

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

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**RESPONSE TO SGX QUERIES**

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The Board of Directors ("**Board**") of Singapore Myanmar Investco Limited ("**Company**" and together with its subsidiaries, "**Group**") wishes to announce the following in response to the queries raised by Singapore Exchange Securities Trading Limited ("**SGX-ST**") in their email dated 27 September 2021 in relation to (i) the Company's SGXNet announcement of 19 September 2021 titled "SMI and Hatten Technology ink MOU to explore and evaluate cryptocurrency mining activities in Malaysia"; (the "**19 September Announcement**"); (ii) the Company's SGXNet announcement of 24 August 2021 titled "SMI embarks on new cryptocurrency mining service for institutional and retail clients" (the "**24 August Announcement**"); and (iii) the Company's SGXNet announcement of 15 July 2021 titled "SMI signs MOU with The9 for the development of a cryptocurrency mining business" (the "**15 July Announcement**", collectively, the "**Announcements**").

Unless otherwise defined, capitalised terms used herein shall bear the same meaning ascribed to them in the Announcements.

**SGX Query 1:**

- (a) Please provide the Board's assessment as to whether the purchase of cryptocurrency mining machines in the 24 August 2021 Announcement is in the ordinary course of the Company's business and the bases for the Board's assessment.

**Company response:**

On 30 June 2021, the Company had announced its intention to pivot the company in a new direction encompassing cryptocurrency, SaaS and other high technology platforms subject to the approval of SGX-ST, and the Company's shareholders at a general meeting to be convened in the later part of the year ("**EGM**"), for a diversification of the Company's core business.

While the Board is of the view that the acquisition of the cryptocurrency mining machines announced in the 24 August 2021 Announcement is not in the ordinary course of the Company's existing principal business, it is in line with the Company's announcement of its intention, and initial preparation, to diversify into the new business. The Company, had in the same 24 August 2021 Announcement, stated that the diversification into the new business is subject to the approval of the SGX-ST and shareholders in a general meeting to be held at the later half of the year, preparations of which are currently being made.

**SGX Query 2:**

- (b) Please clarify the classification of the purchase of cryptocurrency mining machines pursuant to Chapter 10 Part IV Classification of Transactions of the SGX-ST Listing Manual.

**Company response:**

The aggregate value of consideration is for an initial order of 100 cryptocurrency mining machines as purchased by the Company to-date is S\$100,000. Please refer to the computations below in relation to the acquisition of the machines and the bases in Rule 1006.

Based on the latest announced consolidated accounts of the Group being the audited accounts for FY2020, the relative figures in relation to the acquisition computed on the applicable bases set out in Rule 1006 of the Listing Manual are as follows:

Rule	Bases of computation	Relative figures
1006(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable <sup>(1)</sup>
1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.	Not applicable <sup>(2)</sup>
1006(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation <sup>(3)</sup> based on the total number of issued shares excluding treasury shares.	0.25%
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable <sup>(4)</sup>
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable <sup>(5)</sup>

**Notes:**

- (1) This basis is not applicable as it is not a disposal.
- (2) This basis is not applicable as there are no profits attributable to the machines purchased.
- (3) Under Rule 1002(5) of the Listing Manual, "market capitalisation" of the Company is determined by multiplying the 321,496,792 shares in issue (excluding treasury shares) by the closing price of such shares transacted on the market day immediately preceding the announcement of the purchase of machines, being S\$0.123.
- (4) This basis is not applicable as no equity securities were issued as consideration.
- (5) This basis is not applicable as it only applies to a disposal of mineral, oil and gas assets by a mineral, oil and gas company.

As the relative figure computed under Rule 1006(c) of the Listing Manual does not exceed 5%, the acquisition constitutes a non-disclosable transaction under Chapter 10 of the Listing Manual.

**SGX Query 3:**

- (c) Please clarify the role of the Company in the Cooperation and Support agreement with The9 Limited.

**Company response:**

We refer to the 15 July Announcement where the Company disclosed the Cooperation and Support agreement ("**Agreement**") with Hang Zhou Suan Li Technology Co Ltd ("**NHASH**"). The9 Limited ("**The9**") announced on 22 February 2021 that it had signed a legally binding memorandum of understanding with NHASH, to acquire 70% shareholding in NHASH.

As part of the Company's pivot into the cryptocurrency cloud mining business, The9 and NHASH will provide technical expertise, training, development and operation of a cloud-based mining platform system, and access to higher-end cryptocurrency mining machines to the Company.

The Company will leverage on our regional business network and experienced management team to provide services in relation to cloud-based mining system and/or distribute machines to customers in Central and Southern Asia and Oceania. The Company will also develop its own cryptocurrency mining centres in locations in Southeast Asia.

**SGX Query 4:**

- (d) Please disclose the salient terms of the cooperation and support agreement with NHASH.

**Company response:**

The Company has entered into the Agreement for a period of 5 years, with an optional extension for a further 5 years upon mutual agreement by all parties, with the following salient terms:

- (i) NHASH is to undertake the development of an online platform for the cryptocurrency cloud mining business that the Company is proposing to pivot into. The platform development includes both the front-end online platform upon which customers can view the various offerings and login to view their account and machine performance, and the back-end system which will manage all the cryptocurrency mining machines that are installed by the Company at its various cryptocurrency mining facilities/datacentres.
- (ii) Under the Agreement, NHASH undertakes to provide services to the Company, and not to other third parties, for the specific region defined as each of the countries in Central and Southern Asia and Oceania.
- (iii) NHASH will also provide staff training for the Company to develop its cryptocurrency mining facility/datacentre operations.

The Company will pay NHASH an upfront fee, which is to be determined, for the development of the online platform and thereafter a retainer fee, which is also currently under negotiation. The online platform that is developed will be owned by the Company.

**SGX Query 5:**

- (e) Please clarify the specific roles of the Company, The9 and the NHASH in relation to (i) the Company's "launch of the cryptocurrency cloud mining business"; and (ii) the purchase of the cryptocurrency mining machines. Please elaborate on the cryptocurrency cloud mining business.

**Company response:**

- (i) Specific Roles

The Company intends to develop a cryptocurrency cloud mining platform and embark on a business which focuses on providing access and services related to cryptocurrency mining to retail customers in Central and Southern Asia and Oceania. The Company plans to develop its own cryptocurrency mining facility and datacentres in locations throughout the identified regions by signing lease agreements with landlords. The Company intends to hire local sales staff, customer service officers, technical staff for the cryptocurrency mining facilities.

For its entry into the cryptocurrency cloud mining business, the Company will purchase cryptocurrency mining machines from The9, and enlist technical support from NHASH to develop the online platform, comprising the front-end and the back-end systems that are necessary for the business. The9 and NHASH are developing a global online platform for retail customers to perform cryptocurrency mining operations with a focus on the USA, Europe and the Middle East.

- (ii) Purchase of machines

Under the MOU entered into with The9 ("**MOU**"), the Company has the option to purchase up to 4,000 cryptocurrency mining machines progressively from The9. The purchase consideration is subject to the execution of a definitive agreement for such purchase at the time of purchase and can be satisfied by cash or shares, subject to obtaining the necessary approvals of the Company's shareholders at an EGM. NHASH is not involved in the sale of the machines.

- (iii) Elaboration on the cryptocurrency cloud mining business

The cryptocurrency cloud mining business is the set-up of an online platform, from which retail customers will have the option to either:

- (a) purchase cryptocurrency mining machines;
- (b) lease cryptocurrency mining machines exclusively for their own use; or
- (c) lease cryptocurrency mining machines non-exclusively at a specific hash-rate (fractional time-based ownership of cryptocurrency mining machines).

**SGX Query 6:**

- (f) Please explain what is meant by “this agreement also presents SMI with the option to purchase up to 4,000 crypto mining machines”.

**Company response:**

As described above, the Company has the option to buy up to 4,000 machines from The9 progressively over time. Details of the cooperation and support agreement, the type of machines (mining Bitcoin, Ethereum, Filecoin or Chia), the service costs related to operating these machines, and the purchase prices have not yet been finalised between the parties and are still subject to further definitive purchase agreements to be entered into between the parties. This is predicated on the Company securing the required regulatory clearances as well as shareholders’ approval in a meeting to be held for the Company’s proposed pivot towards the new business direction.

**SGX Query 7:**

- (g) We note that the following is disclosed in Hatten Land Limited’s announcement of 16 September 2021, “Under the MOU, SMI has the intention to install up to 2,000 rigs in Hatten Land’s properties in Melaka. Hatten Land and SMI are working to conclude definitive agreement within 90 days from 30 September 2021. Hatten Land expects to install and operate the rigs from December 2021.”

Please confirm if the above is factual.

**Company response:**

As disclosed in the 19 September Announcement, under the memorandum of understanding signed between the Company and Hatten Technology, which will come into effect from 30 September 2021, both parties will work to develop a business plan to evaluate whether a sustainable long term business model can be created for both parties (“**Business Plans**”). This non-binding MoU forms the exploratory basis for tentative discussions on potential business collaboration in cryptocurrency mining activities in relation to the evaluation of potential sites identified at malls owned/managed by Hatten Technology or its related corporations in Melaka, Malaysia, with a future goal of 2,000 machines, subject to finalisation of the business plan, legal entities and any required regulatory approvals, and subject to the execution of binding definitive agreement(s) as further described below.

Should the Company and Hatten Technology agree to the Business Plans, both parties will thereafter enter into negotiations for a period of 90 days to formalise the definitive agreement(s) and the Board will provide updates to shareholders if and when such definitive agreement(s) are finalised.

There is no certainty at this time that installation of any number of cryptocurrency mining machines over any definitive time frame will materialise in the future as it is subject to the Business Plans to be worked out between the parties and thereafter a definitive agreement to be entered into between the parties and there is no certainty that such a definitive agreement will be executed.

**BY ORDER OF THE BOARD**

Mark Bedingham  
President & CEO  
27 September 2021