

CIRCULAR DATED 10 JULY 2017

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action 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 in the capital of **Singapore Myanmar Investco Limited** (hereinafter referred to as “**SMI**” or the “**Company**”) held through the Central Depository (Pte) Limited (the “**CDP**”), you need not forward this Circular (as defined herein) to the purchaser or transferee as arrangements will be made by the CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should at once hand this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Circular has not been examined or approved by The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and the SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.



**CIRCULAR TO SHAREHOLDERS IN RELATION TO
THE PROPOSED ADOPTION OF THE SINGAPORE MYANMAR INVESTCO LIMITED
EMPLOYEE SHARE OPTION SCHEME**

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	:	23 July 2017 at 11.00 a.m.
Date and time of Extraordinary General Meeting	:	25 July 2017 (or immediately after the conclusion of the Annual General Meeting of the Company held on 25 July 2017)
Place of Extraordinary General Meeting	:	TKP Conference Centre, 55 Market Street #03-01, Singapore 048941

TABLE OF CONTENTS

	Page
DEFINITIONS.....	3
LETTER TO SHAREHOLDERS	
1. INTRODUCTION.....	7
2. THE SMI ESOS.....	7
3. ROLE AND COMPOSITION OF THE COMMITTEE	11
4. RATIONALE FOR THE SMI ESOS	11
5. FINANCIAL EFFECTS OF THE SMI ESOS	12
6. INTERESTS OF DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS.....	14
7. DIRECTORS' RECOMMENDATION	15
8. EXTRAORDINARY GENERAL MEETING.....	15
9. ACTION TO BE TAKEN BY SHAREHOLDERS.....	15
10. ABSTENTION FROM VOTING	15
11. DIRECTORS' RESPONSIBILITY STATEMENT	16
12. DOCUMENTS AVAILABLE FOR INSPECTION	17
APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES	39
NOTICE OF EXTRAORDINARY GENERAL MEETING	
EXTRAORDINARY GENERAL MEETING PROXY FORM	

DEFINITIONS

The following definitions apply throughout in this Circular except where the context otherwise requires:

<i>“2014 SMI Performance Share Plan”</i>	:	means the 2014 SMI Performance Share Plan of the Company, which was approved at an extraordinary general meeting of the Company held on 30 July 2014.
<i>“Acceptance Form”</i>	:	has the meaning ascribed to it in Appendix A at Rule 8.1.
<i>“Articles”</i>	:	means the Articles of Association of SMI, as may be amended, modified or supplemented from time to time.
<i>“Associate”</i>	:	<ul style="list-style-type: none">(a) in relation to any Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means:<ul style="list-style-type: none">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; andiii. any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30% or more; and(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of 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.
<i>“Auditors”</i>	:	means the auditors of the Company for the time being.
<i>“Board”</i>	:	means the board of Directors of the Company for the time being.
<i>“CDP”</i>	:	means the Central Depository (Pte) Limited.
<i>“CEO”</i>	:	means the chief executive officer of the Company for the time being.
<i>“Circular”</i>	:	means this circular to Shareholders dated 10 July 2017.
<i>“Committee”</i>	:	means the Remuneration Committee of the Board, comprising such Directors duly authorized and appointed by the Board from time to time, who shall be responsible for administering the SMI ESOS.
<i>“Companies Act”</i>	:	means the Companies Act (Chapter 50) of Singapore, as may be amended, modified or supplemented from time to time.
<i>“Company” or “SMI”</i>	:	means Singapore Myanmar Investco Limited.
<i>“Constitution”</i>	:	means the Memorandum and Articles of the Company, as may be amended, modified or supplemented from time to time.

DEFINITIONS

<i>“Controlling Shareholder”</i>	:	A person (including a corporation) who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the total number of issued shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company.
<i>“CPF”</i>	:	means the Central Provident Fund ;
<i>“CPF Approved Nominees”</i>	:	means agent banks included under the CPFIS.
<i>“CPFIS”</i>	:	means the Central Provident Fund Investment Scheme.
<i>“Date of Grant” or “Offer Date”</i>	:	means the date on which an Option is granted to a Participant in accordance with the SMI ESOS Rules.
<i>“Director(s)”</i>	:	means a person holding office as a director for the time being of the Company.
<i>“EGM”</i>	:	means the extraordinary general meeting of the Company to be convened and held at TKP Conference Centre, 55 Market Street #03-01, Singapore 048941 on 25 July 2017 at 11.00 a.m. (or immediately after the conclusion of the Annual General Meeting of the Company to be held on 25 July 2017), notice of which is set out on pages 39 to 40 of this Circular.
<i>“EPS”</i>	:	means earnings per share.
<i>“Executive Director”</i>	:	means the executive Director of SMI for the time being.
<i>“Exercise Period”</i>	:	means the period for the exercise of an Option, being the period commencing after the second (2 nd) anniversary after the relevant Date of Grant and expiring on the fifth (5 th) anniversary of such Date of Grant, or such earlier date as may be determined by the Committee, in accordance with Rule 12 of the SMI ESOS Rules.
<i>“Exercise Price”</i>	:	means the price at which a Participant shall subscribe for each SMI Share upon the exercise of an Option, as determined in accordance with the SMI ESOS Rules.
<i>“FRS”</i>	:	means the Singapore financial reporting standards.
<i>“FY”</i>	:	means the financial year ended 31 March.
<i>“Grantee”</i>	:	means the person to whom an offer of an Option is made.
<i>“Group”</i>	:	means the Company and its subsidiaries, collectively.
<i>“Immediate Family”</i>	:	means, in relation to a person, the person’s spouse, child, adopted child, step-child, sibling and parent.
<i>“Independent Director”</i>	:	means an independent Director for the time being.
<i>“Latest Practicable Date”</i>	:	means the latest practicable date prior to the printing of this Circular, being 20 June 2017.

DEFINITIONS

<i>“Letter of Offer”</i>	:	has the meaning ascribed to it in Appendix A at Rule 7.2.
<i>“Listing Manual”</i>	:	means the Listing Manual of the SGX-ST, as may be amended, modified or supplemented from time to time.
<i>“Market Day”</i>	:	means a day on which the SGX-ST is open for trading in securities.
<i>“Market Price”</i>	:	means the price equal to the average of the last dealt prices for a SMI Share, as determined by reference to the daily official list or other publication published by the SGX-ST for five (5) consecutive Market Days immediately preceding the Date of Grant of that Option rounded up to the nearest whole cent in the event of fractional prices.
<i>“Memorandum”</i>	:	means the memorandum of association of SMI, as may be amended, modified or supplemented from time to time.
<i>“New Shares”</i>	:	means the new Shares which may be allotted and issued from time to time pursuant to the exercise of the Options granted under the SMI ESOS.
<i>“Non-Executive Director”</i>	:	means the non-executive Director of SMI for the time being.
<i>“Notice of EGM”</i>	:	means the notice of EGM as set out on pages 39 to 40 of this Circular.
<i>“Option”</i>	:	means a share option to subscribe for SMI Shares to be granted under the SMI ESOS.
<i>“Participant”</i>	:	means a personnel from the key management team who is selected by the Committee to participate in the SMI ESOS in accordance with the respective SMI ESOS Rules.
<i>“Record Date”</i>	:	means the date fixed by SMI for the purposes of determining entitlements to dividends or other distributions to or rights of holders of SMI Shares.
<i>“SFA”</i>	:	means the Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time.
<i>“SGX-ST”</i>	:	means the Singapore Exchange Securities Trading Limited.
<i>“Share(s)” or “SMI Shares”</i>	:	means the fully-paid ordinary share(s) in the capital of the Company.
<i>“Shareholder(s)”</i>	:	means the shareholder(s) of the Company from time to time.
<i>“subsidiary”</i>	:	A company which is for the time being a subsidiary of the another corporation, as defined in Section 5 of the Companies Act, and subsidiaries shall be construed accordingly;
<i>“Subsidiary Holdings”</i>	:	Shares held by subsidiaries of the Company in accordance with the Companies Act;
<i>“Substantial Shareholder”</i>	:	means a Shareholder who has an interest in not less than 5% of the total issued Shares.

DEFINITIONS

“SMI ESOS”	:	means the proposed Singapore Myanmar Investco Limited employee share option scheme to be adopted by the Company.
“SMI ESOS Rules”	:	means the Singapore Myanmar Investco Limited employee share option scheme rules as set out in Appendix A of this Circular.
“\$” and “cents”	:	means dollars and cents respectively of the lawful currency of Singapore.
“%” or “per cent.”	:	means per centum or percentage.

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them, respectively, in section 81SF of the SFA.

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

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

Any reference to a time of day shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in figures included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

SINGAPORE MYANMAR INVESTCO LIMITED

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

Directors:

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

Registered Office:

300 Beach Road, #29-01
The Concourse
Singapore 199555

10 July 2017

To: The Shareholders of Singapore Myanmar Investco Limited

Dear Sir/Madam

THE PROPOSED ADOPTION OF THE SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME

1. INTRODUCTION

1.1. EGM

The Board is proposing to convene an EGM to seek Shareholders' approval in respect of the proposed adoption of the SMI ESOS.

1.2. Circular

The purpose of this Circular is to explain the reasons for and to provide the Shareholders with information relating to the proposed adoption of the SMI ESOS, details of which are set out below, and to seek Shareholders' approval in relation thereto at the upcoming EGM to be held at TKP Conference Centre, 55 Market Street #03-01, Singapore 048941 on 25 July 2017 at 11.00 a.m. (or immediately after the conclusion of the Annual General Meeting of the Company to be held on 25 July 2017). The Notice of EGM is set out on pages 39 to 40 of this Circular.

Upon the grant of Shareholders' approval for the adoption of the SMI ESOS, an application will be made by SMI to the SGX-ST for permission to the listing of and quotation for the New Shares, which may be allotted and issued pursuant to the exercise of Options to be granted under the SMI ESOS. Shareholders are advised that, if granted, the in-principle approval from SGX-ST for the listing of and quotation for the New Shares issued under the SMI ESOS, on the SGX-ST is not to be taken as an indication of the merits of the SMI Shares, the SMI ESOS, or the Company.

The SGX-ST assumes no responsibility for the accuracy, completeness or correctness of any of the information, statements made, opinions expressed or reports contained in this Circular.

2. THE PROPOSED ADOPTION OF THE SMI ESOS

SMI is proposing to implement an employee share option scheme to be named the "Singapore Myanmar Investco Limited Employee Share Option Scheme".

2.1. SMI ESOS Rules

The SMI ESOS Rules in their entirety are set out in **Appendix A** to this Circular, and a summary of the rules is set out below.

LETTER TO SHAREHOLDERS

2.2. Primary Objectives of the SMI ESOS

The SMI ESOS is established for the benefit of all personnel in the key management team and its objectives are as follows:

- a. to incentivize all Participants;
- b. to motivate Participants to optimise performance, efficiency and productivity;
- c. to reward and retain key Participants whose contributions are important to the long-term prospects and profitability of the Group;
- d. to promote a sense of loyalty amongst the Participants to further the growth of the Group; and
- e. to align the interests of the Participants with the interests of the Shareholders.

2.3. Eligibility of Participants

Subject to the absolute discretion of the Committee, key management personnel shall be eligible to participate in the SMI ESOS, provided that as of the Offer Date such key management personnel:

- a. have attained the age of 21 years;
- b. are not undischarged bankrupts;
- c. in the opinion of the Committee, have contributed or will contribute to the success and development of the Group;
- d. must hold such position as may be designated by the Company from time to time; and
- e. must have their eligibility confirmed by the Company as at each proposed Date of Grant as determined by the Committee.

Key management personnel who are Controlling Shareholders or their Associates shall not participate in the SMI ESOS, unless:

- a. such participation is approved by independent Shareholders and that a separate resolution is and will be passed to approve the participation of each such person and further that the resolution will approve the actual number and terms of options to be granted to that participant;
- b. the actual number and terms of any Option to be granted to them have been specifically approved by Shareholders who are not beneficiaries of the SMI ESOS in a general meeting in separate resolutions for each such Controlling Shareholder or his Associates; and
- c. all conditions for their participation in the SMI ESOS as may be required by the regulations of the SGX-ST from time to time are satisfied. In this regard, pursuant to Rule 845 of the Listing Manual, (1) the aggregate number of SMI Shares available to Controlling Shareholders and their Associates must not exceed 25% of the SMI Shares available under the SMI ESOS; and (2) the number of SMI Shares available to each Controlling Shareholder or his Associate must not exceed 10% of the SMI Shares available under the SMI ESOS.

LETTER TO SHAREHOLDERS

2.4. Entitlement of Participants

An Option represents the right of a Participant to subscribe for and/or to purchase SMI Shares in consideration of the Exercise Price to be paid upon the exercise of the Option. Subject to limitations under the SMI ESOS Rules, the Committee may take into account recommendations by the CEO and the advice of external experts, factors such as the performance of the Company and/or the Group, prevailing market and economic conditions, and shall decide in its sole and absolute discretion (taking into consideration (where applicable) the Grantee's rank, job performance, years of service, contribution to the success of the Company, potential for future development of the Grantee and the extent of effort and resourcefulness required:

- a. the selection of a Participant;
- b. the circumstances under which such Options should be granted;
- c. the number of Options to be granted; and
- d. the relevant Date of Grant (with the first grant to be made in FY 2018).

2.5. Size and Duration of the SMI ESOS

Pursuant to Rule 845 of the Listing Manual, the aggregate number of SMI Shares in relation to which an Option may be granted on any date under the SMI ESOS, when added to the number of SMI Shares issued and/or issuable in respect of:

- a. all Options granted under the SMI ESOS;
- b. all awards granted under the 2014 SMI Performance Share Plan; and
- c. all options or awards granted under any other share option or share scheme implemented by SMI and for the time being in force (if any),

must not exceed 15% of the number of all issued Shares (excluding treasury shares and Subsidiary Holdings) on the day preceding the relevant Date of Grant.

Rule 845 of the Listing Manual further stipulates that the aggregate number of SMI Shares in relation to which Options may be granted under the SMI ESOS to Controlling Shareholders and their Associates must not exceed 25% of the total SMI Shares available under the SMI ESOS, and the number of SMI Shares in relation to which an Option may be granted under the SMI ESOS to each Controlling Shareholder or his Associate must not exceed 10% of the total SMI Shares available under the SMI ESOS.

It should however be noted that this does not indicate that the Committee will definitely grant Options under the SMI ESOS up to the abovementioned prescribed limits. The Committee will exercise its discretion in deciding the number and size of Options to be granted to each Participant under the SMI ESOS.

The Committee shall monitor the grant of Options carefully to ensure that the size of the SMI ESOS will comply with the SMI ESOS Rules as well as the Listing Manual.

The SMI ESOS shall continue to be in force at the discretion of the Committee, subject to a maximum period of five (5) years commencing on the date on which the SMI ESOS is adopted by Shareholders at a general meeting, provided that the SMI ESOS may continue beyond the aforesaid period of time with the approval of Shareholders at a general meeting, or may be terminated at any time by the Committee in its discretion, subject to all relevant approvals which may then be required having been obtained and all applicable laws and regulations in Singapore having been complied with.

LETTER TO SHAREHOLDERS

Notwithstanding the expiry or termination of the SMI ESOS, any Options granted to Participants prior to such expiry or termination will continue to remain valid, subject to any other applicable rules of the SMI ESOS capable of surviving termination.

2.6. Exercise Price of Options

Subject to adjustments made in accordance with the SMI ESOS Rules, the Exercise Price shall be the average of the last dealt prices for the Shares over the five (5) consecutive Market Days immediately preceding the Date of Grant of the Options for which the Shares were traded on the SGX-ST, rounded to the nearest whole cent in the event of fractional prices.

2.7. Exercise Period of Options

Subject to the SMI ESOS Rules, Options granted to the Grantee shall only be exercisable after two (2) years from the Date of Grant of such Option.

Options granted to Participants shall be exercisable at any time by a Participant during the Exercise Period, provided always that such Options shall be exercised before the fifth (5th) anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee, failing which, all unexercised Options shall immediately lapse and become null and void, and the relevant Participant shall have no claim against the Company:

- a. subject to certain SMI ESOS Rules, upon the Participant ceasing to be key management personnel for any reason whatsoever;
- b. upon the bankruptcy of the Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of such Option; or
- c. in the event of termination for cause including but not limited to gross negligence, wilful misconduct, on the part of the Participant, as determined by the Committee in its absolute discretion.

For the purpose of paragraph 2.7(a) above, the Participant shall be deemed to have ceased being so employed as of the date of the notice of termination or resignation, as the case may be, unless such notice shall be withdrawn prior to its exercised date. For the avoidance of doubt, no Option shall lapse pursuant to paragraph 2.7(a) above in the event of any transfer of employment of a Participant within the Company.

Notwithstanding certain SMI ESOS Rules, if a Participant ceases to be in the employment of the Group by reason of:

- a. retirement before the retirement age (as prescribed by the relevant local legislation) with the consent of the Committee;
- b. for any other reason approved in writing by the Committee,

he may exercise any unexercised Option within the relevant Exercise Period, and upon the expiry of such Exercise Period, the Option shall immediately lapse and become null and void, and the Participant shall have no claim against the Company.

The Committee may, by notification, provide for further restrictions on the Exercise Period whether by providing a schedule for the vesting of SMI Shares comprised in the relevant Options or otherwise.

LETTER TO SHAREHOLDERS

2.8. Operation of the SMI ESOS

Subject to the prevailing legislation and guidelines applicable to the SMI ESOS, as well as the rules of the Listing Manual, SMI will have the flexibility to deliver SMI Shares to Participants upon the exercise of their Options by way of:

- a. an issue of new SMI Shares deemed to be fully paid upon their issuance and allotment; and
- b. subject to applicable laws, the purchase of existing SMI Shares.

In determining whether SMI should issue new SMI Shares, or purchase existing SMI Shares, the Company will take into account factors such as (but not limited to) the amount of cash available, the number of SMI Shares to be delivered, the prevailing Market Price of the SMI Shares and the cost to SMI of the various modes of settlement.

As an alternative to and in lieu of the issuance or delivery of SMI Shares as provided above but subject to the Exercise Price being lower than the Market Price, SMI (under the advice of the Committee) may, at its absolute and sole discretion, do any of the following upon exercise by Participants of their Options:

- a. elect to pay to the Participants the difference between the Exercise Price and the Market Price in cash; or
- b. elect to pay to the Participants the difference between the Exercise Price and the Market Price in the form of new SMI Shares to the nearest multiples of 100 (or such smaller denomination as may be determined by the Committee) with any excess of such difference being paid in cash.

Existing SMI Shares procured by SMI for transfer upon the exercise of an Option shall be subject to all the provisions of the Constitution, shall rank in full for all entitlements, excluding dividends or other distributions declared or recommended in respect of the then existing SMI Shares, the Record Date for which falls on or before the relevant exercise date, and shall in all other respects rank *pari passu* with other existing SMI Shares then in issue.

3. ROLE AND COMPOSITION OF THE COMMITTEE

The Committee, whose primary function is to assist the Board in reviewing remuneration matters, is the designated body responsible for administering the SMI ESOS. In compliance with the requirements of the Listing Manual, a Participant of the SMI ESOS, who is also a member of the Committee, shall not be involved in its deliberations in respect of Options to be granted to or held by that member of the Committee.

4. RATIONALE FOR THE SMI ESOS

The Company had previously implemented the 2014 SMI Performance Share Plan which was approved by Shareholders at an extraordinary general meeting of the Company on 30 July 2014 and is currently in force. The rules of the 2014 SMI Performance Share Plan are in compliance with the rules of the Listing Manual relating to share schemes.

The Company has undertaken a review of employee remuneration benefits and wishes to introduce an employee share option scheme known as the "Singapore Myanmar Investco Limited Employee Share Option Scheme" to be implemented in conjunction with the Company's existing 2014 SMI Performance Share Plan, so as to provide eligible Participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The SMI ESOS Rules are set out in Appendix A of this Circular. Both the SMI ESOS and the 2014 SMI Performance Share Plan will form an integral and important component of the Company's compensation plan and are designed primarily to reward and retain Participants whose services are vital to the growth and performance of the Group.

LETTER TO SHAREHOLDERS

The SMI ESOS and the 2014 SMI Performance Share Plan are designed to complement each other in the Group's efforts to reward, retain and motivate Participants to achieve better performance. The aim of implementing more than one incentive plan is to increase the Group's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve increased performance by providing the Group with a more comprehensive set of remuneration tools and further strengthen the Group's competitiveness in attracting and retaining talent.

The target Participants of the SMI ESOS are key management personnel. Specifically, the SMI ESOS seeks to recognise the efforts and contributions of Participants who have contributed to the well-being and prosperity of the Group. The recognition accorded will help retain these essential Participants to ensure the continued success of the Group. The Company is constantly sourcing for new talents as against its competitors, some of which are large and established organisations offering extremely attractive benefits including share options. Accordingly, the implementation of the SMI ESOS would narrow the gap between what the Group and these prestigious competitors can offer, thereby making career prospects with the Group more attractive.

The key objective of the SMI ESOS is to motivate Group key management personnel to optimise their performance standards and efficiency, and to reward them for their significant contributions with participation in the equity of SMI.

Awards granted under the 2014 SMI Performance Share Plan may be time-based or performance-related, and in each instance, shall vest only:

- a. where the award is time-based, after the satisfactory completion of the time-based service conditions, that is, after the participant has served the Group for a specified number of years (such awards being "**time-based awards**"); or
- b. where the award is performance-related, after the participant achieves a pre-determined performance
- c. (such awards being "**performance-related award**"). The performance target(s) are prescribed by the awards committee at its absolute discretion and is to be fulfilled by a participant under the 2014 SMI Performance Share Plan.

Under the terms of the 2014 SMI Performance Share Plan, the awards committee shall have absolute discretion to decide whether a person who is participating in the 2014 SMI Performance Share Plan shall be eligible to participate in any other share option scheme implemented by the Company or any other company within the Group.

5. FINANCIAL EFFECTS OF THE SMI ESOS

Details of the costs to the Company of granting Options under the SMI ESOS would be as follows:

5.1. Potential Costs of Options

Any Options granted under the SMI ESOS would have a fair value. In the event that such Options are granted at prices below the fair value of the Options, there will be a cost to the Company. The amount of such costs may be more significant in the case of Options granted with Exercise Prices set at a discount to the Market Prices of the Shares. In addition to the impact on the Company's EPS and NTA as described below, the cost to the Company of granting Options under the SMI ESOS would be as follows:

- a. the exercise of an Option at the Exercise Price would translate into a reduction of the proceeds from the exercise of such Option, as compared to the proceeds that the Company would have received from such exercise had the exercise been made at the prevailing market price of the Shares. Such reduction of the exercise proceeds would represent the monetary cost to the Company; and

LETTER TO SHAREHOLDERS

- b. the grant of Options under the SMI ESOS will have an impact on the Company's reported profit under FRS as share-based payment requires the recognition of an expense in respect of Options granted under the SMI ESOS. The expense will be based on the fair value of the Options at the grant (as determined by an option-pricing model) and will be recognised over the Exercise Period of the Options. The requirement is to recognise an expense in respect of Options granted to employees as set out in FRS 102.

It should be noted that the financial effect discussed in (a) above would materialise only upon the exercise of the relevant Options. The cost of granting Options discussed in (b) above would be recognised in the financial statements even if the Options are not exercised in (b). Measured against the cost of granting Options as described above is the desirable effect of the SMI ESOS in attracting, recruiting, retaining and motivating key management which could in the long term yield greater returns for the Company and Shareholders.

5.2. Share Capital

The SMI ESOS will result in an increase in SMI's issued share capital when new SMI Shares are issued and allotted to Participants pursuant to the exercise of Options. This increase will in turn depend on, *inter alia*, the number of SMI Shares comprised in the Options and the prevailing Market Price of the SMI Shares. However, there will be no change to SMI's issued share capital where Options (when exercised) are satisfied by the purchase of existing SMI Shares.

5.3. Earnings per Share

The SMI ESOS will have a dilutive effect on SMI's consolidated earnings per SMI Share following the increase in SMI's issued share capital to the extent that new SMI Shares are issued pursuant to the SMI ESOS.

5.4. Net Tangible Assets ("NTA")

The issue of new SMI Shares upon the exercise of the Options under the SMI ESOS will increase the consolidated NTA of SMI by the aggregate Exercise Price of the new SMI Shares. On a per SMI Share basis, the effect on the NTA of SMI is accretive if the Exercise Price is above the NTA per SMI Share but dilutive otherwise. Although the SMI ESOS will result in a charge to profit or loss of the Group and the Company, it should be noted that Options are granted only on a selective basis and will be granted to Participants whom the Company believes would have contributed or will contribute to its success including financial performance.

Shareholders should note that the financial effects described above are purely for illustration only. Shareholders should also note that the financial effects described above are not to be regarded as advice on the tax position of any person or a full statement regarding the financial or tax implications arising from the SMI ESOS. Shareholders who are in doubt as to their respective tax positions or the financial or tax implications should consult their own professional advisers.

5.5. Adjustments

In the event of a capitalisation issue of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction (including any reduction arising by reason of SMI purchasing or acquiring its issued SMI Shares), subdivision, consolidation or distribution, or issues for cash or for Shares or otherwise howsoever), the SMI ESOS Rules provide for a discretionary adjustment by the Committee of the Exercise Price, class and/or number of SMI Shares comprised in each outstanding Option granted and/or the class and/or number of SMI Shares over which additional Options may be granted.

The above adjustments will be made in such a way that a Participant will not receive a

LETTER TO SHAREHOLDERS

benefit that a Shareholder does not receive. Any other adjustments to the SMI ESOS which are not on a capitalisation issue of the Company will have to be confirmed by the Auditors (acting only as experts and not as arbitrators) to be fair and reasonable.

Unless the Committee considers an adjustment to be appropriate, the following events (whether singly or in combination) shall not normally be recognised as a circumstance requiring adjustments:

- a. an issue of securities as consideration for an acquisition of any assets by the Company, or a private placement of securities of the Company;
- b. where applicable, the cancellation of issued SMI Shares purchased or acquired by SMI by way of a market purchase of such SMI Shares, in accordance with the Listing Manual, undertaken by SMI on the SGX-ST during the period when a share purchase mandate granted by the Shareholders (including any renewal of such mandate) is in force;
- c. an issue of SMI Shares or other securities convertible into or with rights to acquire or subscribe for SMI Shares granted pursuant to any purchase or option scheme approved by the relevant shareholders in a general meeting, including the SMI ESOS;
- d. an issue of SMI Shares or securities convertible into or with rights to acquire or subscribe for SMI Shares, in any case in consideration or part consideration for the acquisition of any other securities, assets or business;
- e. an issue of SMI Shares or securities convertible into or with rights to acquire or subscribe for SMI Shares pursuant to any joint venture and/or debt conversion;
- f. an issue of SMI Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by SMI;
- g. any increase in the number of issued SMI Shares as a consequence of the exercise of any options or conversion of any loan stock or any other securities convertibles into SMI Shares or subscription rights of any warrants issued from time to time by SMI enabling holders thereof to acquire new SMI Shares in the capital of SMI; or
- h. any issue of SMI Shares pursuant to any scrip dividend scheme for the time being of SMI.

6. INTERESTS OF DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS

The interests of Directors and Substantial Shareholders of the Company as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and the Register of Substantial Shareholders, respectively, were as follows:

	Direct interest		Deemed interest	
	Number of Shares	% ⁽⁵⁾	Number of Shares	% ⁽⁵⁾
Directors				
Ho Kwok Wai ⁽¹⁾	–	–	151,161,134	56.97
Mark Francis Bedingham ⁽²⁾	–	–	15,834,931	5.97
Fong Sing Chak Jack	–	–	1,000,000	0.38
Wong Yen Siang	–	–	–	–
Wee Sung Leng	–	–	–	–
Substantial Shareholder (other than Directors)				
Jet Palace Holdings Limited ⁽³⁾	33,400,000	12.59	–	–
Taipan Grand Investments Limited ⁽⁴⁾	77,933,000	29.37	–	–

LETTER TO SHAREHOLDERS

Notes:

- (1) Mr Ho Kok Wai is deemed to be interested in the Shares held by Jet Palace Holdings Limited (33,400,000 Shares), Taipan Grand Investments Limited (77,933,000 Shares) and EFG Bank AG (29,639,189 Shares).
- (2) Mr Mark Francis Bedingham is deemed to be interested in 15,834,931 Shares held by Bank Julius Baer.
- (3) Jet Palace Holdings Limited's 33,400,000 Shares are registered in the name of a nominee account.
- (4) Taipan Grand Investments Limited's 77,933,000 Shares are registered in the name of a nominee account.
- (5) Based on 265,323,065 Shares in the issued and paid-up capital of the Company as at the Latest Practicable Date.

Save as disclosed in this Circular, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the SMI ESOS (other than through their respective shareholdings in the Company).

7. DIRECTORS' RECOMMENDATION

The Board having considered the rationale and information relating to the proposed SMI ESOS, is of the view that the adoption of the SMI ESOS is in the best interest of the Company, and accordingly recommend that Shareholders vote in favour of the same.

8. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 39 to 40 of this Circular, will be held on 25 July 2017 at 11.00 a.m. (or immediately after the conclusion of the Annual General Meeting of the Company to be held on 25 July 2017), for the purpose of considering and, if thought fit, passing with or without modification the ordinary resolution set out in the Notice of EGM.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote on their behalf, should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach at the Company's Share Registrar, Tricor Barbinder Registration Services at 80 Robinson Road, #11-02, Singapore 068898 not less than 48 hours before the time fixed for the EGM. Appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless the Shares are entered against his name on the Depository Register at least 72 hours before the time fixed for the EGM.

CPFIS investors may wish to check with their CPF Approved Nominees on the procedure and deadline for the submission of their written instructions to their CPF Approved Nominees to vote on their behalf.

10. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the SMI ESOS must abstain from voting at the EGM on any resolution relating to the SMI ESOS, implementation of the scheme, discount quantum and participation by and option grant to controlling shareholders and their associates, and should decline appointment as proxies for voting at the EGM in respect of the aforesaid resolutions, unless specific instructions have been given in the proxy form on how the votes are to be cast for each of the aforesaid resolutions.

LETTER TO SHAREHOLDERS

11. DIRECTORS' RESPONSIBILITY STATEMENT

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

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 300 Beach Road, #29-01 The Concourse, Singapore 199555 on any weekday (public holidays excepted) during normal business hours from the date of this Circular up to and including the date of the EGM:

- a. the annual report of the Company for FY2016;
- b. the Constitution; and
- c. the SMI ESOS Rules.

Yours faithfully

For and On Behalf of the Board of Directors of
SINGAPORE MYANMAR INVESTCO LIMITED

Mark Francis Bedingham
Executive Director, President and CEO

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

SINGAPORE MYANMAR INVESTCO LIMITED

RULES OF THE SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME

1. NAME OF THE SCHEME

This employee share option scheme shall be called the “Singapore Myanmar Investco Limited Employee Share Option Scheme”.

2. DEFINITIONS

2.1. Unless the context otherwise requires, the following words and expressions shall have the following meanings:

“2014 SMI Performance” : means the 2014 SMI Performance Share Plan of the Company, which was approved at an extraordinary general meeting of the Company held on 30 July 2014.

“Acceptance Form” : has the meaning ascribed to it in the SMI ESOS Rules at Rule 8.1.

“Articles” : means the Articles of Association of SMI, as amended, modified or supplemented from time to time.

“Associate” : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:

- i. his Immediate Family;
- ii. the trustees of any trust of which he or his Immediate Family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
- iii. any company in which he and his Immediate Family together (directly or indirectly) have an interest of 30% or more; and

(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of 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.

“Auditors” : means the auditors of the Company for the time being.

“Board” : means the board of Directors of the Company for the time being.

“Business Day” : means any day on which banks are open for normal business in Singapore (other than a Saturday, Sunday or public holiday) and “Business Days” shall be construed accordingly.

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

<i>“CDP”</i>	:	means the Central Depository (Pte) Limited.
<i>“Committee”</i>	:	means the Remuneration Committee of the Board, comprising such Directors duly authorized and appointed by the Board from time to time, who shall be responsible for administering the SMI ESOS.
<i>“Companies Act”</i>	:	means the Companies Act (Chapter 50) of Singapore, as may be amended, modified or supplemented from time to time.
<i>“Company” or “SMI”</i>	:	means Singapore Myanmar Investco Limited.
<i>“Consideration”</i>	:	has the meaning ascribed to it in the SMI ESOS Rules at Rule 8.1.
<i>“Constitution”</i>	:	means the Memorandum and Articles of the Company, as may be amended, modified or supplemented from time to time.
<i>“Controlling Shareholder”</i>	:	means a person (including a corporation) who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the total number of issued Shares. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company.
<i>“CPF”</i>	:	means the Central Provident Fund.
<i>“CPF Approved Nominees”</i>	:	means agent banks included under the CPFIS.
<i>“CPFIS”</i>	:	means the Central Provident Fund Investment Scheme.
<i>“Date of Grant” and “Offer Date”</i>	:	means the date on which an Option is granted to a Participant in accordance with the SMI ESOS Rules.
<i>“Director(s)”</i>	:	means a person holding office as a director for the time being of the Company.
<i>“EGM”</i>	:	means the extraordinary general meeting of the Company to be convened and held at TKP Conference Centre, 55 Market Street #03-01, Singapore 048941 on 25 July 2017 at 11.00 a.m. (or immediately after the conclusion of the Annual General Meeting of the Company to be held on 25 July 2017), notice of which is set out on pages 39 to 40 of this Circular.
<i>“Exercise Notice”</i>	:	has the meaning ascribed to it in the SMI ESOS Rules at Rule 13.1.
<i>“Exercise Period”</i>	:	means the period for the exercise of an Option, being the period commencing after the second (2 nd) anniversary after the relevant Date of Grant and expiring on the fifth (5 th) anniversary of such Date of Grant, or such earlier date as may be determined by the Committee.

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

<i>“Exercise Price”</i>	:	means the price at which a Participant shall subscribe for each SMI Share upon the exercise of an Option, as determined in accordance with the SMI ESOS Rules.
<i>“FRS”</i>	:	means the Singapore financial reporting standards.
<i>“FY”</i>	:	means the financial year ended 31 March.
<i>“Grantee”</i>	:	means the person to whom an offer of an Option is made.
<i>“Group”</i>	:	means the Company and its subsidiaries, collectively.
<i>“Immediate Family”</i>	:	means, in relation to a person, the person’s spouse, child, adopted child, step-child, sibling and parent.
<i>“Letter of Offer”</i>	:	has the meaning ascribed to it in the SMI ESOS Rules at Rule 7.2.
<i>“Listing Manual”</i>	:	means the Listing Manual of the SGX-ST, as may be amended, modified or supplemented from time to time.
<i>“Market Day”</i>	:	means a day on which the SGX-ST is open for trading in securities.
<i>“Market Price”</i>	:	means the price equal to the average of the last dealt prices for a SMI Share, as determined by reference to the daily official list or other publication published by the SGX-ST for five (5) consecutive Market Days immediately preceding the Date of Grant of that Option rounded up to the nearest whole cent in the event of fractional prices.
<i>“Option”</i>	:	means a share option to subscribe for SMI Shares granted pursuant to the SMI ESOS Rules.
<i>“Participant”</i>	:	means a personnel from the key management team who is selected by the Committee to participate in the SMI ESOS in accordance with the respective SMI ESOS Rules.
<i>“Record Date”</i>	:	means the date fixed by SMI for the purposes of determining entitlements to dividends or other distributions to or rights of holders of SMI Shares.
<i>“SGX-ST”</i>	:	means the Singapore Exchange Securities Trading Limited.
<i>“Share(s)” or “SMI Shares”</i>	:	means the fully-paid ordinary share(s) in the capital of the Company.
<i>“Shareholder(s)”</i>	:	means the shareholder(s) of the Company from time to time.
<i>“subsidiary”</i>	:	A company which is for the time being a subsidiary of the another corporation, as defined in Section 5 of the Companies Act, and subsidiaries shall be construed accordingly.
<i>“Subsidiary Holdings”</i>	:	Shares held by subsidiaries of the Company in accordance with the Companies Act.

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

“Substantial Shareholder”	:	means a Shareholder who has an interest in not less than 5% of the total issued Shares.
“SMI ESOS”	:	means the proposed Singapore Myanmar Investco Limited employee share option scheme to be adopted by the Company.
“SMI ESOS Rules”	:	means these Singapore Myanmar Investco Limited employee share option scheme rules.
“\$” and “cents”		means dollars and cents respectively of the lawful currency of Singapore.
“%” or “per cent.”	:	means per centum or percentage.

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them, respectively, in section 81SF of SFA.

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

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

Any reference to a time of day shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in figures included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

3. OBJECTIVES

- 3.1. The SMI ESOS is established for the benefit of all personnel in the key management team and its objectives are as follows:
- a. to incentivize all Participants;
 - b. to motivate Participants to optimise performance, efficiency and productivity;
 - c. to reward and retain key Participants whose contributions are important to the long-term prospects and profitability of the Group;
 - d. to promote a sense of loyalty amongst the Participants to further the growth of the Group; and
 - e. to align the interests of the Participants with the interests of the Shareholders.
- 3.2. Specifically, the SMI ESOS seeks to recognise the efforts and contributions of key management personnel who have contributed to the well-being and prosperity of the Group. The recognition accorded will help retain these key management personnel to ensure the continued success of the Group.

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

- 3.3. For the avoidance of doubt, the Committee has the flexibility to grant awards under the 2014 SMI Performance Share Plan as well as Options under the SMI ESOS to the same Participant, simultaneously.

4. ELIGIBILITY OF PARTICIPANTS

- 4.1. Subject to the absolute discretion of the Committee, all key management personnel shall be eligible to participate in the SMI ESOS, provided that as of the Offer Date such key management personnel:

- a. have attained the age of 21 years;
- b. are not undischarged bankrupts;
- c. in the opinion of the Committee, have contributed or will contribute to the success and development of the Group;
- d. must hold such position as may be designated by the Company from time to time; and
- e. must have their eligibility confirmed by the Company as at each proposed Date of Grant as determined by the Committee.

- 4.2. Key management personnel who are Controlling Shareholders or their Associates shall not participate in the SMI ESOS, unless:

- a. such participation is approved by independent Shareholders and that a separate resolution is and will be passed to approve the participation of each such person and further that the resolution will approve the actual number and terms of options to be granted to that participant;
- b. the actual number and terms of any Option to be granted to them have been specifically approved by Shareholders who are not beneficiaries of the SMI ESOS in a general meeting in separate resolutions for each such Controlling Shareholder or his Associates; and
- c. all conditions for their participation in the SMI ESOS as may be required by the regulations of the SGX-ST from time to time are satisfied. In this regard, pursuant to Rule 845 of the Listing Manual, (1) the aggregate number of SMI Shares available to Controlling Shareholders and their Associates must not exceed 25% of the SMI Shares available under the SMI ESOS; and (2) the number of SMI Shares available to each Controlling Shareholder or his Associate must not exceed 10% of the SMI Shares available under the SMI ESOS.

5. MAXIMUM ENTITLEMENT

Subject to Rule 4 and Rule 6 of this SMI ESOS Rules, the number of SMI Shares over which Options may be granted to a Grantee for subscription under the SMI ESOS shall be determined at the absolute discretion of the Committee, who may take into account recommendations by the Board of Directors and the advice of external experts. In making such determination, the Committee may also take into consideration (where applicable) factors such as the performance of the Company and/or the Group, prevailing market and economic conditions, Grantee's rank, job performance, years of service, contribution to the success of the Company, potential for future development of the Grantee and the extent of effort and resourcefulness required.

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

6. SIZE OF THE SMI ESOS

- 6.1. Pursuant to Rule 845 of the Listing Manual, the aggregate number of SMI Shares in relation to which an Option may be granted on any date under the SMI ESOS, when added to the number of SMI Shares issued and/or issuable in respect of:
- a. all Options granted hereunder;
 - b. all awards granted under the 2014 SMI Performance Share Plan; and
 - c. all options or awards granted under any other share option or share scheme implemented by SMI and for the time being in force (if any),

shall not exceed 15% of the number of all issued Shares (excluding treasury shares and Subsidiary Holdings) on the day preceding the relevant Date of Grant.

- 6.2. Rule 845 of the Listing Manual further stipulates that the aggregate number of SMI Shares in relation to which Options may be granted under the SMI ESOS to Controlling Shareholders and their Associates shall not exceed 25% of the total SMI Shares available under the SMI ESOS, and the number of SMI Shares in relation to which an Option may be granted under the SMI ESOS to each Controlling Shareholder or his Associate shall not exceed 10% of the total SMI Shares available under the SMI ESOS.

7. OFFER DATE

- 7.1. The Committee may, save as provided in Rule 4, Rule 5 and Rule 6 of the SMI ESOS Rules, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the SMI ESOS is in force, for so long as the SMI Shares are listed and quoted on the SGX-ST, no Options shall be granted during the period of thirty (30) days immediately preceding the date of the announcement of SMI's interim and/or final results (whichever the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, offers to grant Options may only be made on or after the second Market Day on which such announcement is released.
- 7.2. An offer to grant an Option to a Grantee shall be made by way of a letter (the "**Letter of Offer**") in the form or substantially in the form set out in Schedule 1 attached hereto, subject to such amendments as the Committee may determine from time to time.

8. ACCEPTANCE OF OFFER

- 8.1. An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within thirty (30) days after the relevant Offer Date and not later than 5.00 p.m. on the thirtieth (30th) day from such Offer Date by completing, signing and returning to the Company the acceptance form (the "**Acceptance Form**") in the form or substantially in the form set out in Schedule 2 as attached hereto, subject to such modifications as the Committee may from time to time determine accompanied by the payment of S\$1.00 as consideration (the "**Consideration**") or such other amounts, and such other documentation as the Committee may require. If, at the date on which the Committee, for and on behalf of the Company, receives from the Grantee the Acceptance Form and the Consideration in respect of the Option as aforesaid, he remains eligible to participate in the SMI ESOS in accordance with the SMI ESOS Rules.
- 8.2. The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 100 SMI Shares (or such smaller denomination as may be determined by the Committee). The Committee shall within fifteen (15) Market Days of receipt of the Acceptance Form and the Consideration, acknowledge receipt of the same.

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

- 8.3. If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the thirty (30) day period referred to in Rule 8.1, automatically lapse and shall forthwith be deemed to be null and void, and be of no effect, and the Participant shall have no claim against the Company and/or SMI.
- 8.4. The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or Exercise Notice given pursuant to Rule 13 which does not comply strictly with the terms of the SMI ESOS.
- 8.5. Options are personal to the Grantees to whom they are granted and shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, or in any way whatsoever, without the Committee's prior written approval; but may be exercised by the Grantee's duly appointed personal representative as provided in Rule 16.5 in the event of the death of such Grantee.
- 8.6. In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and of no effect and the relevant Participant shall have no claim whatsoever against the Company.
- 8.7. Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
- a. it is not accepted in the manner as provided in Rule 8.1 within the thirty (30) day period referred to therein;
 - b. the Participant dies prior to his acceptance of the Option;
 - c. the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option;
 - d. the Grantee, being a Company key management personnel, ceases to be in the employment of the Company or ceases to be a Director, in each case, for any reason whatsoever prior to his acceptance of the Option; or
 - e. the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

9. OPTION EXERCISE PRICE

Subject to any adjustment pursuant to Rule 10, the Exercise Price for each SMI Share in respect of which an Option is exercisable shall be the average of the last dealt prices for the Shares over the five (5) consecutive Market Days immediately preceding the Date of Grant of the Options for which the Shares were traded on the SGX-ST, rounded to the nearest whole cent in the event of fractional prices.

10. VARIATION OF CAPITAL

- 10.1. If a variation in the issued share capital of the SMI (whether by way of a capitalisation of profits or reserves or rights issue or reduction (including any reduction arising by reason of SMI purchasing or acquiring its issued SMI Shares), subdivision, consolidation or distribution, or issues for cash or for shares or otherwise howsoever), shall take place, then:
- a. the Exercise Price in respect of the SMI Shares comprised in any Options to the extent unexercised;
 - b. the class and/or number of SMI Shares comprised in any Options to the extent unexercised and the rights attached thereto;

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

- c. the maximum entitlement in any one FY; and/or
- d. the class and/or number of SMI Shares in respect of which additional Options may be granted to Participants,

may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of the exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting as experts and not as arbitrators), that in their opinion, such adjustment (or absence of adjustment) is fair and reasonable.

10.2. Notwithstanding the provisions of Rule 10.1 above:

- a. no such adjustment shall be made:
 - i. if as a result, the Participant receives a benefit that a SMI Shareholder does not receive;
 - ii. if as a result, such adjustment will result in the number of SMI Shares comprised in an Option, together with new SMI Shares to be issued or issuable under the SMI ESOS to exceed 15% of the number of all issued Shares (excluding treasury shares and Subsidiary Holdings) on the day preceding the relevant Date of Grant; and
 - iii. unless the Committee, after considering all relevant circumstances, considers it equitable to do so; and
- b. any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

10.3. Unless the Committee considers an adjustment to be appropriate, the following events (whether singly or in combination) shall not normally be recognised as a circumstance requiring adjustments:

- a. an issue of securities as consideration for an acquisition of any assets by the Company, or a private placement of securities of the Company;
- b. where applicable, the cancellation of issued SMI Shares purchased or acquired by SMI by way of a market purchase of such SMI Shares, in accordance with the Listing Manual, undertaken by SMI on the SGX-ST during the period when a share purchase mandate granted by the SMI Shareholders (including any renewal of such mandate) is in force;
- c. an issue of SMI Shares or other securities convertible into or with rights to acquire or subscribe for SMI Shares granted pursuant to any purchase or option scheme approved by the relevant shareholders in a general meeting, including the SMI ESOS;
- d. an issue of SMI Shares or securities convertible into or with rights to acquire or subscribe for SMI Shares, in any case in consideration or part consideration for the acquisition of any other securities, assets or business;
- e. an issue of SMI Shares or securities convertible into or with rights to acquire or subscribe for SMI Shares pursuant to any joint venture and/or debt conversion;
- f. an issue of SMI Shares arising from the exercise of any warrants or the conversion of any convertible securities issued by SMI;

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

- g. any increase in the number of issued SMI Shares as a consequence of the exercise of any options or conversion of any loan stock or any other securities convertibles into SMI Shares or subscription rights of any warrants issued from time to time by SMI enabling holders thereof to acquire new SMI Shares in the capital of SMI; or
- h. any issue of SMI Shares pursuant to any scrip dividend scheme for the time being of SMI.

11. RIGHTS TO EXERCISE OPTIONS

- 11.1. Options granted to Participants shall only be exercisable after two (2) years from the Date of Grant of such Option.
- 11.2. Where a Participant ceases to be a key management personnel prior to the Exercise Period, any Options granted to such Participant shall immediately lapse and become null and void, and such Participant shall have no claim against the Company.
- 11.3. Where the decision of the Committee, in its absolute discretion, decide to revoke or annul such Option.

12. EXERCISE PERIOD

- 12.1. Any Option granted to Participants shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares (or such smaller denomination as may be determined by the Committee) or any multiple thereof) at any time, by a Participant during the Exercise Period, provided always that such Options shall be exercised before the fifth (5th) anniversary of the relevant Date of Grant, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void, and a Participant shall have no claim against the Company.
- 12.2. An Option shall, to the extent unexercised, immediately lapse and become null and void and the Participant shall have no claim against the Company:
 - a. subject to Rules 12.3 and 12.4, upon the Participant ceasing to be key management personnel for any reason whatsoever;
 - b. upon the bankruptcy of the Participant or the happening of any other event which results in him being deprived of the legal or beneficial ownership of such Option; or
 - c. in the event of termination for cause including but not limited to gross negligence, wilful misconduct, on the part of the Participant, as determined by the Committee in its absolute discretion.

For the purpose of Rule 12.2(a) above, the Participant shall be deemed to have ceased being so employed as of the date of the notice of termination or resignation, as the case may be, unless such notice shall be withdrawn prior to its exercised date. For the avoidance of doubt, no Option shall lapse pursuant to Rule 12.2(a) in the event of any transfer of employment of a Participant within the Company.

- 12.3. Notwithstanding Rule 12, if a Participant ceases to be in the employment of the Group by reason of:
 - a. retirement before the retirement age (as prescribed by the relevant local legislation) with the consent of the Committee;
 - b. for any other reason approved in writing by the Committee,

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

he may exercise any unexercised Option within the relevant Exercise Period, and upon the expiry of such Exercise Period, the Option shall immediately lapse and become null and void, and the Participant shall have no claim against the Company.

- 12.4. The Committee may, by notification, provide for further restrictions on the Exercise Period whether by providing a schedule for the vesting of SMI Shares comprised in the relevant Options or otherwise.

13. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES (IF APPLICABLE)

- 13.1. An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares (or such smaller denomination as may be determined by the Committee) or any multiple thereof), by a Participant giving notice in writing to the Company in the form or substantially in the form set out in Schedule 3 as attached hereto (the “**Exercise Notice**”), subject to such amendments as the Committee may from time to time determine.
- 13.2. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the SMI Shares which have been exercised under the Option, the relevant CDP charges (where applicable), any other applicable administrative or handling fees or charges by the SGX-ST, CDP or corporate secretarial agent (where applicable), and any other documentation the Committee may require. All payment shall be made by cheque, cashier's order, bank draft or postal order made out in favour of SMI.
- 13.3. An Option shall be deemed to be exercised upon the receipt by the Company of the duly completed Exercise Notice and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the SMI Shares which have been exercised under the Option.
- 13.4. Subject to:
- a. such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and
 - b. compliance with the SMI ESOS Rules, and the Constitution,

SMI shall, as soon as practicable after the exercise of an Option by a Participant but in any event within ten (10) Market Days (or such other period as may be permitted by any applicable regulations and guidelines) after the date of the exercise of the said Option in accordance with Rule 13.1 above, allot and issue the SMI Shares in respect of which such Option has been exercised by the Participant and within five (5) Market Days from the date of such allotment, dispatch the relevant share certificates to the Participant.

The relevant share certificates shall be dispatched to the CDP or its equivalent for the credit of the securities account or securities sub-account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.

- 13.5. SMI shall as soon as practicable after the exercise of an Option, apply to the SGX-ST for permission to deal in and for quotation of the SMI Shares which may be issued upon the exercise of the Option and the SMI Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.
- 13.6. SMI Shares which are allotted on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in his name, or, for as long as the SMI Shares are listed and quoted on the SGX-ST, in the name of the CDP or its equivalent for the credit of the securities account or securities sub-account of that Participant maintained with a Depository Agent or the CPF investment account maintained with a CPF Approved Nominees.

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

- 13.7. SMI Shares which are allotted and issued upon the exercise of an Option by a Participant shall be subject to all provisions of the Companies Act, and the Constitution (including all provisions thereof relating to the voting, dividend, transfer and other rights attached to such SMI Shares, including those rights which arise from a liquidation of SMI) and shall rank *pari passu* in all respects with the then existing issued SMI Shares in the capital of SMI except for any dividend, right, allotment or other distribution, the Record Date for which is prior to the date such Option is exercised.
- 13.8. Except as set out in Rule 13.4 and subject to Rule 10, an Option does not confer on a Participant any right to participate in any new issue of SMI Shares.
- 13.9. The Company shall keep available sufficient unissued SMI Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.
- 13.10. As an alternative to and in lieu of the issuance or delivery of SMI Shares as provided above but subject to the Exercise Price being lower than the Market Price, SMI (under the advice of the Committee) may, at its absolute and sole discretion, do any of the following upon exercise by Participants of their Options:
- a. elect to pay to the Participants the difference between the Exercise Price and the Market Price in cash; or
 - b. elect to pay to the Participants the difference between the Exercise Price and the Market Price in the form of new SMI Shares to the nearest multiples of 100 (or such smaller denomination as may be determined by the Committee) with any excess of such difference being paid in cash.

14. MODIFICATIONS AND ALTERATIONS TO THE SMI ESOS

- 14.1. Any or all of the provisions of the SMI ESOS may be modified and/or altered at any time and from time to time by resolution of the Committee except that:
- a. any modification or alteration which shall alter adversely the rights attached to any Options granted prior to such modification or alteration and which in the opinion of the Committee, materially alter the rights attaching to any Options granted prior to such modification or alteration may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters of the total number of all the SMI Shares which would fall to be issued and allotted upon exercise in full of all outstanding Options;
 - b. any modification or alteration which would be to the advantage of Participants under the SMI ESOS shall be subject to the prior approval of Shareholders at a general meeting; and
 - c. where for as long as SMI Shares are listed and quoted on the SGX-ST, no modification or alteration shall be made without the prior approval of the SGX-ST, and such other regulatory authorities as may be necessary.

For the purposes of Rule 14.1(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Options shall be final and conclusive.

The Company understands that any term alteration of the SMI ESOS such as repricing the Exercise Price of the Options shall not be permitted and further that the replacement of existing Options shall not be permitted.

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

- 14.2. Notwithstanding anything to the contrary contained in Rule 14.1 above, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST if necessary), amend or alter the SMI ESOS in any way to the extent necessary to cause the SMI ESOS to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 14.3. Written notice of any modification or alteration made in accordance with this Rule 14 shall be given to all Participants but accidental omission to give notice to any Participant shall not invalidate any such modification or alteration.

15. DURATION OF THE SMI ESOS

- 15.1. The SMI ESOS shall continue in force at the discretion of the Committee, subject to a maximum period of five (5) years commencing on the date on which the SMI ESOS is adopted by Shareholders at a general meeting, provided that the SMI ESOS may continue beyond the aforesaid period of time with the approval of Shareholders at a general meeting, or may be terminated at any time by the Committee in its discretion, subject to all relevant approvals which may then be required having been obtained and all applicable laws and regulations in Singapore having been complied with.
- 15.2. Notwithstanding the above, the SMI ESOS may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting, subject to all relevant approvals which may be required. If the SMI ESOS is so terminated, no further Options shall be offered by the Company hereunder. The termination, discontinuance or expiry of the SMI ESOS shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

16. TAKE-OVER AND WINDING UP OF THE COMPANY

- 16.1. In the event of a take-over offer being made for SMI where for so long as the SMI Shares are listed and quoted on the SGX-ST, Participants (including Participants holding Options which are then not exercisable pursuant to Rule 11 and Rule 12) holding Options as yet unexercised shall, notwithstanding Rule 11 and 12 but subject to Rule 16.5, be entitled to exercise such Options in full or in part during the period commencing on the date on which such take-over offer is made or, if such offer is conditional, the date on which such offer becomes or is declared unconditional (as the case may be) and ending on the earlier of:
- a. the expiry of six (6) months thereafter, unless prior to the expiry of such six (6) month period, at the recommendation of the offeror and with the approvals of the Committee and (if so required) the SGX-ST, such expiry date is extended to a later date (in either case, being a date falling not later than the date of expiry of the Expiry Period relating thereto); or
 - b. the date of the expiry of the Exercise Period relating thereto,

whereupon any Option then remaining unexercised shall immediately lapse and become null and void and of no effect, and a Participant shall have no claim against the Company.

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the SMI Shares under any relevant regulatory provisions or legislation and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, all Options shall remain exercisable by the Participants until such specified date or the expiry of the respective Exercise Periods relating thereto, whichever is earlier. Any Option not so exercised by the said specified date shall lapse and become null and void, and the Participant shall have no claim against the Company provided that the rights

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

of acquisition or obligation to acquire stated in the notice shall have been exercised or performed (as the case may be). If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 12, remain exercisable until the expiry of the Exercise Period relating thereto. For the avoidance of doubt, the provisions of this Rule 16 shall not come into operation in the event that a take-over offer which is conditional does not or is not declared unconditional.

- 16.2. In the event of a take-over offer being made for SMI where for so long as the SMI Shares are listed and quoted on a recognised stock exchange, the takeover regulations of the jurisdiction in which that recognized stock exchange operates shall apply.
- 16.3. If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of SMI or its amalgamation with another company or companies, Participants (including Participants holding Options which are then not exercisable pursuant to Rule 11 and Rule 12) shall notwithstanding Rule 11 and Rule 12 but subject to Rule 16.6, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Exercise Period relating thereto), whereupon any unexercised Options shall lapse and become null and void and of no effect, and such Participant shall have no claim against the Company, provided always that the date of exercise of any Options shall be before the expiry of the relevant Exercise Period.

If an order or an effective resolution is passed for the winding up of SMI on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void and of no effect, and such Participant shall have no claim against the Company.

- 16.4. Notwithstanding Rule 12 above but subject to Rule 16.5 below, in the event a notice is given by SMI to SMI Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up SMI, SMI shall on the same date as or soon after it dispatches such notice to each member of SMI give notice thereof to all Participants (together with a notice of the existence of the provisions of this Rule 16.4) and thereupon, each Participant (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two (2) Business Days prior to the proposed general meeting of SMI by giving notice in writing to SMI, accompanied by a remittance for the full amount of the aggregate Exercise Price for the SMI Shares in respect of which the notice is given whereupon SMI shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant SMI Shares to the Participant credited as fully paid.
- 16.5. If in connection with the making of a general offer referred to in Rule 16.1 or Rule 16.2 above or the scheme referred to in Rule 16.3 above or the winding up referred to in Rule 16.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 16.
- 16.6. If the events stipulated in this Rule 16 should occur, to the extent that an Option is not exercised within the respective periods referred to herein in this Rule 16, it shall lapse and become null and void and of no effect, and the Participant shall have no claim against the Company.

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

17. ADMINISTRATION OF THE SMI ESOS

- 17.1. Subject to the prevailing legislation and guidelines applicable to the SMI ESOS, as well as the rules of the Listing Manual, SMI will have the flexibility to deliver SMI Shares to Participants upon the exercise of their Options by way of:
- a. an issue of new SMI Shares deemed to be fully paid upon their issuance and allotment; and
 - b. subject to applicable laws, the purchase of existing SMI Shares.
- 17.2. In determining whether to issue new SMI Shares, purchase existing SMI Shares for delivery to Participants upon the exercise of their Options, SMI will take into account factors such as, but not limited to:
- a. the number of SMI Shares to be delivered;
 - b. the amount of cash available;
 - c. the prevailing Market Price of the SMI Shares; and
 - d. the cost to the Company of either issuing new SMI Shares or purchasing existing SMI Shares.
- 17.3. The SMI ESOS will be administered by the Committee in its absolute discretion, with such powers and duties as are conferred on it by the Board, provided that a Participant who is a member of the Committee shall abstain from deliberation in respect of an Option to be granted to that Participant.
- 17.4. The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the SMI ESOS) for the implementation and administration of the SMI ESOS as it thinks fit.
- 17.5. Any decision of the Committee, made pursuant to any provision of the SMI ESOS (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes and uncertainty as to the interpretation of the SMI ESOS or any rule, regulation, or procedure thereunder or as to any rights under the SMI ESOS).
- 17.6. As a safeguard against abuse, pursuant to the Listing Manual, a Participant who is a member of the Committee shall not be involved in its deliberation in respect of Options (if any) to be granted to him. Further, where Options are proposed to be granted to or held by Company Executive Directors, Controlling Shareholders or their Associates, all members of the Board (and not just members of the Committee) who are not Company Executive Directors, Controlling Shareholders or Associates of Controlling Shareholders, will be involved in deliberation on the same.
- 17.7. Neither the SMI ESOS nor the grant of Options under the SMI ESOS shall impose on the Company or the Committee any liability whatsoever in connection with:
- a. the lapsing or early expiry of any Option pursuant to any provision of the SMI ESOS;
 - b. the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the SMI ESOS; and/or
 - c. any decision or determination of the Committee made pursuant to any provision of the SMI ESOS.

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

18. NOTICES

- 18.1. Any notice given by a Participant to the Company shall be sent by post or delivered to the registered office of the Company or such other address as may be notified by the Company to the Participant in writing.
- 18.2. Any notice or documents required to be given by the Company to a Participant or any correspondences to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be sent to the Participant by hand or sent to him at his home address stated in the records of SMI or the last known address of the Participant and shall be deemed to be received by that Participant when left at such address, and if sent by post shall be deemed to have been given on the day immediately following the date of posting.
- 18.3. Any notice or communication from a Participant to the Company shall be irrevocable, and shall not be effective until confirmation of receipt by Company is given.

19. TERMS OF EMPLOYMENT UNAFFECTED

The SMI ESOS or any Option shall not form part of any contract of employment between any company within the Company and any Participant, and the rights and obligations of any individual under the terms of the office or employment with such company within the Company shall not be affected by his participation in the SMI ESOS or any right which he may have to participate in it or any Option which he may hold and the SMI ESOS or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.

20. TAXES

All taxes (including income tax) arising from the exercise of any Options granted to any Participant under the ESOS shall be borne by that Participant. The Company shall not be responsible for any failure by the Participant to obtain any such consent or for any tax or other liability to which the Participant may become subject as a result of his participation in the SMI ESOS.

21. COSTS AND EXPENSES OF THE SMI ESOS

- 21.1. Notwithstanding anything herein, each Participant shall be responsible for all fees incurred in relation to the issue of any relevant share certificates to the Participant pursuant to the exercise of any Options, or for so long as the SMI Shares are listed and quoted on the SGX-ST, all fees of the CDP or its equivalent relating to or in connection with the issue and allotment of any SMI Shares pursuant to the exercise of any Options in the name of the CDP or its equivalent, the deposit of the relevant share certificate(s) with the CDP, the Participant's securities account with the CDP or the Participant's securities sub-account with a CDP Depository Agent or CPF investment amount with a CPF Approved Nominee or their equivalent, and all taxes referred to in Rule 20 shall be payable by the relevant Participant.
- 21.2. Save for the taxes referred to in Rule 20 and such costs and expenses expressly provided in the SMI ESOS to be payable by the Participants, all fees, costs, and expenses incurred by the Company in relation to the SMI ESOS including but not limited to the fees, costs and expenses relating to the allotment, issue and/or delivery of the SMI Shares pursuant to the exercise of any Option(s) shall be borne by the Company.

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

22. DISCLAIMER OF LIABILITY

Notwithstanding any provision(s) herein contained, the Board, the Committee, the Company or its Directors shall not under any circumstances be held liable for any costs, losses, expenses and damages, (including any interest arising thereof), whatsoever and howsoever arising in respect of any matter under or in connection with the SMI ESOS including but not limited to the SMI's delay or failure in allotting and issuing the SMI Shares or, where applicable, in applying for or procuring the listing of and quotation for the SMI Shares allotted pursuant to the exercise of any Option(s) on the SGX-ST.

23. CONDITION OF OPTION

Every Option shall be subject to the condition that no SMI Shares shall be issued pursuant to the exercise of an Option if such issue would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue of SMI Shares thereto.

24. DISCLOSURE IN ANNUAL REPORTS

The Company shall, for so long as the SMI ESOS continues in operation, make the following disclosure in its annual report:

- a. the names of the members of the Committee administering the SMI ESOS;
- b. the information required in the table below for the following Participants (which for avoidance of doubt, shall include Participants who have exercised all their Options in any particular FY):
 - i. Participants who are Directors of the Company;
 - ii. Participants who are Controlling Shareholders and their Associates;
 - iii. Participants, other than those in (b)(i) and (ii) above, who receive 5% or more of the total number of Options available under the SMI ESOS;

Name of Participant	Options granted during the FY under review (including terms)	Aggregate Options granted since commencement of SMI ESOS to end of FY under review	Aggregate Options exercised since commencement of SMI ESOS to end of FY under review	Aggregate Options outstanding as at the end of FY under review

- c. the names of and number and terms of Options granted to each director or employee of the Company's parent company and its subsidiaries who receives 5% or more of the total number of Options available to all directors and employees of such parent company and its subsidiaries under the SMI ESOS, during the financial year under review;
- d. the aggregate number of Options granted to the directors and employees of the Company's parent company and its subsidiaries for the financial year under review, and since the commencement of the SMI ESOS, to the end of the financial year under review;
- e. the number and proportion of options granted at a discount during the financial year under review in respect of every 10% discount range, up to the maximum quantum of discount granted; and

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

- f. any other information required to be so disclosed pursuant to the Listing Manual and all other applicable laws and requirements,

provided that if any of the above requirements is not applicable, an appropriate negative statement will be included in the annual report to the Shareholders in the event the disclosure of any of the abovementioned information is not applicable.

25. DISPUTES

Any disputes or differences of any nature arising hereunder (other than matters to be confirmed by the Auditors in accordance with the SMI ESOS) shall be referred to the Committee and its decision shall be final and binding in all respects (including any decision pertaining to disputes as to interpretation of the SMI ESOS or any rule, regulation, procedure thereunder or as to any rights under the SMI ESOS).

26. ABSTENTION FROM VOTING

Participants who are Shareholders must abstain from voting on any Shareholders' resolution relating to the SMI ESOS and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

27. GOVERNING LAW

The SMI ESOS shall be governed by and construed in accordance with the laws of the Republic of Singapore. The Participants, by accepting the offer of the grant of Options in accordance with the SMI ESOS, and the Company irrevocably submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

APPENDIX A

SCHEDULE 1

SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME

LETTER OF OFFER

Serial No :

Date :

To: [Name]
[Designation]
[Address]

Private and Confidential

Dear Sir/Madam,

1. We have the pleasure of informing you that pursuant to the Singapore Myanmar Investco Limited Employee Share Option Scheme (the “**SMI ESOS**”), you have been nominated to participate in the SMI ESOS by the Committee (the “**Committee**”) appointed by the Board of Directors of Singapore Myanmar Investco Limited (the “**Company**”) to administer the SMI ESOS. Unless otherwise defined, terms as defined in the Singapore Myanmar Investco Limited Employee Share Option Scheme Rules (the “**SMI ESOS Rules**”) shall have the same meaning when used in this letter.
2. Accordingly, in consideration of the payment of a sum of S\$1.00, an offer is hereby made to grant you an option (the “**Option**”) to subscribe for and be allotted _____ ordinary shares in the capital of Singapore Myanmar Investco Limited (the “**SMI Shares**”) at the price of S\$_____ for each SMI Share (the “**Subscription Price**”).
3. The Option is personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of by you, in whole or in part, except with the prior approval of the Committee.
4. The Option shall be subject to the SMI ESOS Rules, a copy of which is available for inspection at the business address of the Company.
5. If you wish to accept the offer of the Option on the terms of this Letter of Offer, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than 5.00 p.m. on _____, failing which this offer will lapse.

Yours faithfully,
For and on behalf of
Singapore Myanmar Investco Limited

Name:
Designation:

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

APPENDIX A

SCHEDULE 2

SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME

ACCEPTANCE FORM

Serial No :

Date :

To: The Remuneration Committee
Singapore Myanmar Investco Limited
300 Beach Road
#29-01 The Concourse
Singapore 199555

Re: Singapore Myanmar Investco Limited Employee Share Option Scheme

Closing Date for Acceptance of Offer	:	_____
Number of SMI Shares Offered	:	_____
Exercise Price for each SMI Share	:	_____
Total Amount Payable	:	_____

I have read your Letter of Offer dated _____ ("**Date of Grant**") and agree to be bound by the terms of the Letter of Offer and the SMI ESOS Rules referred to therein. Terms defined in your Letter of Offer and the SMI ESOS Rules shall have the same meanings when used in this Acceptance Form.

I hereby accept the Option to subscribe for _____ SMI Shares at S\$ _____ for each SMI Share. I enclose cash for S\$1.00 in payment for the purchase of the Option. I authorise my employer to deduct the sum of S\$1.00 from my salary in payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to subscribe for such shares.

I agree to keep all information pertaining to the grant of the Option to me confidential.

I further acknowledge that you have not made any representation to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

Please print in block letters

Name in full	:	_____
Designation	:	_____
Address	:	_____
Nationality	:	_____
*NRIC/Passport No.	:	_____
Signature	:	_____
Date	:	_____

Note:

**** Delete accordingly***

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

APPENDIX A

SCHEDULE 3

SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME

EXERCISE OF OPTION FORM

Total number of ordinary shares in SMI (the “ SMI Shares ”) offered at S\$_____ for each SMI Share (the “ Exercise Price ”) under the SMI ESOS on _____ (the “ Date of Grant ”)	:	_____
Number of SMI Shares previously allotted thereunder	:	_____
Outstanding balance of SMI Shares to be allotted thereunder	:	_____
Number of SMI Shares now to be subscribed for	:	_____

To: The Remuneration Committee
Singapore Myanmar Investco Limited
300 Beach Road
#29-01 The Concourse
Singapore 199555

Re: Singapore Myanmar Investco Limited Employee Share Option Scheme

1. Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the Option to subscribe for _____ SMI Shares at S\$_____ for each SMI Share. Terms defined in your Letter of Offer and the SMI ESOS Rules shall have the same meanings when used in this Exercise of Option Form.
2. I enclose a *cheque/cashier's order/banker's draft/postal order no. for S\$ by way of subscription for the total number of the said SMI Shares.
3. I agree to subscribe for the said SMI Shares subject to the terms of the Letter of Offer, the SMI ESOS Rules and the Constitution of the Company.
4. I declare that I am subscribing for the said SMI Shares for myself and not as a nominee for any other person.
5. I request SMI to allot and issue the SMI Shares in *my name/the name of The Central Depository (Pte) Limited (“**CDP**”) for credit of my *Securities Account with CDP/Sub-Account with the Depository Agent/CPF investment account with my Agent Bank specified below, or in the name of the party and in the manner as specified below**, and I hereby agree to bear such fees or other charges as may be imposed by the CDP or any other relevant body in respect thereof.

APPENDIX A – SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME RULES

Please print in block letters

Name in full	:	_____
Designation	:	_____
Address	:	_____
Nationality	:	_____
*NRIC/Passport No.	:	_____
*Direct Securities Account No.	:	_____
OR		
*Sub-Account No.	:	_____
Name of Depository Agent	:	_____
OR		
*CPF Investment Account No.	:	_____
Name of Agent Bank	:	_____
Signature	:	_____
Date	:	_____
OR**	:	_____

Note:

*** Delete accordingly**

**** Please provide the relevant information in the space provided above**

NOTICE OF EXTRAORDINARY GENERAL MEETING

SINGAPORE MYANMAR INVESTCO LIMITED

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

Unless otherwise defined, all capitalised terms herein shall bear the same meaning as used in the circular dated 10 July 2017 issued by Singapore Myanmar Investco Limited (the “Circular”).

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of the members of Singapore Myanmar Investco Limited (the “**Company**”) will be held on 25 July 2017 at 11.00 a.m. (or immediately after the conclusion of the Annual General Meeting of the Company to be held on 25 July 2017) at TKP Conference Centre, 55 Market Street #03-01, Singapore 048941 for the purpose of considering and, if thought fit, passing with or without any amendment, the ordinary resolution as set out below:

AS ORDINARY RESOLUTION:

THE PROPOSED ADOPTION OF THE SINGAPORE MYANMAR INVESTCO LIMITED EMPLOYEE SHARE OPTION SCHEME

That the employee share option scheme to be known as the Singapore Myanmar Investco Limited Employee Share Option Scheme (the “**SMI ESOS**”), the rules of which have been set out in the Circular, be and is hereby approved and adopted substantially in the form set out in the rules of the SMI ESOS, and the Directors of the Company be and are hereby authorised:

- (a) to establish and administer the SMI ESOS;
- (b) to modify and/or amend the SMI ESOS from time to time, provided that such modifications and/or amendments are effected in accordance with the provisions of the SMI ESOS, and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the SMI ESOS;
- (c) pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, to offer and grant Option(s) in accordance with the rules of the SMI ESOS, and to allot and issue from time to time such number of shares in the capital of the Company (“**Shares**”) as may be required to be issued pursuant to the exercise of the Option(s) under the SMI ESOS provided that the aggregate number of Shares available pursuant to the SMI ESOS and any other share based schemes of the Company, shall not exceed 15% of the total issued Shares of the Company (excluding any shares held in treasury and subsidiary holdings) from time to time; and
- (d) to complete and do all such acts and things (including executing such documents as may be required) as they may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and authorised by this resolution.

For and On Behalf of the Board of Directors of
SINGAPORE MYANMAR INVESTCO LIMITED

Mark Francis Bedingham
Executive Director, President and CEO

10 July 2017

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Terms and expressions not defined herein but which are defined in the Circular shall have the same meanings when used herein.
 2.
 - (a) A member entitled to attend and vote at the EGM and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
 - (b) A member of the Company who is entitled to attend and vote at the EGM and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- “Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act.
3. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf.
 4. The Proxy Form must be deposited at the Company's Share Registrar, Tricor Barbinder Registration Services at 80 Robinson Road, #11-02, Singapore 068898 not less than 48 hours before the time fixed for holding the EGM in order to be entitled to attend and to vote at the EGM. The sending of a Proxy Form by a member does not preclude him from attending and voting in person if he finds that he is unable to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.
 5. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the EGM in order to be entitled to attend and vote at the EGM.
 6. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instruction appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.

Personal Data Privacy

By attending the EGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) 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.

SINGAPORE MYANMAR INVESTO LIMITED

(the "Company")

(Company Registration No.: 200505764Z)

(Incorporated in the Republic of Singapore)

IMPORTANT

1. A relevant intermediary may appoint more than two proxies to attend the Extraordinary General Meeting ("EGM") and vote (please see note 2 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy Singapore Myanmar Investco Limited's shares, this Circular is forwarded to them at the request of the CPF Approved Nominees and is sent solely for information only.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 10 July 2017.

PROXY FORM

EXTRAORDINARY GENERAL MEETING

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

of _____ (Address)

being a *member/members of the Company hereby appoint:

Name	Address	*NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%
And/or*				

or failing *him/her/them, the Chairman of the EGM of the Company as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the EGM of the Company to be held on 25 July 2017 at 11.00 a.m. (or immediately after the conclusion of the Annual General Meeting of the Company held on 25 July 2017) at TKP Conference Centre, 55 Market Street #03-01, Singapore 048941 and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolution to be proposed at the EGM as indicated hereunder with an "x" in the spaces provided hereunder. If no specific directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion. The Ordinary Resolution put to the vote at the EGM shall be decided by way of poll.

* Please delete accordingly

ORDINARY RESOLUTION	No. of Votes For ¹	No. of Votes Against ¹
The Proposed Adoption of the Singapore Myanmar Investo Limited Employee Share Option Scheme		

Note:

- 1 If you wish to exercise all your votes "For" or "Against", please indicate with an "x" within the box provided. Alternatively, please indicate the number of votes as appropriate.

All capitalised terms used in this Proxy Form which are not defined herein shall unless the context otherwise requires have the same meanings ascribed to them in the Company's Circular to Shareholders dated 25 July 2017 (including supplements and modifications thereto).

Dated this _____ day of _____ 2017.

Total No. of Shares	No. of Shares
In CDP Register	
In Register of Members	

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



IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

- 1 Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
- 2 (a) A member of the Company who is entitled to attend and vote at the EGM and who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.

(b) A member of the Company who is entitled to attend and vote at the EGM and who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote in his stead. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. A proxy need not be a member of the Company. If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorized officer or attorney.

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act (Chapter 50 of Singapore).
- 3 The instrument appointing a proxy or proxies must be deposited at the Company's Share Registrar, Tricor Barbinder Registration Services at 80 Robinson Road, #11-02, Singapore 068898 not less than 48 hours before the time appointed for the EGM.
- 4 The instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
- 5 Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
- 6 A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.
- 7 The submission of an instrument or form appointing a proxy by a shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.
- 8 The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 10 July 2017.

This page has been intentionally left blank.

