

SHC CAPITAL ASIA LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 201201631D)

AMENDING AND RESTATEMENT DEED IN RELATION TO THE PROPOSED ACQUISITION BY SHC CAPITAL ASIA LIMITED OF CERTAIN TOURISM RELATED BUSINESSES IN THE REPUBLIC OF THE UNION OF MYANMAR (THE "PROPOSED ACQUISITION")

Unless otherwise defined, capitalised terms used herein shall bear the meanings ascribed to them in SHC Capital Asia Limited's (the "**Company**") announcements dated 24 October 2016 (the "**Original SPA Announcement**"), 14 December 2016, 22 December 2016, 24 December 2016, 21 June 2017 and 30 June 2017 in relation to the Proposed Acquisition ("**Announcements**").

The Board of Directors of the Company refers to the Announcements relating to the Proposed Acquisition and wishes to inform the Shareholders that the Company and the Vendors had on 17 August 2017 entered into an amending and restatement deed ("**Supplemental SPA**") to amend and restate the sale and purchase agreement dated 24 October 2016 ("**Original SPA**"). The salient changes to the Original SPA are set out in Section 1 below.

1. SALIENT CHANGES TO THE ORIGINAL SPA

1.1 Amendment of Definitions

Following, *inter alia*, the incorporation and naming of the Target as "MM Myanmar Pte Ltd", all references in the Original SPA to "Target" were changed to "MM Myanmar".

Also, all references to "HAL MIC Co" (being the company incorporated and named as "Hpa An Traditional Lodge Limited") were changed to "HAL MM Co", "BL MIC Co" (being the company incorporated and named as "Riverside Bagan Limited") to "BL MM Co", "PHL MIC Co" (being the company incorporated and named as "Pun Hlaing Lodge Hotel Management Limited") to "PHLMHL", while all references to "Target Consideration Shares" were changed to "MM Myanmar Consideration Shares".

1.2 Reduction of Purchase Consideration and Consideration Shares

The Purchase Consideration for the purchase of the Sale Shares by the Company has been reduced from S\$70,675,130 to S\$69,694,228.

Following the reduction to the Purchase Consideration, the aggregate number of Consideration Shares to be issued and allotted to YSIL, FMI and the Corporate Vendor Nominees has been reduced by 3,729,666 shares in the capital of the Company (after the Proposed Share Consolidation) ("**Consolidated Shares**") from 268,726,731 Consolidated Shares to 264,997,065 Consolidated Shares ("**Consideration Shares**"). Accordingly, the number of Consideration Shares to be issued and allocated to YSIL, FMI and the Corporate Vendor Nominees shall be as follows:

Vendors / Corporate Vendor Nominees	Number of Consideration Shares	Relevant proportion of Consideration Shares (%)
YSIL	167,078,848	63.05
FMI	41,947,426	15.83
JMR	14,839,271	5.60
Investor Co Nominee	41,131,520	15.52
Total	264,997,065	100.00

1.3 Modifications to the Restructuring

1.3.1 Under the Supplemental SPA, the Company has agreed with the Vendors on certain modifications to the restructuring of the Vendors' interests in the Target Businesses from that as originally defined or otherwise contemplated under the Original SPA (such modified restructuring to be referred to as "**Restructuring**"). Pursuant to the Restructuring, MM Myanmar would (through the relevant Target Group Companies as further set out in Annex A hereto) acquire such interests in the relevant Target Group Companies on or prior to the Completion of the Proposed Acquisition ("**Restructuring Completion**"), as further described below:

- (i) ownership of 100.0% of the issued shares of PHLHML ("**PHLHML Shares**"), which currently owns, manages and holds the PHL Business pursuant to the acquisition of the PHL Business and obtaining of the Long Term Lease of the PHL Land by PHLHML from PHL;
- (ii) ownership of 40.0% of the issued shares of SLTG ("**SLTG Shares**"), which currently owns, operates, manages and holds the BOB Business and Economic Interests in respect of the remaining 60.0% of the issued shares of SLTG and certain powers and authority over such shares;
- (iii) Economic Interests in respect of 100.0% of the issued shares of CIL, which currently owns, manages and holds the BL Business and certain powers and authority over such shares, pending the completion of the acquisition of the BL Business and obtaining of the Long Term Lease of the BL Land by BL MM Co, a wholly-owned subsidiary of BL SPV, from CIL ("**Completion of BL APA**");
- (iv) Economic Interests in respect of 100.0% of the issued shares of TLH, which currently owns, operates, manages and holds the HAL Business and certain powers and authority over such shares, pending the completion of the acquisition of the BL Business and obtaining of the Long Term Lease of the HAL Land by HAL MM Co, a wholly-owned subsidiary of HAL SPV, from TLH ("**Completion of HAL APA**"); and
- (v) ownership of 300 shares ("**AHTT Shares**") representing approximately 59.9% of the issued shares of AHTT which currently owns, operates manages and holds the DMC Business, and Economic Interests in respect of the remaining 201 shares representing approximately 40.1% of the issued shares of AHTT and certain powers and authority over such shares.

The contemplated corporate structure of the Target Group as at the Restructuring Completion is set out in Annex A.

For the avoidance of doubt, the Company wishes to highlight that the Completion of the HAL APA and Completion of the BL APA are not required as part of the Restructuring Completion as:

- (a) the Completion of the HAL APA is subject to, *inter alia*, MIC Endorsement being obtained for the investment activity of HAL SPV and the Long Term Lease of the HAL Land as described in Section 3.1 below; and
- (b) depending on the exact nature and the scope of the BL Business, the Completion of the BL APA is subject to, *inter alia*, MIC Endorsement being obtained for the investment activity of BL SPV and the Long Term Lease of the BL Land or MIC Permit being obtained for BL SPV's investment in the BL Business (as applicable) as described in Section 3.1 below.

The rationale for the aforesaid modifications is elaborated in Section 3.1 below.

1.3.2 In addition, the Company has agreed with the Vendors on certain modifications to the relevant steps or methods of arriving at the Restructuring Completion, the key changes of which are set out below:

- (i) the consideration payable to the Registered Shareholders of SLTG for the sale and purchase of the SLTG Shares will not be settled or satisfied through the issuance of consideration shares by BOB SPV to them, but will instead be settled and satisfied in cash by BOB SPV, on completion of the sale and purchase of the SLTG Shares;
- (ii) the consideration payable to the Registered Shareholders of AHTT for the sale and purchase of the AHTT Shares will not be settled or satisfied through the issuance of consideration shares by DMC SPV to them, but will instead be settled and satisfied in cash by DMC SPV on completion of the sale and purchase of the AHTT Shares;
- (iii) the consideration payable to TLH ("**TLH Consideration**") for the transfer of the HAL Business and the grant of the Long Term Lease of the HAL Land by TLH to HAL MM Co will not be settled or satisfied through the issuance of consideration shares by HAL SPV to the Registered Shareholders of TLH at the direction of TLH. Instead, the TLH Consideration will be settled and satisfied in cash by HAL SPV, to be payable in such manner and on such date or dates to be mutually agreed between TLH and HAL MM Co (including but not limited to repayment through offset against such other amount or amounts as may be then due or owing by TLH to any of the other Target Group Companies) or, at the request of the Company, to be assigned by TLH to such other person or persons as TLH and HAL MM Co may mutually agree (or failing agreement, to be waived or released and discharged by TLH) in conjunction with the Completion of the HAL APA;
- (iv) the consideration payable to CIL ("**CIL Consideration**") for the transfer of the BL Business and the grant of the Long Term Lease of the BL Land by CIL to BL MM Co will not be settled or satisfied through the issuance of consideration shares by BL SPV to the Registered Shareholders of CIL at the direction of CIL. Instead, the CIL Consideration will be settled and satisfied in cash by BL SPV, to be payable in such manner and on such date or dates to be mutually agreed between CIL and BL MM Co (including but not limited to repayment through offset against such other amount or amounts as may be then due or owing by TLH to any of the other Target Group Companies) or, at the request of the Company, to be assigned by CIL to such other person or persons as CIL and BL MM Co may mutually agree (or failing agreement, to be waived or released and discharged by CIL) in conjunction with the Completion of the BL APA;

- (v) the consideration payable to the Registered Shareholders of PHLHML for the sale and purchase of the PHML Shares will not be settled or satisfied through the issuance of consideration shares by PHL SPV to them, but will instead be settled and satisfied through the issue of certain consideration shares ("**PHLHML Target Consideration Shares**") by MM Myanmar to YSIL at the direction of the PHLML Registered Shareholders;
- (vi) there will no longer be any additional issuance of shares in the capital of the SingCo SPVs to MM Myanmar, save for such issuance of shares as may be required to enable each of BOB SPV and the DMC SPV to perform or comply with its obligations under the BOB SPA and the DMC SPA respectively, and to enable each of BL MM Co and HAL MM Co to perform or comply with its obligations under the BL APA and the HAL APA respectively;
- (vii) Yoma Development Group Pte. Ltd. and SPA Project Management Pte. Ltd. ("**PHLHML Registered Shareholders**") are to assign all their rights arising under the asset cost transfer agreement dated 26 January 2017 and entered into between the PHLHML Registered Shareholders, PHL and PHLHML ("**ACTA**") to PHL SPV, including but not limited to the rights of the PHLHML Registered Shareholders, acquired by them from PHL, to have certain contributions in kind made to PHLHML for the procurement of goods, materials, works and services (collectively the "**ACTA Amounts**") to be capitalized by way of further issuance of shares in PHLHML ("**Assignment of the ACTA**");
- (viii) certain non-trade payables of CIL owing to related parties of the BL Vendors are to be assigned to BL MM Co on or prior to Completion of the Proposed Acquisition ("**Assignment of CIL Liabilities**"); and
- (ix) certain non-current liabilities of TLH owing to related parties of JMR and/or the Corporate Vendor are to be assigned to HAL MM Co on or prior to Completion of the Proposed Acquisition ("**Assignment of TLH Liabilities**").

The main purpose of the foregoing modifications is to simplify the share capital structure of the SingCo SPVs, *inter alia*, by removing the need for consideration or additional shares to be issued by the SingCo SPVs, and to ensure that the Target Group would not have any liabilities at Completion of the Proposed Acquisition, save for (i) indebtedness or liabilities of a trading nature in the ordinary course of business in relation to the Target Business; (ii) the PHL Loan, if applicable; and (iii) inter-company amounts owing within the Target Group ("**Inter-company Liabilities**"). Pursuant to the terms of the Supplemental SPA, the Company has agreed to allow such Inter-company Liabilities as an exception to Clause 3.2(b) and Clause 4.1(aa) of the Original SPA.

- 1.3.3 Further, following the reduction of the Purchase Consideration, the limit of the aggregate liability ("**Maximum Liability**") applicable for any and all breaches of Warrantors' Warranties and breaches of covenants and undertakings in relation to the DMC Business has been reduced from S\$6,555,948 to S\$5,869,317.

2. REDUCTION OF PURCHASE CONSIDERATION AND CONSIDERATION SHARES

2.1 Rationale for reduction of Purchase Consideration and Consideration Shares

Due to MM Myanmar having to assume certain liabilities amounting to US\$712,192 that were owing by the Corporate Vendor to AHTT ("**Assumed Liabilities**"), the Vendors and the Company

have agreed under the terms of the Supplemental SPA to reduce the amount of the Purchase Consideration by S\$980,902, which is the S\$ equivalent of the Assumed Liabilities (based on the exchange rate of US\$1.00 : S\$1.3773 under the Original SPA).

The Company understands that MM Myanmar will have a lower share capital as a result of a reduced number of consideration shares being issued and allotted to the Corporate Vendor in relation to the injection of the HAL Business and DMC Business into MM Myanmar due to the offset of the Assumed Liabilities against the purchase consideration which was supposed to be received by the Corporate Vendor for the injection of the DMC Business.

Following the issuance and allotment of 69,694,226 shares in MM Myanmar (“**MM Myanmar Consideration Shares**”) on 17 August 2017, the number of Sale Shares to be sold by each of the Vendors and the relevant proportion (“**Relevant Proportion**”) are set out as below:

Shareholder	Number of Sale Shares	Relevant Proportion / Shareholding Percentage in MM Myanmar
YSIL	43,941,737	63.05%
FMI	11,032,173	15.83%
EVL	14,720,318	21.12%
Total	69,694,228⁽¹⁾	100.00%

Note:

(1) As at the date of this announcement, 69,694,228 Sale Shares comprise two (2) shares as at the date of incorporation of MM Myanmar and 69,694,226 MM Myanmar Consideration Shares.

2.2 Revised Financial and Shareholding Effects of the Proposed Acquisition

2.2.1 Relative figures under Rule 1006 of the Catalist Rules

Due to the reduction of the Purchase Consideration and the number of Consideration Shares pursuant to the terms of the Supplemental SPA, the relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006(a) to (e) of the Catalist Rules as set out in the Original SPA Announcement are revised as follows:

Rule 1006(a): Net asset value of assets to be disposed of, compared with the Company’s net asset value	Not applicable
Rule 1006(b): Net profit attributable to Target Business as compared with the Company’s net loss ⁽¹⁾	Not meaningful ⁽²⁾
Rule 1006(c):	196.4%

Aggregate value of the Consideration, compared with the Company's market capitalisation based on the total number of issued Shares excluding treasury shares ⁽³⁾	
Rule 1006(d): The number of Consideration Shares to be issued by the Company as Consideration for the Proposed Acquisition, as compared with the number of equity securities of the Company previously in issue ⁽⁴⁾	606.2%
Rule 1006(e): The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Company's proved and probable reserves	Not applicable

Notes:

- (1) "Net profit or loss" means profit or loss before income tax, minority interests and extraordinary items.
- (2) Not meaningful. The Company's audited net loss for the financial year ended 31 December 2015 and unaudited net loss for the six months period ended 30 June 2016 is S\$2,678,000 and S\$895,000 respectively. The net profit attributable to Target Group is S\$2,718,358 for the financial year ended 31 March 2016 based on the unaudited management accounts of the Target Businesses.
- (3) Based on (i) the Purchase Consideration of S\$69,694,228; and (ii) the market capitalisation of the Company of approximately S\$35,493,980, determined by multiplying 305,982,583 existing Shares in issue as at 24 October 2016 by the volume weighted average price of S\$0.116 of such Shares transacted on 10 October 2016, being the last traded day immediately preceding the date of the Original SPA.
- (4) Based on the issue of 264,997,065 Consideration Shares and 43,711,798 Consolidated Shares (after the Proposed Share Consolidation of the 305,982,583 existing Shares of the Company) For the avoidance of doubt, the Proposed Share Consolidation shall take place before the issue of the Consideration Shares.

Based on the reduced Purchase Consideration of S\$69,694,228 and 264,997,065 Consideration Shares, the relative figures of the Proposed Acquisition computed above on the applicable bases set out in Rule 1006(a) to (e) of the Catalist Rules at the time of the Original SPA Announcement still exceed 100%. Accordingly, the Proposed Acquisition is still a "Very Substantial Acquisition" or "Reverse Takeover" as defined under Chapter 10 of the Catalist Rules for which Shareholders' approval must be obtained pursuant to Rule 1015 of the Catalist Rules.

2.2.2 Financial Effects

For the purpose of illustrating the financial effects of the reduction in the Purchase Consideration and the number of Consideration Shares, the unaudited pro forma financial effects of the Proposed Acquisition based on the assumptions as set out in the Appendix E of the Original SPA Announcement would be revised as follows:

Share Capital		
(\$'000)	Before the Proposed Acquisition	After the Proposed Acquisition
Issued and paid-up share capital as at 31 December 2015	40,144	40,144
Effects of Proposed Acquisition	–	69,694
Enlarged issued and paid-up share capital	40,144	109,838
Number of Shares in issue as at 31 December 2015 ('000)	305,983	305,983
Adjusted number of Shares after the Proposed Share Consolidation ('000)	43,712	43,712
Issuance of Consideration Shares ('000)	–	264,997
Number of Consolidated Shares in issue after the Proposed Share Consolidation ('000)	43,712	308,709
NTA		
(\$'000)	Before the Proposed Acquisition	After the Proposed Acquisition
NTA as at 31 December 2015	38,860	38,860
Effects of Proposed Acquisition	–	69,694
Enlarged NTA	38,860	108,554
NTA per Share (cents)	12.70	–
NTA per Consolidated Share (cents)	–	35.16

Note:

NTA is calculated as net assets less intangible assets

Earnings		
(\$'000)	Before the Proposed Acquisition	After the Proposed Acquisition
(Loss) after income tax as at 31 December 2015	(2,681)	(2,681)
Effects of Proposed Acquisition	–	2,022
(Loss) after income tax	(2,681)	(659)
(Loss) per Share (cents)	(0.88)	–
(Loss) per Consolidated Share (cents)	–	(0.21)

Gearing⁽¹⁾		
	Before the Proposed Acquisition	After the Proposed Acquisition
Net debt as at 31 December 2015 (\$'000)	– ⁽²⁾	– ⁽³⁾
Total capital (\$'000)	38,860	108,554
Gearing ratio	N.M.	N.M.

N.M. denotes not meaningful

Notes:

- (1) Gearing is determined based on net debt divided by total capital. Net debt is calculated as total liabilities less cash and cash equivalent and total capital is calculated as equity.
- (2) Not applicable as net debt of the Company as at 31 December 2015 is negative due to the cash and cash equivalents of S\$38,896,000 being greater than the total liabilities of S\$484,000.
- (3) Not applicable as net debt of the Enlarged Group is negative due to the cash and cash equivalents of S\$41,808,000 being greater than the total liabilities of S\$4,959,000.

2.2.3 Shareholding Effects

For the purpose of illustrating the shareholding effects of the reduction in the Purchase Consideration and the number of Consideration Shares, the shareholding structure of the Company after the Proposed Share Consolidation and Proposed Acquisition but before the Proposed Compliance Placement would be revised as follows:

Shareholder	Before the Proposed Share Consolidation and the Proposed Acquisition		After the Proposed Share Consolidation but before the Proposed Acquisition		After the Proposed Share Consolidation and the Proposed Acquisition	
	Shares	(%)	Shares	(%)	Shares	(%)
SHC Capital Holdings Pte Ltd	249,639,317	81.59	35,662,760	81.59	35,662,760	11.55
Relevant Vendor Parties	–	–	–	–	264,997,065	85.84
Other Shareholders	56,343,266	18.41	8,049,038	18.41	8,049,038	2.61
Total	305,982,583	100.00	43,711,798	100.00	308,708,863	100.00

3. MODIFICATIONS TO RESTRUCTURING

3.1 Rationale for the Modifications to the Restructuring as Originally Contemplated under the Original SPA

Under the Original SPA, it was envisaged that the Vendors would effect a restructuring of their interests in the Target Businesses, *inter alia*, by procuring the relevant SingCo SPVs to obtain the assignment of Economic Interests and grant of certain powers or authority over 100.0% of the shares of SLTG, AHTT, CIL and TLH, prior to the Completion of the Proposed Acquisition.

This was because it was previously contemplated that MIC Permits or clarifications would be required in respect of the restructuring of the relevant Target Businesses to allow direct foreign investment in such businesses, and the process of applying for and/or obtaining such MIC Permits or clarifications may take some time to effect or complete. Hence, pursuant to the Original SPA, the parties agreed to proceed with Completion of the Proposed Acquisition based, *inter alia*, on the acquisition of Economic Interests as aforesaid.

The modifications to the Restructuring took into account certain changes to Myanmar's investment laws since the execution of the Original SPA, as more particularly described below:

BOB Business

The BOB Business falls under local tour services and domestic air transport in relation to its hot air balloons operation. Under the current laws and regulations:

- (i) local tour services fall under a list (“**Restricted List**”) of restricted investment activities (“**Restricted Investments**”) which, *inter alia*, are required to be carried out in a joint venture with a Myanmar citizen or citizen company investor (“**JV Restricted Investment**”), and where foreign share ownership of up to a maximum of 80.0% in the joint venture may be permitted; and

- (ii) investment in domestic air transport business (“**Line Ministry Restricted Investment**”) requires the approval of the Ministry of Transport and Communication (the “**MOTC**”), and in extending such approval, the MOTC may at its discretion additionally prescribe a joint venture requirement/ratio with a Myanmar partner.

Following the approval for the conversion of SLTG from a company operating under the old Myanmar Citizens’ Investment Law 2013 (“**MCIL**”) to a foreign owned company on 6 January 2017, the MIC issued an endorsement on 7 July 2017 (“**BOB MIC Endorsement**”) to approve the transfer of 60.0% shares of SLTG to BOB SPV and BOB SPV’s investment in the BOB Business as a joint venture investment in accordance with the new Myanmar Investment Law (“**MIL**”). In the course of the application for the BOB MIC Endorsement, the MIC had indicated that a new MIC Permit would not be issued to replace SLTG’s old MIC Permit under the MCIL and the MIC also informed that it is not necessary for the MOTC to be consulted in relation to such transfer of shares.

Notwithstanding the foregoing, according to prevailing policy, the MOTC and Department of Civil Aviation (“**DCA**”) imposes as a requirement that foreign investors should not hold more than 49.0% of the issued share capital of a business conducting commercial air transport services. The DCA may enforce this requirement by not issuing an air operator certificate to companies where a foreign investor holds more than 49.0% of the issued share capital. Further, there are additional laws and regulations pertaining to the registration of aircrafts, which only allow aircrafts to be used for public transport or other commercial purpose, if said aircrafts are registered under the category where foreign investors hold no more than 40% of the issued share capital in a company.

Having considered the aforementioned requirements, the Restructuring was modified to require the transfer of 40.0% of the issued shares of SLTG to BOB SPV at Restructuring Completion instead of 60.0% of the issued shares of SLTG as approved under the BOB MIC Endorsement (“**Amended BOB Share Transfer**”), and BOB SPV shall hold Economic Interests in respect of the remaining 60.0% of the issued shares of SLTG at Restructuring Completion. Accordingly, SLTG shall seek further approval from the MIC to amend the BOB MIC Endorsement to reduce the number of SLTG’s issued shares approved for transfer to BOB SPV from 60.0% to 40.0% (“**Amended BOB MIC Endorsement**”). The Amended BOB Share Transfer is subject to the Amended BOB MIC Endorsement being obtained.

DMC Business

The DMC Business falls under local tour services and hence the DMC Business is subject to the joint venture requirements under the Restricted List, which allows foreign share ownership of up to a maximum of 80.0% in the joint venture.

Taking into consideration the foregoing and the general requirement of the Ministry of Hotel and Tourism (“**MOHT**”) to allow a maximum of 60.0% foreign investment in businesses requiring a tour operation enterprise licence which is required for the DMC Business, the Restructuring was modified to require DMC SPV to acquire ownership of 300 shares representing approximately 59.9% of the issued shares of AHTT and to hold Economic Interests in respect of the remaining 201 shares representing approximately 40.1% of the issued shares of AHTT and certain powers and authority over such shares.

HAL Business

The hotel business, which is the business engaged in under the HAL Business, is not a Restricted Investment. However, under current laws and regulations, the grant of the Long Term Lease in respect of the HAL Land by TLH to HAL MM Co is subject to obtaining the MIC Endorsement and the land rights authorisation under the MIL.

An application for MIC Endorsement has been submitted to the MIC in June 2017. As it may require some time to obtain such MIC Endorsement, HAL SPV will continue to obtain the assignment of Economic Interests and grant of certain powers or authority over 100.0% of the shares of TLH at Restructuring Completion. The Completion of the HAL APA, where there is acquisition of the HAL Business and obtaining of the Long Term Lease of the HAL Land by HAL MM Co from TLH, shall be subject to obtaining the MIC Endorsement for the investment activity of HAL SPV and the Long Term Lease of the HAL Land.

BL Business

The Company is purchasing the BL Business on an “as is” basis, *inter alia*, with a view to develop the BL Land into a commercial and tourism-related hospitality development. However, the exact nature and scope of the BL Business is subject to, *inter alia*, the Company duly considering the feasible option(s) and relevant approvals to be obtained in connection with the BL Business, in particular, regulatory approvals for the construction and/or development and/or use of the BL Land for commercial purposes.

As the BL Land is located in Bagan which is generally considered to be a heritage site, depending on the nature and scope of the BL Business, there is a possibility that it may be considered to be an activity having potential large impact on the environment and local community for which under current laws and regulations, an MIC permit may be required to be obtained under the MIL rather than an MIC Endorsement and there may be special considerations imposed by MIC or the relevant authorities which may restrict the nature and manner of development or use of the BL Land, and/or limit on the foreign ownership of the BL Business.

In view of the foregoing, while an application for MIC Endorsement for the Long Term Lease in respect of the BL Land has been submitted to the MIC in June 2017, it is not possible to conclusively determine at this juncture whether foreign ownership of the BL Business by BL SPV is permitted subject only to MIC Endorsement being obtained for the investment activity of BL SPV and the Long Term Lease of the BL Land, or whether an MIC Permit is required for BL SPV’s investment in the BL Business, and/or whether the BL Business may fall under one of the categories of JV Restricted Investments under the MIL and the MIL Rules.

Accordingly, BL SPV will continue to obtain the assignment of Economic Interests and grant of certain powers or authority over 100.0% of the shares of CIL at Restructuring Completion. The Completion of the BL APA, where there is acquisition of the BL Business and obtaining of the Long Term Lease of the BL Land by BL MM Co from CIL, shall be subject to obtaining the MIC Endorsement for the investment activity of BL SPV and the Long Term Lease of the BL Land or MIC Permit being obtained for BL SPV’s investment in the BL Business (as the case may be), depending on the exact nature and the scope of the BL Business.

3.2 Update on Restructuring Completion

As at the date of this Announcement, the Company understands that MM Myanmar has issued 69,694,226 MM Myanmar Consideration Shares to the Vendors in the Relevant Proportion, as the Vendors have implemented certain steps in furtherance of the Restructuring, including entry of certain of the share purchase agreements (“SPA”), asset purchase agreements (“APA”), deeds of assignments (“DOA”), and powers of attorney (“POA”), required or relevant for the implementation of the Restructuring, pending further internal transfers of shares within the Asset Holding Companies.

The Company will make the appropriate announcements as and when there are material developments or updates in relation to the Restructuring Completion.

4. JMR DEED OF UNDERTAKING AND WARRANTY

Further, in fulfilment of one of the condition precedents under the Supplemental SPA, JMR has on 17 August 2017 entered into the JMR Deed of Undertaking and Warranty and pursuant to which, *inter alia*, JMR has acceded to and/or agreed to be bound by the Warrantors’ Warranties and certain indemnities in relation to the HAL Business and DMC Business as set out under the RTO SPA, the Restricted Business Undertaking, ROFO Undertaking and Management Rights Opportunity Undertaking in favour of the Company, which the Corporate Vendor had agreed and undertaken to procure JMR to do under the terms of the Original SPA.

5. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Supplemental SPA and the Proposed Acquisition (where applicable), and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading (save that in respect of matters relating to the Vendors, JMR, the Target, the Target Group, the Restructuring, the Asset Holding Companies, the Registered Shareholders and the Target Businesses, such confirmation is given based on information available to the Company as at the date of this Announcement and is subject to further due diligence investigations and verification). Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

6. CIRCULAR AND DOCUMENTS AVAILABLE FOR INSPECTION

- 6.1 The Circular containing further information on, *inter alia*, the Proposed Acquisition and enclosing the notice of the EGM to seek approval of Shareholders of the Company for the Proposed RTO Transactions (in particular, the Proposed Share Consolidation, the Proposed Compliance Placement, the issue of new consolidated shares and the Proposed Whitewash Resolution) will be despatched by the Company to the Shareholders in due course.

- 6.2 A copy of the Original SPA and Supplemental SPA will be made available for inspection by the Shareholders during normal business hours at the registered office of the Company for a period of three (3) months from the date of this Announcement.

7. CAUTIONARY STATEMENT

Shareholders should note although the Supplemental SPA has been entered into, completion of the Proposed Acquisition is subject to conditions precedent being fulfilled and there is no certainty or assurance as at the date of this announcement that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof. The Company will make the appropriate announcement(s) in relation to the Proposed Acquisition and Restructuring as and when there are material developments relating thereto, including providing regular updates on its progress in meeting key milestones of the Proposed Acquisition.

Shareholders are advised to exercise caution in dealings with the Shares. Shareholders are advised to read this announcement and any further update announcement(s) released by the Company in connection with the Proposed Acquisition carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Teo Yiam Beng Steven
Interim Chief Financial Officer

17 August 2017

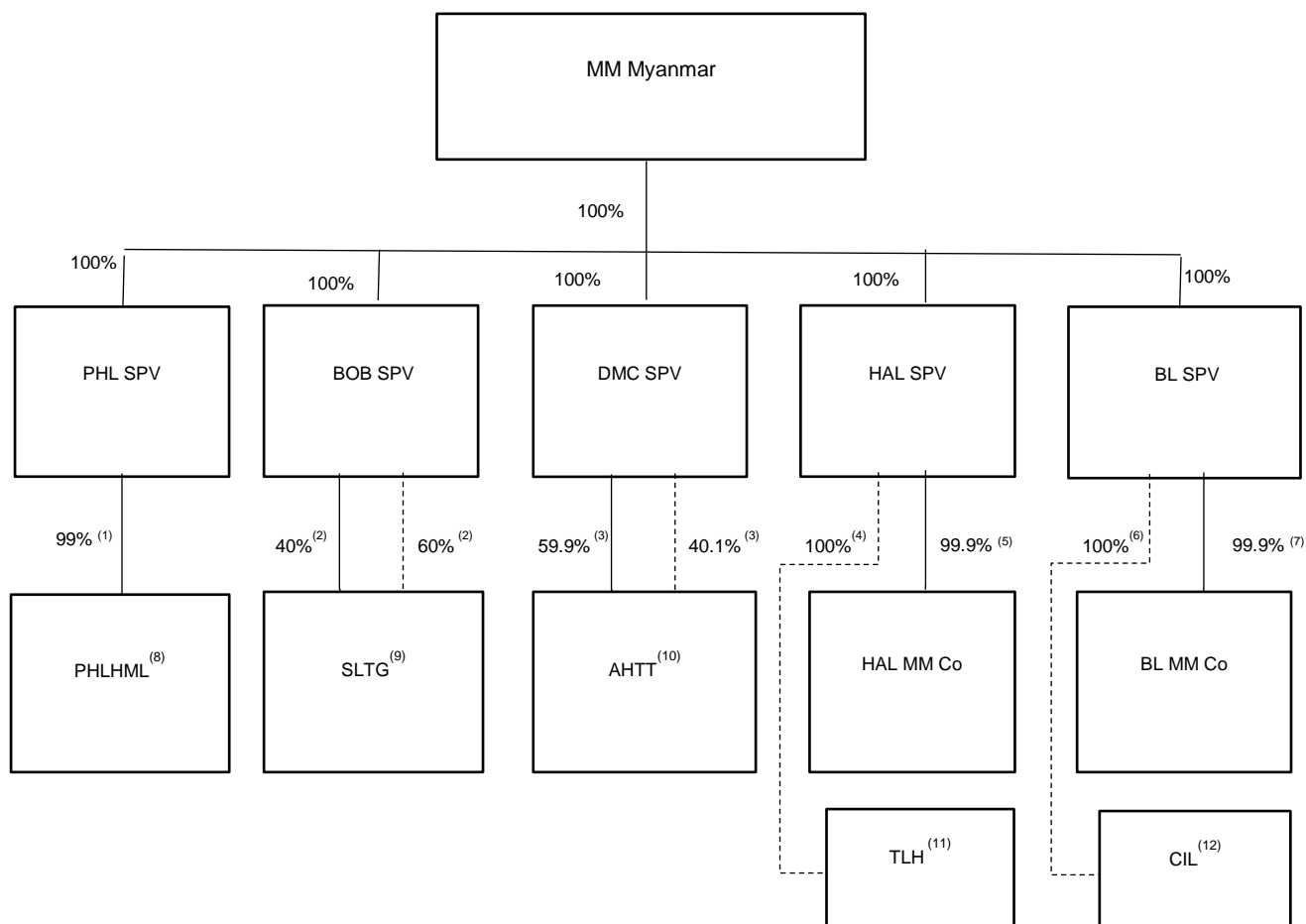
This announcement has been prepared by SHC Capital Asia Limited (the “**Company**”) and its contents have been reviewed by the sponsor, PrimePartners Corporate Finance Pte. Ltd. (“**Sponsor**”) for compliance with the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist.

The Sponsor has not verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).

ANNEX A

CORPORATE STRUCTURE OF THE TARGET GROUP AT THE RESTRUCTURING COMPLETION



Notes:

- (1) The remaining 1.0% equity interest of the issued share capital of PHLHML is held directly by MM Myanmar.
- (2) BOB SPV holds the legal and beneficial ownership of 40.0% of the issued share capital of SLTG and holds Economic Interests in respect of the remaining 60.0% of the issued share capital of SLTG and certain powers and authority over such shares.
- (3) DMC SPV holds the legal and beneficial ownership of 59.9.% of the issued share capital of AHTT and holds Economic Interests in respect of the remaining 40.1% of the issued share capital of AHTT and certain powers and authority over such shares.
- (4) HAL SPV holds Economic Interests in respect of the 100.0% issued share capital of TLH and certain powers of authority over such shares, pending Completion of the HAL APA. Pursuant to the HAL APA, HAL MM Co shall acquire the HAL Business and obtain the Long Term Lease in respect of the HAL Land.

- (5) 0.1% of the issued share capital of HAL MM Co is held directly by MM Myanmar
- (6) BL SPV holds Economic Interests in respect of the 100.0% issued share capital of CIL and certain powers of authority over such shares, pending Completion of the BL APA. Pursuant to the BL APA, BL MM Co shall acquire the BL Business and obtain the Long Term Lease in respect of the BL Land.
- (7) 0.1% of the issued share capital of BL MM Co is held directly by MM Myanmar.
- (8) The PHL Business, including the Long Term Lease of the PHL Land, is owned by PHLHML.
- (9) The BOB Business (excluding the BOB Land which is used in connection with the BOB Business) is owned by SLTG.
- (10) The DMC Business is owned by AHTT.
- (11) The HAL Business, including the HAL Land, is owned by TLH.
- (12) The BL Business, including the BL Land, is owned by CIL, and apart from that, the BOB Land, assuming the proper vesting of ownership rights and interests in the BOB Land in CIL in accordance with Applicable Laws.