



UPDATE ON THE RESTRUCTURING OF THE GROUP'S TOURISM INVESTMENTS

The Board of Directors of First Myanmar Investment Co., Ltd. (the “Company” and with its subsidiaries, the “Group”) refers to the Company’s announcements dated 5 September 2016 and 24 October 2016 (collectively, the “Announcements”) in relation to the restructuring of the Group’s tourism investments. Unless otherwise defined, capitalized terms used herein shall bear the meanings ascribed to them in the Announcements.

Subsequent to the Announcements, and as part of the restructuring of the Target Businesses, the Company has consolidated the Target Businesses under MM Myanmar Pte. Ltd. (the “Target Company”), and the Company’s new stake in the Target Company as of the date of this announcement is 15.83%.

As of the date of this announcement, the shareholding of the Target Company is as follows:

Shareholder	Total Number of Shares held	Shareholding Percentage
Company	11,032,174	15.83%
Yoma Strategic Investments Ltd. (“YSIL”)	43,941,738	63.05%
Exemplary Ventures Limited (“EVL”)	14,720,318	21.12%
Total	69,694,230	100.00%

TARGET BUSINESSES

The Target Businesses which have now been consolidated under the Target Company are as follows:

- (i) the hot-air balloon business operating under the name ‘Balloons over Bagan’ with operations in Bagan and Inle Lake including operating locations used for the storage and warehousing of hot-air balloons;
- (ii) Pun Hlaing Lodge, a boutique hotel development under construction in Pun Hlaing Estate;
- (iii) a proposed commercial and tourism-related hospitality development to be constructed and developed in Nyaung U;
- (iv) a hotel operating under the name ‘Hpa-An Lodge’ and located in Hpa-An Township, Kayin State; and
- (v) a tourism and destination management business operating under the name ‘Asia Holidays’ (the “AHTT Business”).

FURTHER ACQUISITION BY SHC CAPITAL ASIA LIMITED ("SHC")

The Company had on 24 October 2016 entered into a conditional sale and purchase agreement (the "Original SPA") with SHC, YSIL and EVL (along with the Company, the "Parties") to sell to SHC the entire issued and paid-up share capital of the Target Company. On 17 August 2017, the Parties entered into an amending and restatement deed ("Amended and Restated SPA") to amend and restate the Original SPA.

Under the terms of the Amended and Restated SPA, the Target Company shall be acquired by SHC for a consideration of S\$69,694,228 (approximately Ks. 69.6 billion¹), (the "Consideration") which has been reduced from S\$70,675,130 (approximately Ks. 70.6 billion¹). The reduction in Consideration arose due to an agreement in which the Target Company will assume certain liabilities that were owed to the AHTT Business.

The Consideration shall be satisfied by the issuance and allotment of new ordinary shares (the "Consideration Shares") in the capital of SHC at the issue price of S\$0.263 per share. The Consideration Shares shall be listed and quoted on the Catalist Board of SGX pending the approval of the relevant authorities.

For the avoidance of doubt, there is no change in the consideration payable or the number of Consideration Shares to be issued to FMI.

FINANCIAL EFFECTS OF THE RESTRUCTURING

The restructuring is not expected to have a material impact on the consolidated net tangible assets per share and the consolidated earnings per share of the Company for the financial year ending 31 March 2018.

CAUTIONARY STATEMENT

The Company would like to advise shareholders that the issuance of Consideration Shares by SHC and its related transactions are subject to conditions precedent being fulfilled, including any regulatory approvals that may be required, and there is no certainty or assurance as at the date of this announcement that the proposed transactions will be completed or that no changes will be made to the terms thereof. Accordingly, shareholders are advised to exercise caution in dealings in the shares of the Company. Shareholders are advised to read the Announcements in conjunction with this announcement as well as any future announcement(s) released by the Company in connection with the restructuring of the Company's tourism investments carefully. Shareholders should consult professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Tun Tun
Executive Director

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¹ Based on the Reference Exchange Rate published by the Central Bank of Myanmar on 17 August 2017