764Z)

Unaudited Financial Statements and Dividend Announcement for the reporting period ended 30 September 2020

(b) Geographical Segment

(In US\$'000)	6 months ended 30/09/2020 FY2021	6 months ended 30/09/2019 FY2020
Singapore	-	-
Myanmar	740	11,432
	<u>740</u>	<u>11,432</u>

18 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item 8 above.

BY ORDER OF THE BOARD

Mark Francis Bedingham

Executive Director

13 November 2020

APPENDIX D: CHANGES IN SHAREHOLDING STRUCTURE

Shareholders ⁽¹⁾	As at LPD			After the Proposed Loan Capitalisation and allotment and issuance of PPCF Shares		
	Direct Interest	Deemed Interest	% Voting Rights ⁽²⁾	Direct Interest	Deemed Interest	% Voting Rights ⁽³⁾
Directors						
Ho Kwok Wai ⁽⁴⁾	–	164,749,871	43.4	–	164,749,871	32.1
Lender ⁽⁵⁾	–	43,008,321	11.3	–	175,918,383	34.3
Fong Sing Chak Jack ⁽⁶⁾	–	1,000,000	0.3	–	1,000,000	0.2
Wong Yen Siang	–	–	–	–	–	–
Wee Sung Leng	–	–	–	–	–	–
Substantial Shareholders (other than Directors)						
Jet Palace Holdings Limited ⁽⁴⁾	–	33,400,000	8.8	–	33,400,000	6.5
Taipan Grand Investments Limited ⁽⁴⁾	–	77,933,000	20.5	–	77,933,000	15.2
The9 Limited ⁽⁷⁾	–	44,333,333	11.7	–	44,333,333	8.6
The9 Singapore Pte. Ltd. ⁽⁷⁾	44,333,333	–	11.7	44,333,333	–	8.6
Public Shareholders						
Blackrun Corporate Pte. Ltd.	5,245,000	–	1.4	5,245,000	–	1.0
Jonathan Ian Paul	3,300,000	–	0.9	3,300,000	–	0.6
Ong Toon Wah	5,000,000	–	1.3	5,000,000	–	1.0
PrimePartners Corporate Finance Pte. Ltd.	–	–	–	1,250,000	–	0.2
Other public shareholders	112,738,600		29.7	112,738,600		22.0
Total	379,375,125		100.0	513,535,187		100.0

APPENDIX D: CHANGES IN SHAREHOLDING STRUCTURE

Notes:

- (1) For purposes of illustration, the aforesaid shareholding structure assumes that all the outstanding 1,392,000 share options under the SMI ESOS, as at the date of this application, are not exercised due to the exercise price being out of the money.
- (2) As at LPD, the free float of Shares in the hands of the public is 33.3%.
- (3) Following the Proposed Loan Capitalisation and allotment and issuance of PPCF Shares, the free float of Shares in the hands of the public will decrease to 24.8% (above the minimum 10% prescribed under Rule 723 of the Listing Rules).
- (4) Jet Palace Holdings Limited's 33,400,000 Shares and Taipan Grand Investments Limited's 77,933,000 Shares are registered in the name of nominee accounts. 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 (53,416,871 Shares).
- (5) Mr Mark Francis Bedingham is deemed to be interested in 38,508,321 Shares held by Bank Julius Baer.
- (6) Mr Fong Sing Chak Jack's 1,000,000 Shares are registered in the name of a nominee account.
- (7) The9 Limited is deemed to be interested in the Shares held by The9 Singapore Pte. Ltd. by virtue of its 100% shareholding in The9 Singapore Pte. Ltd.

**APPENDIX E: ANNOUNCEMENT DATED 21 JUNE 2021 IN RELATION TO THE9 SUBSCRIPTION AND
OPTION**

SUBSCRIPTION AND OPTION FOR UP TO 44,333,333 NEW SHARES OF THE COMPANY BY THE9 LIMITED FOR AN AGGREGATE CONSIDERATION OF UP TO S\$1,330,000

1. INTRODUCTION

The Board of Directors (“**Board**”) of Singapore Myanmar Investco Limited (“**Company**” and together with its subsidiaries, “**Group**”) wishes to announce that the Company had on 21 June 2021, entered into a subscription agreement (“**Subscription Agreement**”) with The9 Limited (“**Subscriber**”) for:

- (a) the subscription of 11,083,333 new ordinary shares in the capital of the Company (“**Shares**”) by the Subscriber, credited as fully-paid up (“**Subscription Shares**”), at the issue price of S\$0.030 for each Subscription Share (“**Issue Price**”), in consideration for a cash investment of S\$332,500 (“**Subscription Proceeds**”) by the Subscriber in the Company (“**Subscription**”); and
- (b) the grant by the Company to the Subscriber for an option to subscribe for up to an additional aggregate of 33,250,000 new Shares (“**Option Shares**”), in consideration for the sum of up to S\$997,500 (“**Option Proceeds**”), at the Issue Price for each Option Share, to be paid by the Subscriber to the Company in consideration for the allotment and issuance of the Option Shares by the Company to the Subscriber (“**Option**”). Under the terms of the Subscription Agreement, the Subscriber shall be entitled to exercise the Option for all or any of the Option Shares by serving a notice in writing on the Company (“**Exercise**”) any time prior to the date falling 90 consecutive calendar days from the date of the Subscription Agreement (“**Maturity Date**”).

2. THE SUBSCRIPTION AND OPTION

- 2.1 **Subscriber.** The Subscriber is a diversified high-technology internet company incorporated in the Cayman Islands and headquartered in the People’s Republic of China, whose shares are listed and traded on the NASDAQ. The Subscriber wishes to be a strategic investor in the Company and agreed to subscribe for the Subscription Shares and (upon and subject to the Exercise) the Option Shares as part of its business strategy to explore business opportunities in Southeast Asia.

The Subscriber, its directors, and its substantial shareholders have no prior connections (including any business relationship) with the Company, the Directors, or the Company’s substantial shareholders. As at the date of this announcement, the Subscriber and/or the Introducer (as defined below) do not hold, directly or indirectly, any Shares. The Subscriber and the Introducer are not interested persons as defined under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Listing Rules**”) and do not fall under the class of restricted persons as specified in Rule 812 (1) of the Listing Rules.

- 2.2 **Introducer.** No placement agent was appointed by the Company for the purposes of the Subscription and the Option. The Subscriber was introduced to the Company through Blackrun Partners (“**Introducer**”). The Introducer is a global investment firm headquartered in Singapore. Under the terms of the Subscription Agreement, the Company will allot and issue to the Introducer, up to 4,000,000 new Shares at the Issue Price, amounting in value of up to S\$120,000, as finder’s fees due to the Introducer (“**Introducer Shares**”) in the following manner:

- (a) 2,000,000 Introducer Shares upon completion of the allotment and issuance of the Subscription Shares to the Subscriber; and
- (b) up to 2,000,000 Introducer Shares upon completion of the allotment and issuance of the Option Shares to the Subscriber, *pro rata* to the number of Option Shares Exercised by the Subscriber.

- 2.3 **Securities and Futures Act (Cap 289) of Singapore (“SFA”).** The Subscription Agreement and the transactions thereunder, including the allotment and issuance of the Subscription Shares, Introducer Shares and Option Shares (collectively, “**New Shares**”), were entered into pursuant to the ‘safe harbour’

exemptions for a private placement under section 272B of the SFA and in compliance with the conditions of these exemptions in the SFA, and the Subscriber and Introducer are not accepting the Company's offer of the New Shares respectively with a view to such offer being subsequently offered to another person in Singapore, where such subsequent offer is contrary to the provisions of the SFA. No prospectus, offer information statement or offer document will be issued by the Company or registered with the Monetary Authority of Singapore in connection with the Subscription and Option.

2.4 **Principal Terms.** The principal terms of the Subscription Agreement are summarised as follows:

- The Subscription** : Subject to the terms and conditions of the Subscription Agreement, the Company shall allot and issue to the Subscriber, and the Subscriber shall subscribe for the 11,083,333 Subscription Shares at the Issue Price of S\$0.030 for each Subscription Share, fractional entitlements to be disregarded, in consideration for the aggregate Subscription Proceeds of S\$332,500.
- The Option** : Subject to the terms and conditions of the Subscription Agreement, the Company grants to the Subscriber, the option to subscribe from the Company upon Exercise by the Subscriber on or prior to the Maturity Date, all or any of the 33,250,000 Option Shares at the Issue Price of S\$0.030 for each Option Share, fractional entitlements to be disregarded, in consideration for the Option Proceeds of **up to** S\$997,500.
- Issue Price** : The Issue Price represents a 39.5% premium to the volume weighted average price of the Shares traded on the main board ("**Mainboard**") of the SGX-ST on 21 June 2021 of S\$0.0215 ("**VWAP**"), being the last full market day on which the Shares were traded on the Mainboard prior to the signing of the Subscription Agreement.
- Subscription Shares** : **11,083,333** new Shares (constituting approximately 3.45% of the Company's entire existing equity share capital as at the date of this announcement and 3.31% of the Company's entire enlarged equity share capital (including the Subscription Shares and 2,000,000 Introducer Shares)), to be allotted and issued by the Company to the Subscriber, and listed and quoted on the Mainboard.
- Option Shares** : Upon Exercise by the Subscriber, **up to 33,250,000** new Shares (constituting approximately 10.34% of the Company's entire existing equity share capital as at the date of this announcement and 8.99% of the Company's entire enlarged equity share capital (including the Subscription Shares, all the Introducer Shares and Option Shares)), to be allotted and issued by the Company to the Subscriber, and listed and quoted on the Mainboard.
- Status** : The New Shares shall be allotted and issued (a) free from all encumbrances, (b) ranking *pari passu* in all respects with and carry all rights similar to the existing Shares, except that they will not rank for any dividend, right, allotment or other distribution, accruing on a record date which falls on or before the completion of the Subscription or Option (as the case may be), and (c) not subject to any rights of pre-emption or first refusal or any restriction on disposal placed by any party or by contractual undertaking or otherwise or under any restrictions by any law or authority restricting the sale and transfer of the New Shares, and (d) in reliance by the Company on the Subscriber's representations, warranties and undertakings in the Subscription Agreement.
- No Other Entitlements** : Save pursuant to the express terms and conditions of the Subscription Agreement, the Subscription and Option do not confer on the Subscriber and/or the Introducer, any rights or entitlements to participate in any distributions and/or offers of further securities made by the Company.
- Additional Listing Application** : The Company will cause to be submitted to the SGX-ST, an additional listing application ("**ALA**") for the listing and quotation of the New Shares on the Mainboard.

2.5 **Authority.** The New Shares will be allotted and issued pursuant to the general mandate obtained from the shareholders of the Company ("**Shareholders**") at the annual general meeting of the Company held

on 27 October 2020 (“**2020 General Mandate**”) to allot and issue new Shares whether by way of rights, bonus or otherwise, at any time and upon such terms and conditions and for such purposes and to such persons as the directors of the Company (“**Directors**”) may in their absolute discretion deem fit provided always that the aggregate number of Shares to be issued pursuant to the 2020 General Mandate (including Shares to be issued in pursuance of instruments or granted pursuant to the 2020 General Mandate) does not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which the aggregate number of Shares (including shares to be issued in pursuance of instruments made or granted pursuant to the 2020 General Mandate) to be issued other than on a *pro rata* basis to Shareholders does not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings). Upon completion of the Subscription and after Exercise of the Option (assuming all and not some of the Option Shares are Exercised), the Subscriber’s aggregate interest in the Company will be 44,333,000 Shares representing 11.99% of the Company’s entire enlarged equity share capital. No transfer of controlling interest (as defined in the Listing Rules) will arise from the Subscription and the Option.

2.6 **Conditions Precedent.** The Subscription and Option are subject to, *inter alia*, certain conditions precedent, including the following (“**Conditions Precedent**”):

- (a) the 2020 General Mandate being in full force and effect, not revoked by the Shareholders and being sufficient to authorise the Directors to allot and issue the New Shares;
- (b) the approval-in-principle of the SGX-ST for, *inter alia*, the listing and quotation of the New Shares on the Mainboard;
- (c) the Shares not being suspended by the SGX-ST from trading on the Mainboard other than in relation to trading halts not exceeding three (3) market days pending announcements of the Company;
- (d) all licenses, consents, permits, approvals, waivers, authorisations or other orders of and all notices, registrations, submissions or filings with all relevant regulators, entitled third-parties, counterparties, financing or facility providers of the Company and the Subscriber as may be required for or in connection with the transactions under the Subscription Agreement and such other transactions in connection therewith and incidental thereto having been obtained, and not having been withdrawn, revoked or amended and if subject to any conditions, such conditions being reasonably acceptable to the Company and the Subscriber and are fulfilled on or before the respective closing dates for the Subscription and the Option in accordance with the terms of the Subscription Agreement (“**Closing Date**”), and all other actions having been taken by or on behalf of the Company and the Subscriber to comply with all applicable legal and other requirements necessary to ensure that the allotment and issuance of the New Shares by the Company is in accordance with, and do not infringe any existing law, statute, regulation, decision, ruling, judgment, award, code, practice, direction, decree, order, contract or agreement, including without limitation the approval-in-principle of the SGX-ST for, *inter alia*, the listing and quotation of the New Shares on the Mainboard;
- (e) No relevant regulator taking, instituting, implementing or threatening to take, institute or implement any action, enforcement, proceeding, suit, investigation, inquiry, reference or decision, and no law, statute, regulation, decision, ruling, award, direction, practice, judgment, decree or order having been made, proposed, enacted or implemented, and no steps having been taken, and there not continuing to be in effect or outstanding any law, statute, regulation, decision, ruling, award, direction, practice, judgment, decree or order which would or might:
 - (i.) make any transaction contemplated in the Subscription Agreement or any other transactions in connection herewith and incidental hereto, void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same, and/or
 - (ii.) render the Subscriber unable to be allotted and issued all or any of the Subscription Shares and (upon Exercise) the Option Shares in the manner set out in the Subscription Agreement.

2.7 **Representations and Warranties of the Subscriber.** The Subscriber has represented and warranted to the Company, *inter alia*, that:

- (a) the Subscriber acknowledges that its subscription for the Subscription Shares and (upon Exercise) the Option Shares is made pursuant to the Company's reliance on the 'safe harbour' exemptions for a private placement under section 272B of the SFA and in compliance with all the conditions of these exemptions in the SFA therein;
- (b) the Subscriber is subscribing for the Subscription Shares and (upon Exercise) the Option Shares as a principal for its own benefit and will not be holding their respective Shares on trust or for the benefit of other parties;
- (c) the Subscriber shall comply with all the conditions of the 'safe harbour' exemptions for a private placement under section 272B of the SFA and is not accepting the Company's offer of the Subscription Shares and the Option Shares with a view to such offer being subsequently offered to another person in Singapore, where such subsequent offer is contrary to the provisions of the SFA;
- (d) the Subscriber is duly incorporated and validly existing in the Cayman Islands, and has full power and capacity to enter into and perform the Subscription Agreement, which when executed, will constitute valid and legally binding obligations enforceable against the Subscriber in accordance with the terms therein;
- (e) the Subscriber, its directors and its substantial shareholders have no connections (including any business relationships) with the Company, the Directors, or the substantial shareholders of the Company and is not an associate (as defined in the Listing Manual) of and not a person acting in concert (as defined in the Singapore Code on Take-overs and Mergers) with any (i.) Director of the Company, (ii.) other Shareholder and/or (iii.) the Introducer, and
- (f) the Subscriber's shares are listed and traded on the NASDAQ and not suspended by from trading on the NASDAQ other than in relation to trading halts not exceeding 3 market days pending announcements of the Subscriber.

2.8 **Rationale and Use of Proceeds.** The aggregate Subscription Proceeds and Option Proceeds (collectively, "**Proceeds**") of S\$1,330,000 will be used by the Company for the following:

- (a) 50% for business investments, and
- (b) 50% to meet the Group's anticipated general working capital requirement for the purposes of meeting general overheads and other operating expenses of the Group (such as rent, salaries, administrative expenses and professional fees), as well as the expenses of approximately S\$12,000 incurred by the Company for the Subscription and the Option.

Pending deployment of the Proceeds, they may be placed as deposits with financial institutions in short term money markets or debt instruments or for any other purposes on a short term basis, but in accordance with the terms of the Subscription Agreement, as the Directors may, in their absolute discretion, deem fit.

The Board is of the view that the Subscription and Option are beneficial to and in the interests of the Company and in line with the Board's continuing efforts to search for new businesses and investment opportunities, as they will assist to bolster the Company's working capital and fund the Company's operating expenses while the Company explores new business opportunities and activities. The Subscription and Option are also a show of confidence by the Subscriber in the future plans, viability and anticipated performance of the Group.

The Board is of the opinion that after taking into consideration:

- (a) the present financial position of the Group, including its banking facilities, its bank and cash balances, the working capital available to the Group is sufficient to meet its present requirements, and
- (b) the present bank facilities and the Subscription Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

The Company will make periodic announcement(s) on the utilization of the Proceeds as and when such funds are materially disbursed and provide a status report on the use of the Proceeds in the Company's half and full year financial statements issued under Rule 705 of the Listing Rules and in its annual report.

Where the Proceeds have been used for working capital purposes, the Company will disclose a breakdown with specific details on how they been applied in the Company's announcements and annual reports. Where there is any material deviation from the stated use of the Proceeds, the Company will announce the reasons for such deviations.

2.9 **Financial Effects.** As at the date of this announcement, the issued and paid-up share capital of the Group is S\$88,204,275, comprising 321,496,792 Shares. For illustration only, the *pro forma* effects on the share capital and the financial effects of the Subscription and Option are set out below and are prepared based on the following bases and assumptions:

- (a) the effects on the share capital are computed as at the date of this announcement;
- (b) the Subscriber Exercises the Option in respect of all and not some of the Option Shares;
- (c) the financial effects on the net tangible assets ("**NTA**") and gearing are computed based on the latest announced consolidated financial results of the Group for FY2020 and the assumption that the Subscription and Option had been effected on 31 March 2020; and
- (d) the financial effects on the loss per share ("**LPS**") are computed based on the latest announced consolidated financial results of the Group for FY2020 and the assumption that the Subscription and Option had been effected on 1 April 2019; and
- (e) an exchange rate of US\$1.00:S\$1.33.

Share Capital

	Before the Subscription	After the Subscription	After Exercise of the Option
No. of Shares	321,496,792	334,580,125	369,830,125
Paid-up capital (S\$)	88,204,275	88,596,775	89,654,275

NTA

	Before the Subscription	After the Subscription	After Exercise of the Option
NTA (US\$'000)	14,364	14,614	15,364
No. of Shares	321,496,792	334,580,125	369,830,125
NTA per Share (US cents)	4.47	4.37	4.15
NTA per Share (Singapore cents)	5.94	5.81	5.53

LPS

	Before the Subscription	After the Subscription	After Exercise of the Option
Loss attributable to owners of the Company (US\$'000)	(10,335)	(10,335)	(10,335)
Basic weighted average number of Shares	315,314,161	331,582,186	350,272,433 ⁽¹⁾

	Before the Subscription	After the Subscription	After Exercise of the Option
LPS (US cents)	(3.28)	(3.12)	(2.91)
LPS (Singapore cents)	(4.36)	(4.15)	(3.87)

Gearing

	Before the Subscription	After the Subscription	After Exercise of the Option
Total borrowings (US\$'000)	12,738 ⁽⁴⁾	12,738	12,738
Total equity attributable to owners of the Company (US\$'000)	14,856	15,106	15,856
Debt-to-equity ratio ⁽²⁾ (times)	0.86	0.84	0.80
Total assets (US\$'000)	41,505	41,755	42,505
Debt ratio ⁽³⁾ (times)	0.31	0.31	0.30

Notes:

- (1) The Option is assumed to be Exercised 90 days after the date of the signing of the Subscription Agreement.
- (2) Debt-to-equity ratio is computed using total borrowings divided by total equity attributable to owners of the Company.
- (3) Debt ratio is computed using total borrowings divided by total assets.
- (4) With the inclusion of an additional US\$200,000 loan extended by Mark Bedingham to the Company in April and May 2021.

3. ALA

The Company will submit an application to SGX-ST for the listing and quotation of the New Shares on the Mainboard.

4. INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective shareholding interests in the Company (as the case may be), none of the Directors, controlling Shareholders or substantial shareholders, or their respective associates has any interest, direct or indirect, in the Subscription Agreement, the Subscription, the Option or the New Shares.

	Before the Subscription				After the Subscription ⁽¹⁾		After Exercise of the Option ⁽²⁾	
	Direct Interest (No. of Shares)	Deemed Interest (No. of Shares)	Total Interest (No. of Shares)	Voting Rights (%) ⁽³⁾	After the Subscription (No. of Shares)	Voting Rights (%) ⁽⁴⁾	After the Option (No. of Shares)	Voting Rights (%) ⁽⁵⁾
Director								
Ho Kwok Wai ⁽⁶⁾	–	164,749,871	164,749,871	51.24	164,749,871	49.24%	164,749,871	44.55%
Mark Francis Bedingham ⁽⁷⁾	–	43,008,321	43,008,321	13.38	43,008,321	12.85%	43,008,321	11.63%
Fong Sing Chak Jack ⁽⁸⁾	–	1,000,000	1,000,000	0.31	1,000,000	0.30%	1,000,000	0.27%
Wong Yen Siang	–	–	–	–	–	–	–	–
Wee Sung Leng	–	–	–	–	–	–	–	–
Substantial Shareholders (other than Directors)								
Jet Palace Holdings Limited ⁽⁹⁾	–	33,400,000	33,400,000	10.39	33,400,000	9.98%	33,400,000	9.03%
Taipan Grand Investments Limited ⁽¹⁰⁾	–	77,933,000	77,933,000	24.24	77,933,000	23.29%	77,933,000	21.07%
The9 Limited	–	–	–	–	11,083,333	3.31%	44,333,000 ⁽¹¹⁾	11.99%

Notes:

- (1) Following the Subscription, the free float of Shares in the hands of the public will increase to 37.61% (above the minimum 10% prescribed under Rule 723 of the Listing Rules).
- (2) Following the Exercise of the Option, assuming the allotment and issuance of all and not some of the Option Shares to the Subscriber and all the Introducer Shares to the Introducer, the free float of Shares in the hands of the public will decrease to 31.57% (above the minimum 10% prescribed under Rule 723 of the Listing Rules).
- (3) Percentage is calculated based on 321,496,792 Shares as at the date of this application.
- (4) Percentage is calculated based on 334,580,125 Shares as adjusted for the Subscription and the allotment and issuance of 2,000,000 Introducer Shares to the Introducer.
- (5) Percentage is calculated based on 369,830,125 Shares as adjusted for (upon Exercise by the Subscriber) the allotment and issuance of all the Option Shares to the Subscriber and all of the remaining 2,000,000 Introducer Shares to the Introducer.
- (6) 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 (53,416,871 Shares).
- (7) Mr Mark Francis Bedingham is deemed to be interested in 35,508,321 Shares held by Bank Julius Baer.
- (8) Mr Fong Sing Chak Jack's 1,000,000 Shares are registered in the name of a nominee account.
- (9) Jet Palace Holdings Limited's 33,400,000 Shares are registered in the name of a nominee account.
- (10) Taipan Grand Investments Limited's 77,933,000 Shares are registered in the name of a nominee account.
- (11) The number of Shares held by the Subscriber assumes the allotment and issuance (upon and subject to the Exercise) of all and not some of the Option Shares to the Subscriber.

5. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the following documents will be available for inspection during normal business hours at the Company's registered office at 300 Beach Road, the Concourse #31-03, Singapore 199555 for a period of three (3) months from the date of this announcement:

- (a) the Constitution of the Company;
- (b) the Subscription Agreement; and
- (c) the Annual Report of the Company for FY2020.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to enquiries@sin-mi.com to make an appointment in advance. The Company will arrange a date when each Shareholder can come to the registered office to inspect the documents accordingly. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Subscription Agreement, the Subscription, the Option, the Subscriber, the Introducer, the New Shares and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

7. FURTHER ANNOUNCEMENTS

The Company will make further and other announcements at the relevant time as and when there are material developments in relation to the Subscription and Option, in particular, when the approval-in-principle of the SGX-ST for the listing and quotation of the New Shares on the Mainboard, is received. The listing and quotation notice to be given by the SGX-ST in respect of the New Shares is not an indication of the merits of the Subscription, the Option, the Subscriber, the Group and/or the Shares.

8. CAUTION IN TRADING

As at the date of this announcement, Shareholders should be cautioned that the Subscription Agreement and the Subscription and Option are subject to, *inter alia*, fulfilment of the Conditions Precedent, including the approval of the SGX-ST for the listing and quotation of the New Shares on the Mainboard, and there is no assurance that the Subscription and Option will proceed or proceed on the present terms.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their Shares which may be prejudicial to their interests, and to exercise caution when dealing in their Shares. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Mark Bedingham
President & CEO
21 June 2021

**APPENDIX F: ANNOUNCEMENT DATED 23 JUNE 2021 IN RELATION TO SUBSCRIPTION OF SHARES
BY JONATHAN IAN PAUL AND ONG TOON WAH**

SINGAPORE MYANMAR INVESTCO LIMITED
(Incorporated in Singapore)
(Company Registration No. 200505764Z)

**SUBSCRIPTION FOR 8,300,000 NEW SHARES OF THE COMPANY
FOR AN AGGREGATE CONSIDERATION OF S\$249,000**

*In this Announcement, the terms **Exercise, New Shares, Option** and **Option Shares** shall have the meanings defined in the Company's announcement of 21 June 2021 on SGXNET, and the term **The9 Subscription** shall refer to the subscription of 11,083,333 new Shares (as defined below) by The9 Limited ("**The9**"), announced in the Company's announcement of 21 June 2021 on SGXNET.*

1. INTRODUCTION

The Board of Directors ("**Board**") of Singapore Myanmar Investco Limited ("**Company**") and together with its subsidiaries, "**Group**") wishes to announce that the Company had on 23 June 2021, entered into subscription agreements ("**Subscription Agreements**") with Jonathan Paul and Ong Toon Wah (collectively, the "**Subscribers**" and each, a "**Subscriber**") for the allotment and issuance of an aggregate of 8,300,000 new fully-paid ordinary shares in the capital of the Company ("**Shares**") to the Subscribers ("**Subscription Shares**") in the proportions set out in the table below, at the issue price of S\$0.03 ("**Issue Price**") for each Subscription Share, for an aggregate consideration of S\$249,000 to be paid by the Subscribers to the Company ("**Subscription Proceeds**") pursuant to the terms and subject to the conditions of the Subscription Agreements (collectively, the "**Subscriptions**").

Name of Subscriber	Number of Subscription Shares to be Allotted and Issued	Subscription Proceeds to be Received by the Company	% Interest in Enlarged Share Capital of the Company⁽¹⁾
Jonathan Paul	3,300,000	S\$99,000	0.87%
Ong Toon Wah	5,000,000	S\$150,000	1.32%
Total	8,300,000	S\$249,000	2.19%

Notes:

(1) Including the Subscription Shares, the Introducer Shares (as defined below) and the New Shares.

2. THE SUBSCRIPTIONS

2.1 **Subscribers.** Jonathan Ian Paul and Ong Toon Wah are independent private investors who have expressed their interest to invest in the Company through the Subscriptions for their own private investment purposes. Jonathan Ian Paul and Ong Toon Wah are both entrepreneurs with businesses in Singapore.

The Subscribers have no prior connections (including any business relationship) with the Company, the directors of the Company ("**Directors**"), or the Company's substantial shareholders. As at the date of this announcement, the Subscribers and/or the Introducer do not hold, directly or indirectly, any Shares. The Subscribers and the Introducer are not interested persons as defined under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Listing Rules**") and do not fall under the class of restricted persons as specified in Rule 812 (1) of the Listing Rules.

2.2 **Introducer.** No placement agent was appointed by the Company for the purposes of the Subscriptions. The Subscribers were introduced to the Company through Blackrun Corporate Pte. Ltd., a global investment firm headquartered in Singapore. The Company will allot and issue to the Introducer, 1,245,000 new Shares at the Issue Price, amounting in value to S\$37,350 as finder's fees due to the Introducer ("**Introducer Shares**").

2.3 **Securities and Futures Act (Cap 289) of Singapore (“SFA”)**. The Subscription Agreements and the transactions thereunder, including the allotment and issuance of the Subscription Shares and Introducer Shares, were entered into pursuant to the ‘safe harbour’ exemptions for a private placement under section 272B of the SFA and in compliance with the conditions of these exemptions in the SFA, and the Subscribers and Introducer are not accepting the Company’s offer of the Subscription Shares and Introducer Shares respectively with a view to such offer being subsequently offered to another person in Singapore, where such subsequent offer is contrary to the provisions of the SFA. No prospectus, offer information statement or offer document will be issued by the Company or registered with the Monetary Authority of Singapore in connection with the Subscriptions.

2.4 **Principal Terms**. The principal terms of the Subscription Agreements are summarised as follows:

The Subscriptions : Subject to the terms and conditions of the Subscription Agreements, the Company shall allot and issue to the Subscribers, the Subscription Shares, in the proportions set out in the table in Section 1 above, and the Subscribers shall subscribe for, their proportion of the Subscription Shares at the Issue Price, fractional entitlements to be disregarded, in consideration for the aggregate sum of S\$249,000.

Issue Price : The Issue Price represents a 1.32% discount to the volume weighted average price of the Shares traded on the main board of the SGX-ST (“**Mainboard**”) of S\$0.0304 (“**VWAP**”) on 23 June 2021, being the last full market day on which the Shares were traded on the Mainboard prior to the signing of the Subscription Agreements.

Subscription Shares : An aggregate of **8,300,000** new Shares (constituting approximately 2.58% of the Company’s entire existing equity share capital as at the date of this announcement and 2.19% of the Company’s entire enlarged equity share capital (including the Subscription Shares, Introducer Shares and New Shares), to be allotted and issued by the Company to the Subscribers, and listed and quoted on the Mainboard.

Status : The Subscription Shares and Introducer Shares shall be allotted and issued (a) free from all encumbrances, (b) ranking *pari passu* in all respects with and carry all rights similar to the existing Shares, except that they will not rank for any dividend, right, allotment or other distribution, accruing on a record date which falls on or before the completion of the Subscriptions, and (c) not subject to any rights of pre-emption or first refusal or any restriction on disposal placed by any party or by contractual undertaking or otherwise or under any restrictions by any law or authority restricting the sale and transfer of the Subscription Shares and the Introducer Shares, and (d) in reliance by the Company on the Subscribers’ representations, warranties and undertakings in the Subscription Agreements.

No Other Entitlements : Save pursuant to the express terms and conditions of the Subscription Agreements, the Subscriptions do not confer on the Subscribers and/or the Introducer, any rights or entitlements to participate in any distributions and/or offers of further securities made by the Company.

Additional Listing Application : The Company will cause to be submitted to the SGX-ST, an additional listing application (“**ALA**”) for the listing and quotation of the Subscription Shares and the Introducer Shares on the Mainboard.

2.5 **Authority**. The Subscription Shares and Introducer Shares will be allotted and issued pursuant to the general mandate obtained from the shareholders of the Company (“**Shareholders**”) at the annual general meeting of the Company held on 27 October 2020 (“**2020 General Mandate**”) to allot and issue new Shares whether by way of rights, bonus or otherwise, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided always that the aggregate number of Shares to be issued pursuant to the 2020 General Mandate (including Shares to be issued in pursuance of instruments or granted pursuant to the 2020 General Mandate) does not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury

shares and subsidiary holdings), of which the aggregate number of Shares (including shares to be issued in pursuance of instruments made or granted pursuant to the 2020 General Mandate) to be issued other than on a *pro rata* basis to Shareholders does not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings).

Upon completion of the Subscriptions, Jonathan Paul's and Ong Toon Wah's aggregate interest in the Company will be 3,300,000 Shares and 5,000,000 Shares respectively representing 0.87% and 1.32% of the Company's entire enlarged equity share capital (including the Subscription Shares, Introducer Shares and New Shares) respectively. No transfer of controlling interest (as defined in the Listing Rules) will arise from the Subscriptions.

2.6 **Conditions Precedent.** The Subscriptions are subject to, *inter alia*, certain conditions precedent, including the following ("**Conditions Precedent**"):

- (a) the 2020 General Mandate being in full force and effect, not revoked by the Shareholders and being sufficient to authorise the Directors to allot and issue the Subscription Shares to the Subscribers and the Introducer Shares to the Introducer;
- (b) the approval-in-principle of the SGX-ST for, *inter alia*, the listing and quotation of the Subscription Shares and the Introducer Shares on the Mainboard;
- (c) the Shares not being suspended by the SGX-ST from trading on the Mainboard other than in relation to trading halts not exceeding three (3) market days pending announcements of the Company;
- (d) all licenses, consents, permits, approvals, waivers, authorisations or other orders of and all notices, registrations, submissions or filings with all relevant regulators, entitled third-parties, counterparties, financing or facility providers of the Company and the Subscribers as may be required for or in connection with the transactions under the Subscription Agreements and such other transactions in connection therewith and incidental thereto having been obtained, and not having been withdrawn, revoked or amended and if subject to any conditions, such conditions being reasonably acceptable to the Company and the Subscribers and are fulfilled on or before the date falling not later than 5 business days after all the Conditions Precedent have been fulfilled or waived or such other date as may be agreed to in writing by the Company and Subscribers, and all other actions having been taken by or on behalf of the Company and the Subscribers to comply with all applicable legal and other requirements necessary to ensure that the allotment and issuance of the Subscription Shares and the Introducer Shares by the Company is in accordance with, and do not infringe any existing law, statute, regulation, decision, ruling, judgment, award, code, practice, direction, decree, order, contract or agreement, including without limitation the approval-in-principle of the SGX-ST for, *inter alia*, the listing and quotation of the Subscription Shares and the Introducer Shares on the Mainboard;
- (e) No relevant regulator taking, instituting, implementing or threatening to take, institute or implement any action, enforcement, proceeding, suit, investigation, inquiry, reference or decision, and no law, statute, regulation, decision, ruling, award, direction, practice, judgment, decree or order having been made, proposed, enacted or implemented, and no steps having been taken, and there not continuing to be in effect or outstanding any law, statute, regulation, decision, ruling, award, direction, practice, judgment, decree or order which would or might:
 - (i.) make any transaction contemplated in the Subscription Agreements or any other transactions in connection herewith and incidental hereto, void, illegal and/or unenforceable or otherwise restrict, restrain, prohibit or otherwise frustrate or be adverse to the same, and/or
 - (ii.) render the Subscribers unable to be allotted and issued all or any of the Subscription Shares in the manner set out in the Subscription Agreement.

2.7 **Representations and Warranties of the Subscribers.** Each of the Subscribers have represented and warranted to the Company, *inter alia*, that:

- (a) each Subscriber acknowledges that its subscription for its proportion of the Subscription Shares is made pursuant to the Company's reliance on the 'safe harbour' exemptions for a private

placement under section 272B of the SFA and in compliance with all the conditions of these exemptions in the SFA therein;

- (b) each Subscriber is subscribing for their respective Subscription Shares as a principal for its own benefit and will not be holding their respective Shares on trust or for the benefit of other parties;
- (c) each Subscriber shall comply with all the conditions of the 'safe harbour' exemptions for a private placement under section 272B of the SFA and is not accepting the Company's offer of the Subscription Shares with a view to such offer being subsequently offered to another person in Singapore, where such subsequent offer is contrary to the provisions of the SFA;
- (d) each Subscriber is an accredited investor as defined in the SFA and has full power and capacity to enter into and perform their respective Subscription Agreements, which when executed, will constitute valid and legally binding obligations enforceable against the respective Subscriber in accordance with the terms therein; and
- (e) each Subscriber has no prior connections (including any business relationships) with the Company, the Directors or the substantial shareholders of the Company and is not an associate (as defined in the Listing Manual) of and not a person acting in concert (as defined in the Singapore Code on Take-overs and Mergers) with any (i.) Director, (ii.) other substantial shareholders of the Company, (iii.) the other Subscriber, (iv.) The9 and/or (v.) the Introducer.

2.8 **Rationale and Use of Proceeds.** The Subscription Proceeds of S\$249,000 will be used by the Company for the following:

- (a) 50% for business investments; and
- (b) 50% to meet the Group's anticipated general working capital requirement for the purposes of meeting general overheads and other operating expenses of the Group (such as rent, salaries, administrative expenses and professional fees), as well as the expenses of approximately S\$12,000 incurred by the Company for the Subscriptions.

Pending deployment of the Subscription Proceeds, such proceeds may be placed as deposits with financial institutions in short term money markets or debt instruments or for any other purposes on a short term basis, but in accordance with the terms of the Subscription Agreements, as the Directors may, in their absolute discretion, deem fit.

The Board is of the view that the Subscriptions are beneficial to and in the interests of the Company and in line with the Board's continuing efforts to search for new businesses and investment opportunities, as they will assist to bolster the Company's working capital and fund the Company's operating expenses while the Company explores new business opportunities and activities. The Subscriptions are also a show of confidence by the Subscribers in the future plans, viability and anticipated performance of the Group.

The Board is of the opinion that after taking into consideration

- (a) the present financial position of the Group, including its banking facilities, its bank and cash balances, the working capital available to the Group is sufficient to meet its present requirements, and
- (b) the present bank facilities and the Subscription Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

The Company will make periodic announcement(s) on the utilization of the Subscription Proceeds as and when such funds are materially disbursed and provide a status report on the use of the Subscription Proceeds in the Company's half and full year financial statements issued under Rule 705 of the Listing Rules and in its annual report. Where the Subscription Proceeds have been used for working capital purposes, the Company will disclose a breakdown with specific details on how they been applied in the Company's announcements and annual reports. Where there is any material deviation from the stated use of the Subscription Proceeds, the Company will announce the reasons for such deviations.

2.9 **Financial Effects.** As at the date of this announcement, the issued and paid-up share capital of the Company is S\$88,204,275, comprising 321,496,792 Shares. For illustration only, the *pro forma* effects on

the share capital and the financial effects of the Subscription are set out below and are prepared based on the following bases and assumptions:

- (a) the effects on the share capital are computed as at the date of this announcement;
- (b) The9 will Exercise their Option in respect of all and not some of the Option Shares on the date of expiry;
- (c) the financial effects on the net tangible assets (“**NTA**”) and gearing are computed based on the latest announced consolidated financial results of the Group for FY2020 and the assumption that the Subscription, The9 Subscription and Option had been effected on 31 March 2020; and
- (d) the financial effects on the loss per share (“**LPS**”) are computed based on the latest announced consolidated financial results of the Group for FY2020 and the assumption that the Subscription, The9 Subscription and Option had been effected on 1 April 2019; and
- (e) an exchange rate of US\$1.00:S\$1.33.

Share Capital

	Before the Subscriptions and The9 Subscription	After The9 Subscription and issue of shares to the introducer of The9 Subscription	After the Subscription and issue of Introducer Shares	After The9’s Exercise of the Option and issue of shares to the introducer of The9 Subscription
No. of Shares	321,496,792	334,580,125	344,125,125	379,375,125
Paid-up capital (S\$)	88,204,275	88,596,775	88,883,125	89,940,625

NTA

	Before the Subscriptions and The9 Subscription	After The9 Subscription and issue of shares to the introducer of The9 Subscription	After the Subscription and issue of Introducer Shares	After The9’s Exercise of the Option and issue of shares to the introducer of The9 Subscription
NTA (US\$’000)	14,364	14,614	14,801	15,551
No. of Shares	321,496,792	334,580,125	344,125,125	379,375,125
NTA per Share (US cents)	4.47	4.37	4.30	4.10
NTA per Share (Singapore cents)	5.94	5.81	5.72	5.45

LPS

	Before the Subscriptions and The9 Subscription	After The9 Subscription and issue of shares to the introducer of The9 Subscription	After the Subscription and issue of Introducer Shares	After The9's Exercise of the Option and issue of shares to the introducer of The9 Subscription
Loss attributable to owners of the Company (US\$'000)	(10,335)	(10,335)	(10,335)	(10,335)
Basic weighted average number of Shares	315,314,161	331,582,186	338,898,271	351,016,062 ⁽¹⁾
LPS (US cents)	(3.28)	(3.12)	(3.05)	(2.94)
LPS (Singapore cents)	(4.36)	(4.15)	(4.06)	(3.92)

Gearing

	Before the Subscriptions and The9 Subscription	After The9 Subscription and issue of shares to the introducer of The9 Subscription	After the Subscription and issue of Introducer Shares	After The9's Exercise of the Option and issue of shares to the introducer of The9 Subscription
Total borrowings (US\$'000)	12,738 ⁽⁴⁾	12,738	12,738	12,738
Total equity attributable to owners of the Company (US\$'000)	14,856	15,106	15,293	16,043
Debt-to-equity ratio ⁽²⁾ (times)	0.86	0.84	0.83	0.79
Total assets (US\$'000)	41,505	41,755	41,942	42,692
Debt ratio ⁽³⁾ (times)	0.31	0.31	0.30	0.30

Notes:

- (1) The Option is assumed to be Exercised by The9 on the date of expiry.
- (2) Debt-to-equity ratio is computed using total borrowings divided by total equity attributable to owners of the Company.
- (3) Debt ratio is computed using total borrowings divided by total assets.
- (4) With the inclusion of an additional US\$200,000 loan extended by Mark Bedingham to the Company in April and May 2021.

3. ALA

The Company will submit an application to SGX-ST for the listing and quotation of the Subscription Shares and the Introducer Shares on the Mainboard.

4. INTERESTS OF DIRECTORS, CONTROLLING SHAREHOLDERS AND SUBSTANTIAL SHAREHOLDERS

Save for their respective shareholding interests in the Company (as the case may be), none of the Directors, controlling Shareholders or substantial Shareholders, or their respective associates has any interest, direct or indirect, in the Subscription Agreements, the Subscriptions or the Subscription Shares.

	Before the Subscription and The9 Subscription				After The9 Subscription ⁽¹⁾		After the Subscriptions		After The9's Exercise of the Option ⁽²⁾	
	Direct Interest (No. of Shares)	Deemed Interest (No. of Shares)	Total Interest (No. of Shares)	Voting Rights (%) ⁽⁴⁾	After The9 Subscription (No. of Shares)	Voting Rights (%) ⁽⁵⁾	After the Subscriptions (No. of Shares)	Voting Rights (%) ⁽⁶⁾	After the Option (No. of Shares)	Voting Rights (%) ⁽⁷⁾
Director										
Ho Kwok Wai ⁽⁸⁾	–	164,749,871	164,749,871	51.24%	164,749,871	49.24%	164,749,871	47.87%	164,749,871	43.43%
Mark Francis Bedingham ⁽⁹⁾	–	43,008,321	43,008,321	13.38%	43,008,321	12.85%	43,008,321	12.50%	43,008,321	11.34%
Fong Sing Chak Jack ⁽¹⁰⁾	–	1,000,000	1,000,000	0.31%	1,000,000	0.30%	1,000,000	0.29%	1,000,000	0.26%
Wong Yen Siang	–	–	–	–	–	–	–	–	–	–
Wee Sung Leng	–	–	–	–	–	–	–	–	–	–
Substantial Shareholders (other than Directors)										
Jet Palace Holdings Limited ⁽¹¹⁾	–	33,400,000	33,400,000	10.39%	33,400,000	9.98%	33,400,000	9.71%	33,400,000	8.80%
Taipan Grand Investments Limited ⁽¹²⁾	–	77,933,000	77,933,000	24.24%	77,933,000	23.29%	77,933,000	22.65%	77,933,000	20.54%
The9 Limited	–	–	–	–	11,083,333	3.31%	11,083,333	3.22%	44,333,000 ⁽¹³⁾	11.69%

Notes:

- (1) Following The9 Subscription, the free float of Shares in the hands of the public will increase to 37.61% (above the minimum 10% prescribed under Rule 723 of the Listing Rules).
- (2) Following the Subscriptions, the free float of Shares in the hands of the public will increase to 39.34% (above the minimum 10% prescribed under Rule 723 of the Listing Rules).
- (3) Following the The9's Exercise of the Option, assuming the allotment and issuance of all and not some of the Option Shares to The9 and 4,000,000 new Shares to the Introducer pursuant to The9 Subscription, the free float of Shares in the hands of the public will decrease to 33.29% (above the minimum 10% prescribed under Rule 723 of the Listing Rules).
- (4) Percentage is calculated based on 321,496,792 Shares as at the date of this application.
- (5) Percentage is calculated based on 334,580,125 Shares as adjusted for the The9 Subscription and the allotment and issuance of 2,000,000 new Shares to the Introducer pursuant to The9 Subscription.

- (6) Percentage is calculated based on 344,125,125 Shares as adjusted for the Subscriptions and the allotment and issuance of 1,245,000 Introducer Shares.
- (7) Percentage is calculated based on 379,375,125 Shares as adjusted for (upon The9's Exercise) the allotment and issuance of all the Option Shares to The9 and all remaining 2,000,000 new Shares to the Introducer pursuant to The9 Subscription.
- (8) 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 (53,416,871 Shares).
- (9) Mr Mark Francis Bedingham is deemed to be interested in 35,508,321 Shares held by Bank Julius Baer.
- (10) Mr Fong Sing Chak Jack's 1,000,000 Shares are registered in the name of a nominee account.
- (11) Jet Palace Holdings Limited's 33,400,000 Shares are registered in the name of a nominee account.
- (12) Taipan Grand Investments Limited's 77,933,000 Shares are registered in the name of a nominee account.
- (13) The number of Shares held by the The9 assumes the allotment and issuance (upon and subject to the The9's Exercise) of all and not some of the Option Shares to The9.

5. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the following documents will be available for inspection during normal business hours at the Company's registered office at 300 Beach Road, the Concourse #31-03, Singapore 199555 for a period of three (3) months from the date of this announcement:

- (a) the Constitution of the Company;
- (b) the Subscription Agreements; and
- (c) the Annual Report of the Company for FY2020.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to enquiries@sin-mi.com to make an appointment in advance. The Company will arrange a date when each Shareholder can come to the registered office to inspect the documents accordingly. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Subscription Agreements, the Subscriptions, the Subscribers, the Introducer, the Subscription Shares, and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

7. FURTHER ANNOUNCEMENTS

The Company will make further and other announcements at the relevant time as and when there are material developments in relation to the Subscriptions, in particular, when the approval-in-principle of the

SGX-ST for the listing and quotation of the Subscription Shares and Introducer Shares on the Mainboard, is received. The listing and quotation notice to be given by the SGX-ST in respect of the Subscription Shares and the Introducer Shares is not an indication of the merits of the Subscriptions, the Subscribers, the Group and/or the Shares.

8. CAUTION IN TRADING

As at the date of this announcement, Shareholders should be cautioned that the Subscription Agreements and the Subscriptions are subject to, *inter alia*, fulfilment of the Conditions Precedent, including the approval of the SGX-ST for the listing and quotation of the Subscription Shares on the Mainboard, and there is no assurance that the Subscriptions will proceed or proceed on the present terms.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their Shares which may be prejudicial to their interests, and to exercise caution when dealing in their Shares. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Mark Bedingham
President & CEO
23 June 2021

NOTICE OF EGM

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 (“**Meeting**”) of SINGAPORE MYANMAR INVESTCO LIMITED (“**Company**” and together with its subsidiaries, the “**Group**”) will be held by way of electronic means (via LIVE WEBCAST and AUDIO ONLY MEANS) on 6 October 2021, at 2.00 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the resolutions as set out below (“**Notice**”).

All capitalised used in this notice which are not defined herein shall have the meanings ascribed to them in the accompanying circular dated 14 September 2021 to shareholders of the Company.

Shareholder should note that the passing of Ordinary Resolutions 1, 2 and 3 as set out below are inter-conditional. As such, if any one of Ordinary Resolutions 1, 2 or 3 is not passed, the remaining Ordinary Resolutions would not be carried.

ORDINARY RESOLUTION 1: THE PROPOSED LOAN CAPITALISATION

RESOLVED THAT:

- (a) approval be given for the purpose of Rules 803, 804, 805, 812 and 906(1)(a) of the Listing Rules and section 161 of the Act, for the proposed allotment and issuance of up to 132,910,062 new Shares by the Company to Mark Francis Bedingham in discharge and settlement of the Outstanding Amount under the Loan Agreements; and
- (b) the Directors (save for Mark Francis Bedingham) be authorised to do all such acts and things (including without limitation, entering into all such transactions, arrangements and agreements and executing all such documents) as they may consider necessary or expedient for the purposes of giving effect to this resolution and that authority be and is hereby given for the common seal of the Company to be affixed in accordance with the Company’s Constitution to any document as may be necessary or required.

ORDINARY RESOLUTION 2: THE ALLOTMENT AND ISSUANCE OF THE PPCF SHARES

RESOLVED THAT:

- (a) approval be given for the purpose of Rule 805 and section 161 of the Act, for the proposed allotment and issuance of up to 1,250,000 new Shares by the Company to PPCF amounting in value to S\$62,500, in consideration of part of the professional fees due to PPCF; and
- (b) the Directors be authorised to do all such acts and things (including without limitation, entering into all such transactions, arrangements and agreements and executing all such documents) as they may consider necessary or expedient for the purposes of giving effect to this resolution and that authority be and is hereby given for the common seal of the Company to be affixed in accordance with the Company’s Constitution to any document as may be necessary or required.

ORDINARY RESOLUTION 3: THE PROPOSED WHITEWASH RESOLUTION

RESOLVED THAT:

Contingent upon the passing of Ordinary Resolution 1 and 2, the Shareholders hereby (on a poll taken) unconditionally and irrevocably waive their rights to receive a mandatory general offer under Rule 14 of the Code from Mark Francis Bedingham, in respect of all or any part of the ordinary shares held by such Shareholder, as a result of the Proposed Loan Capitalisation.

NOTICE OF EGM

SPECIAL RESOLUTION 4: THE PROPOSED CHANGE OF NAME

RESOLVED THAT:

- (a) Pursuant to section 28 of the Act, approval be and is hereby given for the Company to undertake the proposed change of the Company's name from "Singapore Myanmar Investco Limited" to "SMI Vantage Limited"; and
- (b) the Directors be authorised to do all such acts and things (including without limitation, entering into all such transactions, arrangements and agreements and executing all such documents) as they may consider necessary or expedient for the purposes of giving effect to this resolution and that authority be and is hereby given for the common seal of the Company to be affixed in accordance with the Company's Constitution to any document as may be necessary or required.

By Order of the Board

Ho Kwok Wai
Non-Executive
Chairman
14 September 2021

NOTICE OF EGM

Notes:

1. The Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Due to the current COVID-19 restriction orders in Singapore, members will not be able to attend the Meeting in person. Members will be able to watch the proceedings of the Meeting through a “live” webcast via their mobile phones, tablets or computers or listen to these proceedings through a “live” audio feed via telephone. In order to do so, members who wish to watch the “live” webcast or listen to the “live” audio feed must pre-register by 2.00 p.m. on 4 October 2021, at <https://conveneagm.sg/SINMIEGM2021>. Following authentication of their status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the Meeting by 12.00 p.m. on 5 October 2021. Members who do not receive an email by 12.00 p.m. on 5 October 2021 should contact the Company’s Share Registrar, Tricor Barbinder Share Registration Services by email at sg.is.proxy@sg.tricorglobal.com.

Persons holding shares through relevant intermediaries who wish to participate in the Meeting via webcast should contact their relevant intermediaries through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the Meeting.

3. Members who pre-register to watch the “live” webcast or listen to the “live” audio feed may also submit questions relating to the resolutions to be tabled for approval at the Meeting. Please note that members will not be able to ask questions at the Meeting “live” during the webcast and the audio feed.

All questions must be submitted by 2.00 p.m. on 30 September 2021 via the pre-registration website at the URL: <http://conveneagm.sg/SINMIEGM2021>.

The Company will address substantial questions relevant to the resolutions to be tabled for approval at the Meeting as received from Shareholders either before or during the Meeting. The Company will, within one month after the date of the Meeting, publish the minutes of the Meeting on SGXNet and the Company’s website.

4. A member will not be able to attend the Meeting in person. Members (whether individuals or corporates) who wish to exercise their voting rights at the Meeting must appoint the chairman of the Meeting (“**Chairman of the Meeting**”) as their proxy to attend, speak and vote on their behalf at the Meeting. In appointing the Chairman of the Meeting as proxy, members (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
5. The Chairman of the Meeting, as proxy, need not be a member of the Company.
6. The instrument appointing the Chairman of the Meeting as proxy must:
 - (a) if sent personally or by post, be received by the Company’s Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898; and
 - (b) if submitted by email, be received by the Company’s Share Registrar, Tricor Barbinder Share Registration Services by email at sg.is.proxy@sg.tricorglobal.com,

in either case no later than 2.00 p.m. on 4 October 2021, and in default the instrument of proxy shall not be treated as valid. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

NOTICE OF EGM

7. The Circular has been made available on SGXNET and may be accessed at <http://sin-mi.listedcompany.com/newsroom.html>.
8. The instrument appointing the Chairman of the Meeting as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.
9. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the instrument of proxy, failing which the instrument may be treated as invalid.
10. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (such as in the case where the appointor submits more than one instrument of proxy).
11. In the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its 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.

Important Reminders

Due to the constantly evolving COVID-19 situation, the Company may be required to change its Meeting arrangements at short notice. Members are advised to regularly check the Company's website or announcements released on SGXNET for updates on the Meeting. Further, in view of the current COVID-19 measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

PERSONAL DATA PRIVACY:

By submitting a proxy form 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, 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

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

**PROXY FORM
Extraordinary General Meeting**

This form of proxy has been made available on SGXNet and the Company's website and may be accessed at the URLs <https://www.sgx.com/securities/company-announcements> and <http://sin.mi.listedcompany.com/newsroom.html>. A printed copy of this form of proxy will NOT be dispatched to members.

IMPORTANT

1. Due to the current COVID-19 restriction orders in Singapore, members will not be able to attend the Meeting in person. Members will be able to watch the proceedings of the Meeting through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, members who wish to watch the "live" webcast or listen to the "live" audio feed must pre-register by 2.00 p.m. on 4 October 2021, at <https://conveneagm.sg/SINMIEGM2021>. Following authentication of their status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the Meeting by 12.00 p.m. on 5 October. Members who do not receive an email by 12.00 p.m. on 5 October 2021 should contact the Company's Share Registrar, Tricor Barbinder Share Registration Services by email at sg.is.proxy@sg.tricorglobal.com.
2. An investor who holds shares under the Supplementary Retirement Scheme may inform their respective SRS Operators to appoint the Chairman of the Meeting to act as their proxy at least 7 working days before the Meeting.
3. By (a) submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (and his appointed proxy(ies)) consents to the collection, use and disclosure of their personal data by the Company (or its agents or service providers) for such purposes and/or otherwise with the personal data privacy terms set out in the Notice of EGM dated 14 September 2021.

I/We* _____ (Name) _____ (NRIC/Passport No.*)

of _____ (Address)

being a Shareholder/Shareholders* of **SINGAPORE MYANMAR INVESTCO LIMITED** ("Company"), hereby appoint the Chairman of the extraordinary general meeting of the Company ("**Meeting**"), as my/our* proxy to vote for me/us* on my/our* behalf at the Meeting to be held by way of electronic means (via LIVE WEBCAST and AUDIO ONLY MEANS) on 6 October 2021 at 2.00 p.m. and at any adjournment thereof. I/We* direct the Chairman of the Meeting to vote for or against, or abstain from voting on the Resolutions to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the appointment of the Chairman of the Meeting as my/our* proxy will be treated as invalid.

The Ordinary Resolution put to the vote at the Meeting shall be decided by way of poll.

Shareholders should note that the passing of Ordinary Resolutions 1, 2 and 3 set out in this proxy form are inter-conditional. This means that if either Ordinary Resolutions 1, 2 or 3 is not approved, the other Ordinary Resolutions would not be carried.

No.	ORDINARY RESOLUTION	For	Against	Abstain
1.	To approve the Proposed Loan Capitalisation			
2.	To approve the allotment and issuance of the PPCF Shares			
3.	To approve the Proposed Whitewash Resolution			
	SPECIAL RESOLUTION			
4.	To approve the Proposed Change of Name			

Notes: If you wish to exercise all your votes "For", "Against" or "Abstain", please tick within the box provided. Alternatively, please indicate the number of shares the Chairman of the Meeting, as your proxy, is directed to vote "For", "Against" or "Abstain".

Dated _____ 2021

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

**Delete where inapplicable*

PROXY FORM

NOTES: IMPORTANT

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he 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 the member.
2. Due to the current COVID-19 restriction orders in Singapore, members will not be able to attend the Meeting in person. Members will be able to watch the proceedings of the Meeting through a “live” webcast via their mobile phones, tablets or computers or listen to these proceedings through a “live” audio feed via telephone. In order to do so, members who wish to watch the “live” webcast or listen to the “live” audio feed must pre-register by 2.00 p.m. on 4 October 2021, at <https://conveneagm.sg/SINMIEGM2021>. Following authentication of their status as members, authenticated members will receive email instructions on how to access the webcast and audio feed of the proceedings of the EGM by 12.00 p.m. on 5 October 2021. Members who do not receive an email by 12.00 p.m. on 5 October 2021 should contact the Company’s Share Registrar, Tricor Barbinder Share Registration Services by email at sg.is.proxy@sg.tricorglobal.com.
3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy must:
 - (a) if sent personally or by post, be received by the Company’s Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02, Singapore 068898; or
 - (b) if submitted by email, be received by the Company’s Share Registrar, Tricor Barbinder Share Registration Services by email at sg.is.proxy@sg.tricorglobal.com,

In either case no later than 2.00 p.m. on 4 October 2021, and in default the instrument of proxy shall not be treated as valid. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

5. The instrument appointing the Chairman of the Meeting as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney.
6. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be attached to the instrument of proxy, failing which the instrument may be treated as invalid.
7. The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (such as in the case where the appointor submits more than one instrument of proxy).
8. In the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his/her/its 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.
9. Similarly, a member of the Company who holds his/her shares through a Relevant Intermediary (including SRS investors) and who wish to exercise his/her votes by appointing the Chairman of the Meeting as proxy should approach his/her Relevant Intermediary (including his/her SRS Operators) to submit his/her voting instructions at least seven (7) working days prior to the date of the Meeting.

“**Relevant Intermediary**” means:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

PROXY FORM

- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Important Reminders

Due to the constantly evolving COVID-19 situation, the Company may be required to change its Extraordinary General Meeting arrangements at short notice. Members are advised to regularly check the Company's website or announcements released on SGXNET for updates on the Extraordinary General Meeting. Further, in view of the current COVID-19 measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.