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

PROPOSED DISPOSAL OF MYANMAR INFRASTRUCTURE GROUP PTE. LTD. - UPDATE

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*Capitalised terms which are not defined in this announcement shall have the meanings ascribed to them in the announcement dated 20 October 2016 ("**Announcement**").*

The Board of Directors ("**Board**") of Singapore Myanmar Investco Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the announcement regarding the proposed disposal of the Company's entire shareholding interest in Myanmar Infrastructure Group Pte. Ltd. ("**MIG**"), being 97% of the total issued shares of MIG to Shining Star International Holdings Limited (the "**Purchaser**") ("**Proposed Disposal**").

As disclosed in paragraph 5.1(c) of the Announcement, the Proposed Disposal is subject to, *inter alia*, all third party consents which are necessary in connection with the transfer of the Sale Shares having been obtained (including but not limited to waivers of pre-emption rights by the Company's joint venture partner, Golden Infrastructure Group Limited ("**GIG**")) and if subject to conditions, on such conditions acceptable to the Purchaser. Please refer to section 2.5 of the circular to shareholders dated 8 December 2016 ("**Circular**") for the disclosure that the Proposed Disposal is subject the necessary consents being obtained from third parties, including the waiver of pre-emption rights of GIG.

In addition, as disclosed in paragraph 5.2 of the Announcement and section 2.7 of the Circular, the Company has agreed with the Purchaser the following matters, *inter alia*, in regards to GIG:

(i) The Company is required to procure the sale of all the issued shares of MIG by exercising its drag along rights pursuant to the joint venture and shareholder agreement dated 1 June 2014 ("**JVA**"), and the Sale Consideration shall be reduced by US$2,000,000 in the event that the Purchaser is unable to purchase all the issued shares of MIG within a period of up to eight months after the issue of the relevant drag along notice; and

(ii) The Company shall indemnify the Purchaser for all claims and damages incurred as a result of claims by third parties against MIG for a period of three months after Completion, save for claims made by GIG against MIG which shall not be subject to the aforesaid time limit.

The Board wishes to update that the Company has received a letter from GIG's lawyers alleging, *inter alia*, that by taking steps to proceed with the Proposed Disposal (including the convening of the EGM), the Company has breached the JVA by disregarding GIG's rights as shareholder of MIG in respect of its right of first refusal and right to exercise a call option over up to 10% of the total issued share capital of MIG at fair market value, which have allegedly been exercised by GIG. As the shares held by GIG in MIG are subject to the drag along rights of the Company referred to above, the Company's proposed sale of MIG's shares to the Purchaser will be subject to the compliance of the respective obligations of the Company vis-à-vis GIG under the JVA

As at the date of this announcement, the Company has yet to receive any writ of summons or statement of claim from GIG's lawyers in respect of the allegations against the Company. The Company has taken legal advice from its lawyers and will take such steps as may be necessary.

Notwithstanding the foregoing, the proposed extraordinary general meeting of the Company on 23 December 2016 will proceed as scheduled as obtaining the approval of shareholders is one of the conditions precedent to the Proposed Disposal.

By Order of the Board

Mark Francis Bedingham
Executive Director, President and CEO
20 December 2016