

## SINGAPORE MYANMAR INVESTCO LIMITED

(Registration No. 200505764Z)

(Incorporated in Singapore)

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## PROPOSED PLACEMENT OF UP TO 41,370,000 NEW ORDINARY SHARES IN THE CAPITAL OF SINGAPORE MYANMAR INVESTCO LIMITED

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### 1. INTRODUCTION

The Board of Directors (the “**Board**”) of Singapore Myanmar Investco Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 14 November 2016 entered into a placement agreement (the “**Placement Agreement**”) with OCBC Securities Private Limited as placement agent (the “**Placement Agent**”). Pursuant to the Placement Agreement, the Company has agreed to allot and issue up to 41,370,000 new ordinary shares (the “**Placement Shares**”) in the capital of the Company at a placement price of S\$0.42 (the “**Placement Price**”) for each Placement Share, and the Placement Agent has agreed to procure the subscription and payment for the Placement Shares at the Placement Price for each Placement Share on a best efforts basis (the “**Placement**”).

The Company shall pay to the Placement Agent a placement commission of 4.5% of the gross proceeds raised from the Placement. The Placement is non-underwritten.

### 2. THE PROPOSED PLACEMENT

#### 2.1 Placement Shares and Placement Price

The Placement Shares will be placed by the Placement Agent to institutional investors pursuant to Section 274 of the Securities and Futures Act (Cap 289) of Singapore (“**SFA**”), and/or accredited investors pursuant to Section 275 of the SFA.

The Company will be making an application to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the admission of the Placement Shares to the Mainboard and for the listing of and quotation for the Placement Shares on the SGX-ST. The Company will make the necessary announcement once the in-principle approval for the listing of and quotation for the Placement Shares has been obtained from the SGX-ST.

The Placement Price of S\$0.42 for each Placement Share was arrived at pursuant to discussions with the Placement Agent, taking into account, among others, the prevailing market price of the shares of the Company (“**Shares**”), and represents a discount of approximately 9.77% to the volume weighted average price of S\$0.4655 per Share for trades done on the Shares on the Mainboard on 11 November 2016, being the last full market day during which the Shares were traded prior to the signing of the Placement Agreement.

The Placement Shares are intended to be issued pursuant to the general share issue mandate (“**General Mandate**”) obtained at the extraordinary general meeting of the Company held on 26 July 2016 (“**EGM**”), which authorises the Directors of the Company to allot and issue new shares in the capital of the Company (“**Shares**”) not exceeding 50% of the total number of issued Shares as at the date of the EGM (after adjusting for 35,264,050 Shares), of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company shall not exceed 20% of the Company’s total number of issued Shares (excluding treasury shares). Further details of the General Mandate are found in the circular to shareholders dated 8 July 2016.

The base number of issued Shares (after adjusting for 35,264,060 Shares) is 211,134,050 Shares. As no Shares were issued under the General Mandate prior to the Placement and as such, the number of remaining Shares that may be issued pursuant to the General Mandate on a pro-rata basis is 105,567,025 Shares, of which the maximum number of Shares to be issued other than on a pro-rata basis is 42,226,810 Shares.

The Placement Shares, when issued and delivered, shall rank *pari passu* with and shall carry all rights similar to the existing Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the completion of the Placement.

## 2.2 Conditions

Completion of the Placement is conditional upon, among others:

- (i) in-principle approval for the additional listing application for the listing and quotation of the Placement Shares on the SGX-ST being obtained from the SGX-ST;
- (ii) the exemption under Sections 274 and/or 275 of the SFA being applicable to the Placement;
- (iii) the allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore or any jurisdiction which is applicable to the Company or the Placement Agent;
- (iv) there not having occurred, in the opinion of the Placement Agent, any material adverse change, or any development reasonably likely to involve a prospective material adverse change; and
- (v) the representations, warranties and undertakings in the Placement Agreement remaining true and correct in all respects as at the date of completion of the Placement and the Company having performed all of its obligations under the Placement Agreement.

There will not be any prospectus or offer information statement issued in connection with the Proposed Placement as the Proposed Placement will be made pursuant to exemptions under Sections 274 and 275 of the SFA.

## 3. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The table illustrates the financial effects of the Proposed Placement (assuming the Proposed Placement is fully subscribed) on (i) the net tangible asset per share of Group (assuming the Proposed Placement had been completed at the end of that financial year); and (ii) the earnings per share of the Group (assuming that the Proposed Placement had been completed at the beginning of that financial year) based on the audited financial statements of the Group for the full year ended 31 March 2016 are set out below:

	<b>Before the Proposed Placement US\$ (cents) (approximate)<sup>(1)</sup></b>	<b>After the Proposed Placement US\$ (cents) (approximate)<sup>(1)</sup></b>
Effect of the Proposed Placement on the net tangible asset per share	4.72	8.57

Effect of the Proposed Placement on the earnings per share

- Continued Operations	(3.86)	(3.23)
- Discontinued Operations	3.71	3.10

**Notes:**

- (1) Based on 211,134,050 shares in issue as at the Latest Practicable Date.
- (2) Based on a currency conversion rate of US\$1 : S\$1.4126 as at 11 November 2016 (Source: Bloomberg)

**4. USE OF PROCEEDS**

Assuming that the Placement is fully subscribed, the net proceeds to be raised by the Company from the Proposed Placement (after deducting estimated expenses of S\$0.9 million are approximately S\$16.5 million (“**Net Proceeds**”).

The Company intends to utilise the Net Proceeds in the following manner:

<b>Use of Net Proceeds</b>	<b>Percentage Allocation (%)</b>
Repayment of existing loans and borrowings	40
Construction of retail shops and purchase of merchandise for the Group’s retail business	25
Setting up food and beverage (“ <b>F&amp;B</b> ”) outlets and purchase of inventory for the Group’s F&B business	15
Expansion of the Group’s car rental and limousine services business	10
General working capital	10
<b>Total</b>	<b>100</b>

Pending the deployment of the Net Proceeds, the Company intends to place the Net Proceeds from the Proposed Placement with banks and/or financial institutions or use the Net Proceeds for any other purposes on a short-term basis, as the Directors may deem fit.

The Company will make periodic announcements on the actual utilisation of the Net Proceeds as and when the Net Proceeds are disbursed and utilised and to provide a status report on the use of the Net Proceeds in the Company’s interim and full-year financial statements issued under Rule 705 of the Listing Manual and the Company’s annual report. Where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company’s announcements on use of proceeds and in the annual report.

## **5. CONFIRMATION BY DIRECTORS**

The Directors are of the opinion that after taking into consideration the present bank facilities available to the Group, the working capital available to the Group is sufficient to meet its present requirements.

The Directors, however, believe that the Net Proceeds of the Proposed Placement will enable the Group to fund its expansion plans in Myanmar.

## **6. MORATORIUM**

The Company has been informed that:

- (i) Mr Ho Kwok Wai, the Company's Non-Executive Chairman and controlling shareholder, has provided an undertaking to the Placement Agent not to dispose of any of his Shares, for a period of six months commencing from the date of completion of the Placement, save for any sale of shares to a single investor of at least 5.0% of the Company's total issued shares from time to time via off-market transaction. Any new investor(s) for such transaction(s) shall also undertake not to sell its shares so acquired until the six month period from the date of completion of the Placement has expired; and
- (ii) Mr Mark Francis Bedingham, the Company's Executive Director, President, CEO and substantial shareholder, has provided an undertaking to the Placement Agent not to dispose of any of his Shares, for a period of twelve months commencing from the date of completion of the Placement.

## **7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Placement, other than through their shareholdings in the Company.

## **8. RESPONSIBILITY STATEMENT**

The Directors have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

By Order of the Board

Mark Francis Bedingham  
Executive Director, President and CEO  
14 November 2016