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FIRST SPONSOR GROUP LIMITED

(Incorporated in the Cayman Islands)

(Registration No. AT-195714)

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- (1) THE PROPOSED RENOUNCEABLE AND NON-UNDERWRITTEN RIGHTS ISSUE OF SERIES 2 PERPETUAL CONVERTIBLE CAPITAL SECURITIES WITH FREE DETACHABLE WARRANTS EXERCISABLE INTO SHARES; AND**
 - (2) THE PROPOSED BONUS ISSUE OF WARRANTS EXERCISABLE INTO SHARES**
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1. INTRODUCTION

1.1 Proposed Rights Issue and Bonus Issue

The board of directors (the "**Board**" or the "**Directors**") of First Sponsor Group Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") refers to the announcements of the Company dated 14 February 2019 (the "**February Announcement**") and 18 March 2019 (the "**Update Announcement**") in relation to the Initial Proposed Exercises (as defined in the Update Announcement).

As stated in the Update Announcement, the Initial Proposed Exercises would have involved the issuance of warrants which are exercisable into perpetual convertible capital securities which are, in turn, convertible into ordinary shares with a par value of US\$0.10 each in the capital of the Company (the "**Shares**"). Such warrants differ from "plain vanilla" warrants which are typically exercisable directly into shares. The Company had received regulatory feedback in relation to the classification of the warrants proposed to be issued under the Initial Proposed Exercises for the purpose of Section 309B of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**") and its suitability for distribution in a retail offering. Taking into account the feedback, the Company has withdrawn the additional listing application it had submitted to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in connection with the Initial Proposed Exercises.

The Board wishes to announce that, in view of the above and after reconsidering the structure of the Initial Proposed Exercises, the Company has decided not to proceed with the Initial Proposed Exercises and is instead proposing to carry out:

- (i) a renounceable and non-underwritten rights issue (the "**Rights Issue**") of up to S\$147,874,946.70 in aggregate principal amount of 3.98 per cent. perpetual convertible capital securities (the "**Series 2 Convertible Securities**") in the denomination of S\$1.30 for each Series 2 Convertible Security, with up to 113,749,959 free detachable warrants (the "**Warrants**"), each carrying the right to subscribe for one (1) new Share (collectively, the "**Warrant Exercise Shares**") on the basis of:

- (a) one (1) Series 2 Convertible Security for every seven (7) existing Shares held by the Rights Issue Entitled Shareholders (as defined in Section 6 of this Announcement) as at a books closure date to be determined by the Directors, being a time and date at and on which the register of members (the "**Register of Members**") and share transfer books (the "**Share Transfer Books**") of the Company will be closed to determine the provisional allotments of the Rights Issue Entitled Shareholders to the Series 2 Convertible Securities under the Rights Issue (the "**Rights Issue Books Closure Date**"), fractional entitlements to be disregarded; and
 - (b) one (1) Warrant for every one (1) Series 2 Convertible Security validly subscribed for; and
- (ii) a bonus issue (the "**Bonus Issue**") of up to 79,624,971 Warrants on the basis of one (1) Warrant for every ten (10) existing Shares held by the Bonus Issue Entitled Shareholders (as defined in Section 6 of this Announcement) as at a books closure date to be determined by the Directors, being a time and date at and on which the Register of Members and Share Transfer Books will be closed to determine the entitlements of the Bonus Issue Entitled Shareholders to the Bonus Issue (the "**Bonus Issue Books Closure Date**"), fractional entitlements to be disregarded,

(collectively, the "**Proposed Exercises**").

The Rights Issue Books Closure Date and the Bonus Issue Books Closure Date will fall on the same date (the "**Books Closure Date**") and such date will be announced by the Company at the appropriate time.

The primary difference between the Initial Proposed Exercises and the Proposed Exercises is that the Warrants to be issued under the Proposed Exercises will be exercisable into Shares, instead of perpetual convertible capital securities (as was contemplated under the Initial Proposed Exercises).

The Company has appointed United Overseas Bank Limited as manager of the Rights Issue (the "**Manager of the Rights Issue**").

Reliance on the General Share Issue Mandate to be obtained at the 2019 AGM

The Proposed Exercises are proposed to be undertaken pursuant to the authority to be granted under the general share issue mandate (the "**General Share Issue Mandate**") to be put before shareholders of the Company ("**Shareholders**") for approval at the annual general meeting of the Company to be convened on 24 April 2019 (or any adjournment thereof) (the "**2019 AGM**") and the Company will not be seeking specific approval from Shareholders for the Proposed Exercises. Accordingly, the Proposed Exercises are subject to the General Share Issue Mandate being approved by Shareholders at the 2019 AGM.

Certain persons (who, in aggregate, own approximately 85.16% of the total issued Shares as at the date of this Announcement) have each provided an undertaking pursuant to the New Deeds of Undertaking (as defined below) to vote and/or to procure that their respective subsidiaries and/or nominee(s), as the case may be, vote in favour of the General Share Issue Mandate in respect of all Shares of which they and/or their respective subsidiaries and/or nominee(s), as the case may be, are the registered holder(s) and/or beneficial owner(s) as at the date of the 2019 AGM (which, as the case may be, may include Shares arising from the conversion of their Relevant Series 1 Convertible Securities (as defined below)).

1.2 **Series 1 Convertible Securities**

On 19 April 2018, the Company issued 147,453,737 or S\$162,199,110.70 in aggregate principal amount of 3.98 per cent. perpetual convertible capital securities (the "**Series 1 Convertible Securities**") in the denomination of S\$1.10 for each Series 1 Convertible Security pursuant to a renounceable and non-underwritten rights issue undertaken by the Company.

No Adjustments to be made to the conversion price of the Series 1 Convertible Securities

As stated in the February Announcement, the Company engaged Deloitte & Touche Corporate Finance Pte Ltd as the independent financial adviser (the "**IFA**") pursuant to the terms and conditions of the Series 1 Convertible Securities to determine, *inter alia*, whether any adjustments would be required to be made to the conversion price of the Series 1 Convertible Securities arising from the Initial Proposed Exercises. Having reviewed the terms and conditions of the Series 1 Convertible Securities and a draft of the terms and conditions of the warrants proposed to be issued under the Initial Proposed Exercises, the IFA was of the opinion that no adjustments are required to be made to the conversion price of the Series 1 Convertible Securities arising from the Initial Proposed Exercises.

As the Warrants to be issued under the Proposed Exercises are now "plain vanilla" warrants which are exercisable directly into Shares and the initial Exercise Price (as defined in Section 4 of this Announcement) of the Warrants of S\$1.30 is above S\$1.22 (being the Relevant Price (as defined in the terms and conditions of the Series 1 Convertible Securities)), it is clear from Condition 5.2(d) of the terms and conditions of the Series 1 Convertible Securities that no adjustments are required to be made to the conversion price of the Series 1 Convertible Securities. Accordingly, the Company will not be seeking clarification from any independent financial adviser in respect of any adjustments to be made as there is no ambiguity which would require an independent financial adviser's determination.

IMPORTANT NOTICE:

SUBJECT TO THE REQUIREMENTS IN RESPECT OF THE ELIGIBILITY TO PARTICIPATE IN THE PROPOSED EXERCISES (DETAILS OF WHICH ARE SET OUT IN SECTION 6 OF THIS ANNOUNCEMENT AND WILL BE SET OUT IN THE OFFER INFORMATION STATEMENT (AS DEFINED BELOW)):

**(A) SHAREHOLDERS WHO HOLD SERIES 1 CONVERTIBLE SECURITIES AND WHO WISH TO MAXIMISE THEIR ENTITLEMENTS UNDER THE PROPOSED EXERCISES;
AND**

(B) HOLDERS OF SERIES 1 CONVERTIBLE SECURITIES WHO ARE NOT SHAREHOLDERS BUT WHO WISH TO PARTICIPATE IN THE PROPOSED EXERCISES,

SHOULD ENSURE THAT THEY DELIVER TO THE CONVERSION AGENT THEIR DULY COMPLETED CONVERSION NOTICE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE SERIES 1 CONVERTIBLE SECURITIES BEFORE 3.00 P.M. ONE (1) BUSINESS DAY PRIOR TO THE BOOKS CLOSURE DATE.

AS ANNOUNCED BY THE COMPANY ON 14 FEBRUARY 2019, THE BOOKS CLOSURE DATE FOR THE PURPOSE OF DETERMINING SHAREHOLDERS' ENTITLEMENTS TO THE PROPOSED FINAL TAX-EXEMPT (ONE-TIER) DIVIDEND OF 1.30 SINGAPORE CENTS PER SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (THE "FINAL DIVIDEND") WILL BE AT 5.00 P.M. ON 6 MAY 2019. HENCE, SHAREHOLDERS WHO HOLD SERIES 1 CONVERTIBLE SECURITIES AND WHO WISH TO MAXIMISE THEIR ENTITLEMENTS TO THE FINAL DIVIDEND, AS WELL AS HOLDERS OF SERIES 1 CONVERTIBLE SECURITIES WHO ARE NOT SHAREHOLDERS BUT WISH TO BE ENTITLED TO THE FINAL DIVIDEND, SHOULD ENSURE THAT THEY DELIVER TO THE CONVERSION AGENT THEIR DULY COMPLETED CONVERSION NOTICE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE SERIES 1 CONVERTIBLE SECURITIES BEFORE 3.00 P.M. ON 3 MAY 2019. THE FINAL DIVIDEND, IF APPROVED BY SHAREHOLDERS AT THE 2019 AGM, WILL BE PAID ON OR ABOUT 16 MAY 2019.

DUE TO THE LOW PROPORTION OF SERIES 1 CONVERTIBLE SECURITIES EXPECTED TO REMAIN OUTSTANDING UPON CONVERSION OF THE RELEVANT SERIES 1 CONVERTIBLE SECURITIES PURSUANT TO THE UNDERTAKINGS TO CONVERT (EACH TERM AS DEFINED BELOW), HOLDERS OF SERIES 1 CONVERTIBLE SECURITIES SHOULD NOTE THAT THE COMPANY CURRENTLY INTENDS TO REDEEM ALL, AND NOT SOME ONLY, OF THE OUTSTANDING SERIES 1 CONVERTIBLE SECURITIES ON A DATE FALLING AFTER THE COMPLETION OF THE PROPOSED EXERCISES. PLEASE REFER TO THE SECTION TITLED "REDEMPTION OF THE SERIES 1 CONVERTIBLE SECURITIES AFTER THE PROPOSED EXERCISES" BELOW FOR FURTHER INFORMATION.

HOLDERS OF SERIES 1 CONVERTIBLE SECURITIES SHOULD ALSO NOTE THAT THERE IS NO ASSURANCE THAT THE PROPOSED EXERCISES WILL PROCEED AND/OR BE COMPLETED. THE PROPOSED EXERCISES ARE SUBJECT TO, AMONGST OTHERS, THE FOLLOWING:

- (A) THE GENERAL SHARE ISSUE MANDATE BEING APPROVED BY SHAREHOLDERS AT THE 2019 AGM;**
- (B) AIP (AS DEFINED BELOW) HAVING BEEN OBTAINED AND NOT HAVING BEEN WITHDRAWN; AND**
- (C) THE LODGEMENT OF THE OFFER INFORMATION STATEMENT, TOGETHER WITH ALL OTHER ACCOMPANYING DOCUMENTS, WITH THE MONETARY AUTHORITY OF SINGAPORE (THE "MAS").**

THE DELIVERY OF CONVERSION NOTICES MAY NOT BE REVOKED EVEN IF THE PROPOSED EXERCISES DO NOT PROCEED OR COMPLETE.

Undertakings to Convert the Series 1 Convertible Securities

As stated in the February Announcement, certain persons had executed deeds of undertaking (the "**Initial Deeds of Undertaking**") in connection with the Initial Proposed Exercises.

The Initial Deeds of Undertaking were terminated with effect from the date of the issue of the Update Announcement in accordance with the terms of the Initial Deeds of Undertaking. To demonstrate their intention to maximise their entitlements under the Proposed Exercises and in support of the Proposed Exercises, these persons have on 25 March 2019 executed new deeds of undertaking (the "**New Deeds of Undertaking**").

For the persons set out below, the New Deeds of Undertaking comprise undertakings (the "**Undertakings to Convert**") to, and/or to procure that their respective subsidiaries and/or nominee(s) will:

- (a) remain as registered holder(s) of the respective Series 1 Convertible Securities from the date of their respective New Deed of Undertaking to the Conversion Notice Date (as defined below); and
- (b) exercise their conversion rights in respect of the respective Series 1 Convertible Securities listed below after the release of this Announcement and, in any event, no later than the date falling five (5) business days after the date of receipt of the AIP (and, the date on which these persons and/or their respective subsidiaries and/or nominee(s) exercise their conversion rights shall be the "**Conversion Notice Date**").

These Undertakings to Convert are conditional on the approval in-principle (the "**AIP**") from the SGX-ST for the dealing in, listing of, and quotation for, the Series 2 Convertible Securities, the Warrants (including additional Warrants that may be issued pursuant to any adjustments as set out in the Terms and Conditions of the Warrants (as defined in Section 2 of this Announcement)), the new Shares to be allotted and issued pursuant to the conversion of the Series 2 Convertible Securities (including additional Shares that may be allotted and issued pursuant to any adjustments as set out in the Terms and Conditions of the Series 2 Convertible Securities (as defined in Section 2 of this Announcement)) (the "**Conversion Shares**") and the Warrant Exercise Shares to be allotted and issued pursuant to the exercise of the Warrants (including additional Warrant Exercise Shares that may be allotted and issued pursuant to the exercise of additional Warrants that may be issued pursuant to any adjustments as set out in the Terms and Conditions of the Warrants) on the Official List of the SGX-ST having been obtained and not having been withdrawn.

Number of Series 1 Convertible Securities to be converted (collectively, the "Relevant Series 1 Convertible Securities")

Directors

Mr. Ho Han Leong Calvin	425,000
Mr. Ho Han Khoon	225,000
Mr. Neo Teck Pheng	3,363,000
Mr. Yee Chia Hsing	100,000
Ms. Ting Ping Ee, Joan Maria	25,000

Executive officers of the Group (other than Directors)

Mr. Shu Zhen	3,685,805
Ms. Lee Sau Hun	225,000

Shareholders (other than Directors and executive officers of the Group)

Republic Hotels & Resorts Limited ("RHRL") ⁽¹⁾	46,965,615 ⁽²⁾
M&C Hospitality International Limited ("MCHIL") ⁽¹⁾	5,898,579 ⁽²⁾
Tai Tak Asia Properties Limited ("TTAPL")	65,173,697
Chengdu Tianfu Properties Ltd. ("CDTF")	1,142,550

Total	127,229,246
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Notes:

- (1) Pursuant to its New Deed of Undertaking, Millennium & Copthorne Hotels plc ("M&C UK") undertook to procure that its wholly-owned subsidiaries, RHRL and MCHIL, among other things, exercise their conversion rights in respect of their Series 1 Convertible Securities.
- (2) If the conversion of the Series 1 Convertible Securities held by RHRL and MCHIL will result in RHRL, MCHIL and persons acting in concert with them collectively acquiring Shares carrying in aggregate more than one (1) per cent. of the total voting rights in the Company on a fully diluted basis (after taking into account the simultaneous conversion of the other Relevant Series 1 Convertible Securities, if any), RHRL and/or MCHIL are only required to exercise the conversion right in respect of such part of their Series 1 Convertible Securities to the extent that such conversion will not result in RHRL, MCHIL and persons acting in concert with them collectively acquiring Shares carrying in aggregate more than one (1) per cent. of the total voting rights in the Company on a fully diluted basis (after taking into account the simultaneous conversion of the other Relevant Series 1 Convertible Securities, if any).

Following the conversion of the Relevant Series 1 Convertible Securities at the conversion price of S\$1.10 per Share, the entitlements of these persons under the Proposed Exercises will increase. Assuming that only the Relevant Series 1 Convertible Securities are converted into Shares (at the conversion price of S\$1.10 per Share with no adjustments) and, apart from that, no new Shares are issued on or prior to the Books Closure Date, the shareholding interests of these persons before and after the conversion of the Relevant Series 1 Convertible Securities are set out below:

	Before conversion of the Relevant Series 1 Convertible Securities				After conversion of the Relevant Series 1 Convertible Securities			
	Direct Interest		Deemed Interest⁽⁸⁾		Direct Interest		Deemed Interest⁽⁸⁾	
	Number of Shares	% of Issued Shares	Number of Shares	% of Issued Shares	Number of Shares	% of Issued Shares	Number of Shares	% of Issued Shares
Directors								
Mr Ho Han Leong Calvin ⁽¹⁾	2,600,000	0.40	291,791,490	44.63	3,025,000	0.39	358,107,737	45.85
Mr Ho Han Khoon ⁽²⁾	1,350,000	0.21	286,764,270	43.86	1,575,000	0.20	286,764,270	36.72
Mr Neo Teck Pheng ⁽³⁾	-	-	301,561,470	46.13	3,363,000	0.43	301,561,470	38.61
Mr Yee Chia Hsing	220,000	0.03	-	-	320,000	0.04	-	-
Ms Ting Ping Ee, Joan Maria	110,000	0.02	-	-	135,000	0.02	-	-
Executive officers of the Group (other than Directors)								
Mr Shu Zhen ⁽⁴⁾	-	-	12,277,774	1.88	-	-	15,963,579	2.04
Ms Lee Sau Hun	990,000	0.15	-	-	1,215,000	0.16	-	-
Shareholders of the Company (other than Directors and executive officers of the Group)								
RHRL	206,648,706	31.61	-	-	253,614,321	32.47	-	-
MCHIL ⁽⁵⁾	25,953,747	3.97	206,648,706	31.61	31,852,326	4.08	253,614,321	32.47
TTAPL ⁽⁶⁾	-	-	291,791,490	44.63	65,173,697	8.34	292,934,040	37.51
CDTF ⁽⁷⁾	-	-	5,027,220	0.77	-	-	6,169,770	0.79

Notes:

- (1) Mr Ho Han Leong Calvin, the Company's Non-Executive Chairman, is treated as having an interest under Section 4 of the SFA in (a) the Shares held directly by First Sponsor Capital Limited ("FSCL"), (b) the Shares held directly by TTAPL and in which TTAPL is treated as having an interest under Section 4 of the SFA, (c) the Shares in which CDTF is treated as having an interest under Section 4 of the SFA, which are 286,764,270 Shares, 291,791,490 Shares and 5,027,220 Shares respectively, before the conversion of the Relevant Series 1 Convertible Securities and 286,764,270 Shares, 358,107,737 Shares and 6,169,770 Shares respectively, after the conversion of the Relevant Series 1 Convertible Securities. These three entities are entities in which he is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof. Please refer to notes 6 and 7 below for the details on the Shares in which TTAPL and CDTF are treated as having an interest under Section 4 of the SFA. He is also treated as having an interest in the Shares held indirectly by Tai Tak Industries Pte. Ltd., Tai Tak Estates Sendirian Berhad, SG Investments Pte. Ltd., First Sponsor Management Limited ("FSML") and TT Properties (Asia) Ltd ("TTPA"), in which he is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof.
- (2) Mr Ho Han Khoon, an alternate director to the Company's Non-Executive Chairman, is treated as having an interest under Section 4 of the SFA in the Shares held directly by FSCL and indirectly by FSML and TTPA, in which he is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof, which is 286,764,270 before and after the conversion of the Relevant Series 1 Convertible Securities.

- (3) Mr Neo Teck Pheng, the Group Chief Executive Officer and Executive Director, is treated as having an interest under Section 4 of the SFA in the Shares held directly by FSCL, Ararat Holdings Limited and Magnificent Opportunity Limited, which are 286,764,270 Shares, 7,663,700 Shares and 7,133,500 Shares, respectively before and after the conversion of the Relevant Series 1 Convertible Securities. These three entities are entities in which he is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof. He is also treated as having an interest under Section 4 of the SFA in the Shares held indirectly by FSML, in which he is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof.
- (4) Mr Shu Zhen, the Chief Executive Officer, Guangdong Operations, is treated as having an interest under Section 4 of the SFA in the Shares held by (a) him via DBS Nominees Pte Ltd and (b) Regent Land Investment Holdings Limited ("**RLIHL**") via DBS Nominees Pte Ltd, which are 181,000 Shares and 12,096,774 Shares respectively, before the conversion of the Relevant Series 1 Convertible Securities and 233,500 Shares and 15,730,079 Shares respectively, after the conversion of the Relevant Series 1 Convertible Securities. Mr Shu Zhen owns 100 per cent. of the issued share capital of RLIHL. RLIHL has pledged 8,929,068 Shares to DBS Bank Ltd. as security for a loan.
- (5) MCHIL is treated as having an interest under Section 4 of the SFA in the Shares held indirectly by M&C Hotel Investments Pte. Ltd., in which it is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares thereof, which is 206,648,706 Shares before the conversion of the Relevant Series 1 Convertible Securities and 253,614,321 Shares after the conversion of the Relevant Series 1 Convertible Securities.
- (6) TTAPL is treated as having an interest under Section 4 of the SFA in the Shares held by (a) FSCL directly and (b) CDTF via DBS Vickers Securities (S) Pte Ltd, which are 286,764,270 Shares and 5,027,220 Shares, respectively, before the conversion of the Relevant Series 1 Convertible Securities and 286,764,270 Shares and 6,169,770 Shares, respectively, after the conversion of the Relevant Series 1 Convertible Securities. TTAPL is entitled to exercise or control the exercise of not less than 20 per cent. of the votes attached to the voting shares of FSCL and CDTF.
- (7) CDTF is treated as having an interest under Section 4 of the SFA in the Shares it holds via DBS Vickers Securities (S) Pte Ltd, which is 5,027,220 Shares before the conversion of the Relevant Series 1 Convertible Securities and 6,169,770 Shares after the conversion of the Relevant Series 1 Convertible Securities.
- (8) For the purposes of this table, a "deemed interest" refers to an interest in the Shares under Section 4 of the SFA (other than a direct interest in the Shares).

Redemption of the Series 1 Convertible Securities after the Proposed Exercises

Upon conversion of the Relevant Series 1 Convertible Securities pursuant to the Undertakings to Convert, less than 10.4 per cent. of the initial issue size of the Series 1 Convertible Securities is expected to be outstanding. Due to the low proportion of Series 1 Convertible Securities expected to remain outstanding, the Company currently intends to redeem all, and not some only, of the outstanding Series 1 Convertible Securities on a date falling after the completion of the Proposed Exercises. When the Company decides to proceed with the redemption, it will make a further announcement with the details of such redemption.

1.3 **Effects of the Proposed Exercises on the Share Capital of the Company**

Scenario 1: All the Series 2 Convertible Securities are fully subscribed for and converted and all the Warrants are exercised

- (a) Scenario 1A: All Series 1 Convertible Securities are converted into Shares prior to the Books Closure Date

Based on the existing issued share capital of the Company of 653,780,044 Shares and assuming that (a) all the outstanding Series 1 Convertible Securities are converted into Shares (at the conversion price of S\$1.10 per Share with no adjustments) and, apart from that, no new Shares are issued on or prior to the Books Closure Date, and (b) all the Series 2 Convertible Securities under the Rights Issue are fully subscribed for, 113,749,959 or approximately S\$147.9 million in aggregate principal amount of Series 2 Convertible Securities and 193,374,930 Warrants are expected to be issued under the Proposed Exercises. Assuming no adjustments to the Conversion Price (as defined in Section 4 of this Announcement) of the Series 2 Convertible Securities, the Exercise Price of the Warrants and/or the number of the Warrants, 307,124,889 Shares, representing approximately 47.0 per cent. of the total issued Shares as at the date of this Announcement and approximately 27.8 per cent. of the total issued Shares after adjusting for the above scenario, will be allotted and issued by the Company upon conversion of all the Series 2 Convertible Securities and exercise of all the Warrants.

- (b) Scenario 1B: Only the Relevant Series 1 Convertible Securities are converted into Shares prior to the Books Closure Date

Based on the existing issued share capital of the Company of 653,780,044 Shares and assuming that (a) only the Relevant Series 1 Convertible Securities are converted into Shares (at the conversion price of S\$1.10 per Share with no adjustments) and, apart from that, no new Shares are issued on or prior to the Books Closure Date, and (b) all the Series 2 Convertible Securities under the Rights Issue are fully subscribed for, 111,572,755 or approximately S\$145.0 million in aggregate principal amount of Series 2 Convertible Securities and 189,673,684 Warrants are expected to be issued under the Proposed Exercises. Assuming no adjustments to the Conversion Price of the Series 2 Convertible Securities, the Exercise Price of the Warrants and/or the number of the Warrants, 301,246,439 Shares, representing approximately 46.1 per cent. of the total issued Shares as at the date of this Announcement and approximately 27.8 per cent. of the total issued Shares after adjusting for the above scenario, will be allotted and issued by the Company upon conversion of all the Series 2 Convertible Securities and exercise of all the Warrants.

Scenario 2: All the Series 2 Convertible Securities are fully subscribed for and converted and none of the Warrants are exercised

- (a) Scenario 2A: All Series 1 Convertible Securities are converted into Shares prior to the Books Closure Date

Based on the existing issued share capital of the Company of 653,780,044 Shares and assuming that (a) all the outstanding Series 1 Convertible Securities are converted into Shares (at the conversion price of S\$1.10 per Share with no adjustments) and, apart from that, no new Shares are issued on or prior to the Books Closure Date, and (b) all the Series 2 Convertible Securities under the Rights Issue are fully subscribed for, 113,749,959 or approximately S\$147.9 million in aggregate principal amount of Series 2 Convertible Securities and 193,374,930 Warrants are expected to be issued under the Proposed Exercises. Assuming no adjustments to the Conversion Price of the Series 2 Convertible Securities and none of the Warrants are exercised, 113,749,959 Shares, representing approximately 17.4 per cent. of the total issued Shares as at the date of this Announcement and approximately 12.5 per cent. of the total issued Shares after adjusting for the above scenario, will be allotted and issued by the Company upon conversion of all the Series 2 Convertible Securities.

- (b) Scenario 2B: Only the Relevant Series 1 Convertible Securities are converted into Shares prior to the Books Closure Date

Based on the existing issued share capital of the Company of 653,780,044 Shares and assuming that (a) only the Relevant Series 1 Convertible Securities are converted into Shares (at the conversion price of S\$1.10 per Share with no adjustments) and, apart from that, no new Shares are issued on or prior to the Books Closure Date, and (b) all the Series 2 Convertible Securities under the Rights Issue are fully subscribed for, 111,572,755 or approximately S\$145.0 million in aggregate principal amount of Series 2 Convertible Securities and 189,673,684 Warrants are expected to be issued under the Proposed Exercises. Assuming no adjustments to the Conversion Price of the Series 2 Convertible Securities and none of the Warrants are exercised, 111,572,755 Shares, representing approximately 17.1 per cent. of the total issued Shares as at the date of this Announcement and approximately 12.5 per cent. of the total issued Shares after adjusting for the above scenario, will be allotted and issued by the Company upon conversion of all the Series 2 Convertible Securities.

Scenario 3: Only the Series 2 Convertible Securities which are the subject of the Rights Issue Undertakings (as defined in Section 7 of this Announcement) are subscribed for and converted and all the Warrants are exercised

- (a) Scenario 3A: All Series 1 Convertible Securities are converted into Shares prior to the Books Closure Date

Based on the existing issued share capital of the Company of 653,780,044 Shares and assuming that (a) all the outstanding Series 1 Convertible Securities are converted into Shares (at the conversion price of S\$1.10 per Share with no adjustments) and, apart from that, no new Shares are issued on or prior to the Books Closure Date, and (b) only the Series 2 Convertible Securities which are the subject of the Rights Issue Undertakings are subscribed for, 91,939,196 or approximately S\$119.5 million in aggregate principal amount of Series 2 Convertible Securities and 171,564,167 Warrants are expected to be issued under the Proposed Exercises. Assuming no adjustments to the Conversion Price of the Series 2 Convertible Securities, the Exercise Price of the Warrants and/or the number of the Warrants, 263,503,363 Shares, representing approximately 40.3 per cent. of the total issued Shares as at the date of this Announcement and approximately 24.9 per cent. of the total issued Shares after adjusting for the above scenario, will be allotted and issued by the Company upon conversion of all the Series 2 Convertible Securities and exercise of all the Warrants.

- (b) Scenario 3B: Only the Relevant Series 1 Convertible Securities are converted into Shares prior to the Books Closure Date

Based on the existing issued share capital of the Company of 653,780,044 Shares and assuming that (a) only the Relevant Series 1 Convertible Securities are converted into Shares (at the conversion price of S\$1.10 per Share with no adjustments) and, apart from that, no new Shares are issued on or prior to the Books Closure Date, and (b) only the Series 2 Convertible Securities which are the subject of the Rights Issue Undertakings are subscribed for, 91,939,196 or approximately S\$119.5 million in aggregate principal amount of Series 2 Convertible Securities and 170,040,125 Warrants are expected to be issued under the Proposed Exercises. Assuming no adjustments to the Conversion Price of the Series 2 Convertible Securities, the Exercise Price of the Warrants and/or the number of the Warrants, 261,979,321 Shares, representing approximately 40.1 per cent. of the total issued Shares as at the date of this Announcement and approximately 25.1 per cent. of the total issued Shares after adjusting for the above scenario, will be allotted and issued by the Company upon conversion of all the Series 2 Convertible Securities and exercise of all the Warrants.

Scenario 4: Only the Series 2 Convertible Securities which are the subject of the Rights Issue Undertakings are subscribed for and converted and none of the Warrants are exercised

- (a) Scenario 4A: All Series 1 Convertible Securities are converted into Shares prior to the Books Closure Date

Based on the existing issued share capital of the Company of 653,780,044 Shares and assuming that (a) all the outstanding Series 1 Convertible Securities are converted into Shares (at the conversion price of S\$1.10 per Share with no adjustments) and, apart from that, no new Shares are issued on or prior to the Books Closure Date, and (b) only the Series 2 Convertible Securities which are the subject of the Rights Issue Undertakings are subscribed for, 91,939,196 or approximately S\$119.5 million in aggregate principal amount of Series 2 Convertible Securities and 171,564,167 Warrants are expected to be issued under the Proposed Exercises. Assuming no adjustments to the Conversion Price of the Series 2 Convertible Securities and none of the Warrants are exercised, 91,939,196 Shares, representing approximately 14.1 per cent. of the total issued Shares as at the date of this Announcement and approximately 10.4 per cent. of the total issued Shares after adjusting for the above scenario, will be allotted and issued by the Company upon conversion of all the Series 2 Convertible Securities.

- (b) Scenario 4B: Only the Relevant Series 1 Convertible Securities are converted into Shares prior to the Books Closure Date

Based on the existing issued share capital of the Company of 653,780,044 Shares and assuming that (a) only the Relevant Series 1 Convertible Securities are converted into Shares (at the conversion price of S\$1.10 per Share with no adjustments) and, apart from that, no new Shares are issued on or prior to the Books Closure Date and (b) only the Series 2 Convertible Securities which are the subject of the Rights Issue Undertakings are subscribed for, 91,939,196 or approximately S\$119.5 million in aggregate principal amount of Series 2 Convertible Securities and 170,040,125 Warrants are expected to be issued under the Proposed Exercises. Assuming no adjustments to the Conversion Price of the Series 2 Convertible Securities and none of the Warrants are exercised, 91,939,196 Shares, representing approximately 14.1 per cent. of the total issued Shares as at the date of this Announcement and approximately 10.5 per cent. of the total issued Shares after adjusting for the above scenario, will be allotted and issued by the Company upon conversion of all the Series 2 Convertible Securities.

2. PROPOSED RIGHTS ISSUE

Subject to the relevant approvals being obtained for the Rights Issue, the principal terms of the proposed Rights Issue are summarised below:

Basis of Provisional Allotment of the Series 2 Convertible Securities : The Rights Issue will be made on a renounceable basis to the Rights Issue Entitled Shareholders on the basis of one (1) Series 2 Convertible Security for every seven (7) existing Shares held by the Rights Issue Entitled Shareholders as at the Rights Issue Books Closure Date, fractional entitlements to be disregarded.

The Series 2 Convertible Securities will be constituted by a trust deed (the "**Trust Deed**") to be entered into between the Company and Perpetual (Asia) Limited (the "**Trustee**"), which will set out the terms and conditions of the Series 2 Convertible Securities (the "**Terms and Conditions of the Series 2 Convertible Securities**") and which may from time to time be amended, modified or supplemented in accordance with its terms.

Issue Size of the Series 2 Convertible Securities : Up to S\$147,874,946.70 in aggregate principal amount of Series 2 Convertible Securities.

Basis of Provisional Allotment of the Warrants : One (1) Warrant to be issued free for each Series 2 Convertible Security validly subscribed for.

The Warrants will be constituted by a deed poll (the "**Deed Poll**") to be executed by the Company, which will set out the terms and conditions of the Warrants (the "**Terms and Conditions of the Warrants**") and which may from time to time be amended, modified or supplemented in accordance with its terms.

Each Warrant will carry the right to subscribe for one (1) Share.

- Issue Size of the Warrants : Subject to adjustments to the number of Warrants (as set out in the Terms and Conditions of the Warrants), up to 113,749,959 Warrants.
- Detachability : The Warrants issued under the Rights Issue will on allotment and issue be detached from the Series 2 Convertible Securities, and will trade separately on the Main Board of the SGX-ST.
- Eligibility to Participate : Please refer to the section titled "Eligibility of Shareholders to participate in the Proposed Exercises" of this Announcement.
- Irrevocable Undertakings : Please refer to the section titled "Irrevocable Undertakings in respect of the Rights Issue" of this Announcement for details of the Rights Issue Undertakings provided by M&C UK, FSCL, TTAPL and CDTF in respect of the Rights Issue.

The terms and conditions of the Rights Issue, the Series 2 Convertible Securities, the Conversion Shares, the Warrants and the Warrant Exercise Shares may be subject to such changes as the Directors may, after consultation with the Manager of the Rights Issue, deem fit in the interests of the Company. The final terms and conditions of the Rights Issue, the Series 2 Convertible Securities, the Conversion Shares, the Warrants and the Warrant Exercise Shares will also be contained in the offer information statement (the "**Offer Information Statement**") to be lodged with the MAS and to be despatched by the Company to Rights Issue Entitled Shareholders at the appropriate time.

No underwriting commitment has been arranged with any financial institution for the Rights Issue. To incentivise Shareholders to subscribe for the Series 2 Convertible Securities, the Company will issue one (1) Warrant for each Series 2 Convertible Security validly subscribed for under the Rights Issue. In addition, the Company believes that there is no minimum amount which must be raised from the Rights Issue. In view of the above, the Rights Issue Undertakings and the savings enjoyed for not having to bear underwriting fees, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

3. PROPOSED BONUS ISSUE

Subject to the relevant approvals being obtained for the Bonus Issue, the principal terms of the proposed Bonus Issue are summarised below:

- Basis of Allotment of Warrants under the Bonus Issue : The Bonus Issue will be made to Bonus Issue Entitled Shareholders on the basis of one (1) Warrant for every ten (10) existing Shares held by Bonus Issue Entitled Shareholders as at the Bonus Issue Books Closure Date, fractional entitlements to be disregarded.

The Warrants will be constituted by the Deed Poll. Each Warrant will carry the right to subscribe for one (1) Share.

- Issue Size : Subject to adjustments to the number of Warrants (as set out in the Terms and Conditions of the Warrants), up to 79,624,971 Warrants.

Eligibility to Participate : Please refer to the section titled "Eligibility of Shareholders to participate in the Proposed Exercises" of this Announcement.

The terms and conditions of the Bonus Issue, the Warrants and the Warrant Exercise Shares may be subject to such changes as the Directors may deem fit in the interest of the Company. The final terms and conditions of the Bonus Issue, the Warrants and the Warrant Exercise Shares will also be contained in the Offer Information Statement to be lodged with the MAS and to be despatched by the Company to Bonus Issue Entitled Shareholders at the appropriate time.

4. PRINCIPAL TERMS OF THE SERIES 2 CONVERTIBLE SECURITIES AND THE WARRANTS

Principal Terms of the Series 2 Convertible Securities

The principal terms of the Series 2 Convertible Securities are summarised below:

Issue Price of the Series 2 Convertible Securities : 100 per cent. of the principal amount of the Series 2 Convertible Securities at S\$1.30 for each Series 2 Convertible Security (the "**Issue Price**").

Issue Size : Up to S\$147,874,946.70 in aggregate principal amount of Series 2 Convertible Securities.

Maturity Date : The Series 2 Convertible Securities are perpetual securities in respect of which there is no fixed redemption date.

Distributions : Each Series 2 Convertible Security confers a right to receive distributions on its outstanding principal amount ("**Distributions**") from (and including) the date of the issuance of the Series 2 Convertible Securities (the "**Issue Date**").

Subject to "**Optional Deferral of Distribution**" below and unless otherwise provided in the Terms and Conditions of the Series 2 Convertible Securities, Distributions shall be payable on the Series 2 Convertible Securities at the Distribution Rate (as defined below) semi-annually in arrear and on the dates falling on 1 January and 1 July in each year (each a "**Distribution Payment Date**").

Distribution Rate : The rate of Distributions (the "**Distribution Rate**") applicable to the Series 2 Convertible Securities shall be 3.98 per cent. per annum and shall be calculated on the principal amount of S\$1.30 for each Series 2 Convertible Security.

Form and Denomination : The Series 2 Convertible Securities will be issued in registered form and in the specified denomination of S\$1.30 each and integral multiples thereof and will initially be represented by a global certificate registered in the name of, and deposited with, The Central Depository (Pte) Limited ("**CDP**").

Except in the limited circumstances described in the provisions of the global certificate representing the Series 2 Convertible Securities, owners of interests in the Series 2 Convertible Securities represented by such global certificate will not be entitled to receive definitive security certificates in respect of their individual holdings of the Series 2 Convertible Securities. The Series 2 Convertible Securities which are represented by such global certificate will be transferable only in accordance with the rules and procedures for the time being of CDP.

Optional Deferral of Distributions : The Company may, at its sole discretion, elect to defer any Distribution, in whole or in part, which is otherwise scheduled to be paid on a Distribution Payment Date by giving notice (an "**Optional Deferral Notice**") of such election to the Trustee, the Paying Agent (as defined below), the Conversion Agent (as defined below), the Transfer Agent (as defined below), the Calculation Agent (as defined below), the Registrar (as defined below) and the Securityholders (as defined below) not more than 15 nor less than five (5) business days prior to a scheduled Distribution Payment Date. Each Optional Deferral Notice shall be conclusive and binding on the holders of the Series 2 Convertible Securities ("**Securityholders**").

Arrears of Distribution : Any Distribution deferred shall constitute "**Arrears of Distribution**". The Company may, at its sole discretion, elect to further defer any Arrears of Distribution by complying with the notice requirement applicable to any deferral of an accrued Distribution. The Company is not subject to any limit as to the number of times Distributions and Arrears of Distribution can or shall be deferred except that "**Restrictions in the case of Deferral**" below shall be complied with until all outstanding Arrears of Distribution have been paid in full.

In any event, no interest on any Arrears of Distribution will be payable to Securityholders.

Restrictions in the case of Deferral : If on any Distribution Payment Date, payment of Distributions (including Arrears of Distribution) scheduled to be made on such date is not made in full, the Company shall not:

(a) declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on, any of the Company's Junior Obligations or (except on a *pro rata* basis with the Series 2 Convertible Securities) any of the Company's Parity Obligations; or

(b) redeem, reduce, cancel, buy-back or acquire for any consideration, any of the Company's Junior Obligations or (except on a *pro rata* basis with the Series 2 Convertible Securities) any of the Company's Parity Obligations,

in each case, other than (i) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, officers, directors or consultants of the Company or (ii) as a result of the exchange or conversion of the Company's Parity Obligations for the Company's Junior Obligations unless and until (A) the Company has satisfied in full all outstanding Arrears of Distribution or (B) the Company is permitted to do so by a resolution passed at a meeting of Securityholders duly convened and held in accordance with the Trust Deed by a majority of at least 75 per cent. of the votes cast.

Where:

"Junior Obligation" means any Shares of the Company and any class of the Company's share capital and any other instruments or securities (including without limitation any preference shares, preferred units or subordinated perpetual securities) issued, entered into or guaranteed by the Company that ranks or is expressed to rank, whether by its terms or by operation of law, junior to the Series 2 Convertible Securities; and

"Parity Obligation" means any instrument or security (other than shares) issued, entered into or guaranteed by the Company (a) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Series 2 Convertible Securities and (b) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Company and/or, in the case of an instrument or security guaranteed by the Company, the issuer thereof.

Extinction of Arrears of Distribution upon exercise of Conversion Right : Any Arrears of Distribution due in respect of a Series 2 Convertible Security shall be extinguished by the Company in full through the delivery by the Company of the Conversion Shares upon the exercise of the Securityholder's Conversion Right (as defined below) in respect of such Series 2 Convertible Security. Upon compliance in full of the requirement under the Terms and Conditions of the Series 2 Convertible Securities to deliver the Conversion Shares, the Company shall have no liability to pay the Arrears of Distribution due in respect of the converted Series 2 Convertible Security and, no converting Securityholder shall have any claim in respect of such Arrears of Distribution.

Conversion Terms : Securityholders will have the right to convert any Series 2 Convertible Securities held into Conversion Shares, at the Conversion Price, credited as fully-paid ("**Conversion Right**"), at any time on or after the 41st day after the Issue Date subject to the Terms and Conditions of the Series 2 Convertible Securities.

The number of Conversion Shares to be issued on the conversion of each Series 2 Convertible Security will be determined by dividing the principal amount of the Series 2 Convertible Security to be converted by the Conversion Price in effect at the relevant conversion date. If more than one (1) Series 2 Convertible Security held by the same Securityholder is converted at any one time, the number of Conversion Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Series 2 Convertible Securities to be converted and rounded down to the nearest whole number of Conversion Shares. Fractions of Conversion Shares will not be issued on conversion and no cash payment or other adjustment will be made in lieu thereof.

Conversion Price : Subject to adjustments to the Conversion Price (as set out in the Terms and Conditions of the Series 2 Convertible Securities) referred to in "Adjustment to the Conversion Price" below and provided always that the Conversion Price shall not be less than the nominal or par value of a Share, the price at which one (1) Series 2 Convertible Security will be converted into one (1) Conversion Share (the "**Conversion Price**") shall initially be S\$1.30. The initial Conversion Price of S\$1.30 represents a premium of approximately 2.36 per cent. over the last transacted price of the Shares on the Official List of the SGX-ST on 25 March 2019, being the last trading day on which trades were done on the Shares prior to this Announcement.

For the avoidance of doubt, no further cash outlay will be required from the Securityholders for the conversion of the Series 2 Convertible Securities into Conversion Shares.

Adjustment to the Conversion Price : The Conversion Price will be subject to adjustments under certain circumstances, including, without limitation, the following:

- (a) consolidation or subdivision;
- (b) capitalisation of profits or reserves;
- (c) capital distribution (excluding cash dividends);
- (d) rights issues of Shares or options over Shares at less than 95 per cent. of the market price (excluding for the avoidance of doubt, the current Rights Issue);
- (e) rights issues of other securities;

- (f) issues of Shares or other securities at less than 95 per cent. of the market price;
- (g) other issues by the Company or any other person (at the direction or request of or pursuant to any arrangements with the Company) of other securities at less than 95 per cent. of the market price;
- (h) modifications of rights of conversion, exchange or subscription attaching to any other securities issued and which are convertible into Shares such that the consideration per Share is less than 95 per cent. of the market price;
- (i) issues of securities in the context of an offer to holders of at least 60 per cent. of the Shares outstanding (at the time such offer is made) and there is no adjustment carried out under other provisions of the Terms and Conditions of the Series 2 Convertible Securities; and
- (j) in events or circumstances not otherwise provided in the Terms and Conditions of the Series 2 Convertible Securities, subject to, among other things, the use by the Company of an independent financial adviser to determine if such adjustment is fair and reasonable,

provided always that no adjustment shall be made to the Conversion Price on the issuances of, *inter alia*, the Warrants, the Warrant Exercise Shares and the Conversion Shares.

Status of the Series 2 Convertible Securities : The Series 2 Convertible Securities will constitute direct, unconditional, subordinated and unsecured obligations of the Company and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with any Parity Obligations of the Company.

Subject to the insolvency laws of the Cayman Islands and other applicable laws, in the event of the winding-up of the Company, the rights of the Securityholders to payment of the principal amount of the relevant Series 2 Convertible Security together with accrued and unpaid Distributions (including any Arrears of Distribution) are expressly subordinated and subject in right of payment to the prior payment in full of all claims of senior creditors of the Company but at least *pari passu* with all other subordinated obligations of the Company that are not expressed by their terms to rank junior to the Series 2 Convertible Securities, but always in priority to the claims of Shareholders.

- No Set-Off : Subject to applicable law, no Securityholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Company in respect of, arising under or in connection with the Series 2 Convertible Securities, and each Securityholder shall, by virtue of his holding of any Series 2 Convertible Securities, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Company. If at any time any Securityholder receives payment or benefit of any amount in respect of the Series 2 Convertible Securities (including any benefit received pursuant to any set-off, deduction, withholding or retention) other than in accordance with the Terms and Conditions of the Series 2 Convertible Securities, the payment of such amount or receipt of such benefit shall, to the fullest extent permitted by law, be deemed void for all purposes and such Securityholder shall immediately pay an amount equal to the amount of such discharge to the Company (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Company) and, until such time as payment is made, shall hold such amount in trust for the Company (or the liquidator or, as appropriate, administrator of the Company) and accordingly any such discharge shall be deemed not to have taken place.
- Ranking of the Conversion Shares : The Conversion Shares shall be issued free from all claims, mortgages, charges, liens and other encumbrances whatsoever and will upon allotment and issue rank *pari passu* in all respects with the then existing Shares, except in any such case for any right excluded by mandatory provisions of applicable law and except that such Conversion Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any dividends, rights, distributions or payments the record date or other due date for the establishment of entitlement for which falls prior to the relevant conversion date.
- Redemption at the Option of the Company : The Company may, at its option, at any time on or after the date falling six (6) months from the Issue Date, on giving not less than 30 nor more than 60 days' irrevocable notice to the Securityholders, redeem all or some of the Series 2 Convertible Securities at their specified denomination or integral multiples thereof (together with Distribution (including Arrears of Distribution) accrued to (but excluding) the date fixed for redemption) in the manner set out in the Terms and Conditions of the Series 2 Convertible Securities.
- Redemption for Taxation Reasons : The Series 2 Convertible Securities may be redeemed at the option of the Company in whole or in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders, the Trustee and the Paying Agent (which notice shall be irrevocable), at their specified denomination or integral multiples thereof, (together with Distribution (including Arrears of Distribution) accrued to (but excluding) the date fixed for redemption), if:

- (a) the Company receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:
 - (i) the Series 2 Convertible Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore ("ITA"), and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or
 - (ii) the Distributions (including any Arrears of Distribution) will not be regarded as interest payable by the Company for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or
- (b) (i) the Company has or will become obliged to pay additional amounts as provided or referred to in the Terms and Conditions of the Series 2 Convertible Securities, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax;
 - (ii) any change in, or amendment to, the application or official interpretation of any such laws, regulations, rulings or other administrative pronouncements by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued, becomes effective or is made public otherwise on or after the Issue Date; and
 - (iii) such obligations cannot be avoided by the Company taking reasonable measures available to it (which shall not require the Company to incur unreasonable costs),

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional amounts were a payment in respect of the Series 2 Convertible Securities then due.

Redemption for Accounting Reasons : The Series 2 Convertible Securities may be redeemed at the option of the Company in whole or in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders, the Trustee and the Paying Agent (which notice

shall be irrevocable), at their specified denomination or integral multiples thereof (together with Distribution (including Arrears of Distribution) accrued to (but excluding) the date fixed for redemption) if, as a result of any changes or amendments to the International Financial Reporting Standards ("**IFRS**") or any other accounting standards that may replace IFRS or otherwise adopted by the Company for the purposes of the consolidated financial statements of the Company (the "**Relevant Accounting Standard**"), the Series 2 Convertible Securities will not or will no longer be recorded as "equity" of the Company pursuant to the Relevant Accounting Standard.

Redemption for Tax Deductibility : The Series 2 Convertible Securities may be redeemed at the option of the Company in whole or in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders, the Trustee and the Paying Agent (which notice shall be irrevocable), at their specified denomination or integral multiples thereof (together with Distribution (including Arrears of Distribution) accrued to (but excluding) the date fixed for redemption), if:

- (a) the Company receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the Distributions (including any Arrears of Distribution) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA; or
- (b) as a result of:
 - (i) any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having the power to tax;
 - (ii) any change in, or amendment to, the application or official interpretation of any such laws, regulations, rulings or other administrative pronouncements by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is enacted, promulgated, issued, becomes effective or is made public otherwise on or after the Issue Date; or
 - (iii) any generally applicable official interpretation or pronouncement which is issued or announced on or after the Issue Date that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position which is announced before the Issue Date,

the Distributions (including any Arrears of Distribution) by the Company are no longer, or would no longer be, regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA.

Redemption in the case of Minimal Outstanding Amount : The Series 2 Convertible Securities may be redeemed at the option of the Company in whole or in part, at any time on giving not less than 30 nor more than 60 days' notice to the Securityholders, the Trustee and the Paying Agent (which notice shall be irrevocable), at their specified denomination or integral multiples thereof (together with Distribution (including Arrears of Distribution) accrued to (but excluding) the date fixed for redemption) if, before giving such notice, the aggregate principal amount of the Series 2 Convertible Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.

Clearing and Settlement : The Series 2 Convertible Securities will be cleared through CDP and represented by a global certificate registered in the name of, and deposited with, CDP as authorised depository.

Listing of the Series 2 Convertible Securities and the Conversion Shares : An application will be made by the Company to obtain the SGX-ST's approval for the dealing in, listing of, and quotation for, the Series 2 Convertible Securities and the Conversion Shares on the Official List of the SGX-ST. An announcement on the outcome of the application will be made in due course.

For the avoidance of doubt, the listing of the Series 2 Convertible Securities is subject to there being a sufficient spread of holdings to provide for an orderly market in the Series 2 Convertible Securities.

Trading : Upon the listing of and quotation for the Series 2 Convertible Securities and Conversion Shares on the SGX-ST, the Series 2 Convertible Securities and Conversion Shares, when issued, will be traded on the SGX-ST under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Series 2 Convertible Securities and Conversion Shares effected through the SGX-ST and/or CDP shall be made in accordance with the "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited" and (in the case of the Series 2 Convertible Securities) the application form to be executed by the Company and accepted by CDP (together with the terms and conditions for the provision of depository services by CDP referred to therein), as the same may be amended from time to time.

For the purposes of trading on the Main Board of the SGX-ST, each board lot of Series 2 Convertible Securities will comprise 100 Series 2 Convertible Securities with a principal amount of S\$130 and each board lot of Conversion Shares will comprise

100 Shares. Holders who hold odd lots of Series 2 Convertible Securities (that is, lots other than board lots of 100 Series 2 Convertible Securities with a principal amount of S\$130) or odd lots of Shares (that is, lots other than board lots of 100 Shares) and who wish to trade in odd lots on the SGX-ST are able to trade odd lots of S\$1.30 in principal amount of Series 2 Convertible Securities and odd lots of Shares in board lots of one Share on the Unit Share Market. Holders who hold odd lots of Series 2 Convertible Securities or Shares may have difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Series 2 Convertible Securities or Shares, as the case may be.

- Taxation : All payments of principal and Distributions (including any Arrears of Distribution) by or on behalf of the Company in respect of the Series 2 Convertible Securities shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such deduction or withholding is required by law. In such event, the Company shall pay such additional amounts as will result in the receipt by the Securityholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Series 2 Convertible Security presented in certain circumstances as set out in the Terms and Conditions of the Series 2 Convertible Securities.
- Trustee : Perpetual (Asia) Limited
- Paying Agent : Perpetual (Asia) Limited
- Registrar : Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte. Ltd.)
- Calculation Agent : Perpetual (Asia) Limited
- Conversion Agent : Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte. Ltd.)
- Transfer Agent : Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte. Ltd.)
- Governing Law : Laws of Singapore (except for "Status of the Series 2 Convertible Securities" and "No Set-Off" which are governed by laws of the Cayman Islands).

Principal Terms of the Warrants

The principal terms of the Warrants are summarised below:

Form and Subscription Rights of the Warrants : The Warrants will be constituted by the Deed Poll and will be issued in registered form. The Deed Poll will set out, among others, the terms and conditions of the Warrants and may from time to time be amended, supplemented or modified in accordance with its terms.

Each Warrant will carry the right to subscribe for one (1) Warrant Exercise Share at the Exercise Price within the period during which the Warrants may be exercised (the "**Exercise Period**"), being the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding 60 months from the date of issue of the Warrants, unless such date is a date on which the Register of Members, the Share Transfer Books, the register of Warrantholders of the Company (the "**Register of Warrantholders**") and/or the depository register (the "**Depository Register**") (as the case may be) is closed, and/or is not a day on which the SGX-ST is open for trading in securities ("**Market Day**"), in which event, the last day of the Exercise Period shall be the immediate preceding Market Day on which the Register of Members, the Share Transfer Books, the Register of Warrantholders and/or the Depository Register (as the case may be) remain open or the immediate preceding Market Day, as the case may be, subject to the terms and conditions of the Warrants as set out in the Deed Poll. The Warrants which have not been exercised on the expiry of the Exercise Period shall lapse and cease to be valid for any purpose.

Exercise Price : Subject to adjustments to the Exercise Price (as set out in the Terms and Conditions of the Warrants) referred to in "Adjustments" below, the price payable for each Warrant Exercise Share upon the exercise of a Warrant (the "**Exercise Price**") is S\$1.30, payable in full upon exercise of the Warrant and which represents a premium of approximately 2.36 per cent. over the last transacted price of the Shares on the Official List of the SGX-ST on 25 March 2019, being the last trading day on which trades were done on the Shares prior to this Announcement.

Issue Size : Subject to adjustments to the number of Warrants (as set out in the Terms and Conditions of the Warrants), up to 193,374,930 Warrants, comprising up to 113,749,959 Warrants under the Rights Issue and up to 79,624,971 Warrants under the Bonus Issue.

Listing : An application will be made by the Company to obtain the SGX-ST's approval for the dealing in, listing of, and quotation for, the Warrants and the Warrant Exercise Shares on the Official List of the SGX-ST. An announcement on the outcome of the application will be made in due course.

For the avoidance of doubt, the listing of the Warrants is subject to there being a sufficient spread of holdings to provide for an orderly market in the Warrants.

Detachability and Trading : The Warrants issued under the Rights Issue will on allotment and issue be detached from the Series 2 Convertible Securities and will trade separately on the Main Board of the SGX-ST.

Each board lot of Warrants will consist of 100 Warrants. Shareholders should note that in the event of an insufficient spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants, the Warrants may not be listed and quoted on the SGX-ST.

Upon the listing of and quotation for the Warrants and the Warrant Exercise Shares on the SGX-ST, the Warrants and the Warrant Exercise Shares, when issued, will be traded on the SGX-ST under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Warrants and the Warrant Exercise Shares effected through the SGX-ST and/or CDP shall be made in accordance with the "Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited" and (in the case of the Warrants) the "Terms and Conditions for the Central Depository (Pte) Limited to act as Depository for the Warrants", as the same may be amended from time to time.

Status of the Warrant Exercise Shares : The Warrant Exercise Shares shall, when allotted and issued upon the exercise of the Warrants, be fully paid and shall rank for any dividends, rights, allocations or other distributions that may be declared or paid, the Record Date (as defined below) for which is on or after the relevant date of exercise of the Warrants, and shall rank *pari passu* in all respects with the then existing issued Shares.

For the purpose herein, "**Record Date**" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

Adjustments : The Exercise Price and/or the number of Warrants shall from time to time be adjusted in accordance with the Terms and Conditions of the Warrants as set out in the Deed Poll. Such circumstances include, without limitation, consolidation or subdivision of Shares, capitalisation issues, rights issues and certain capital distributions. Any additional Warrants issued pursuant to such adjustment shall rank *pari passu* with the Warrants and will for all purposes form part of the same series of Warrants constituted by the Deed Poll. Any such adjustments will be announced by the Company via an

announcement on SGXNET in compliance with the listing manual of the SGX-ST (the "**Listing Manual**").

- Winding up : Where there is a members' voluntary winding-up of the Company (except for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement), each holder of a Warrant ("**Warrantholder**") may elect to be treated as if he had immediately prior to the commencement of such winding-up, exercised the Warrants and had on such date been the holder of the Warrant Exercise Shares to which he would have become entitled pursuant to such exercise. The Company shall give notice to each Warrantholder in accordance with the terms and conditions to be set out in the Deed Poll of the passing of any such resolution.
- Notice of Expiry : The Company shall, no later than one (1) month before the expiry of the Exercise Period, give notice to the Warrantholders in accordance with the Terms and Conditions of the Warrants as set out in the Deed Poll and notify the same to the SGX-ST. In addition, the Company shall also, no later than one (1) month before the expiry of the Exercise Period, take reasonable steps to notify the Warrantholders in writing of the expiry of the Exercise Period, and such notice shall be delivered by post to the registered address of the Warrantholder as maintained in the Register of Warrantholders or the Depository Register, as the case may be.
- Alteration to Terms : No material alteration to the terms of the Warrants after the issue thereof to the advantage of the Warrantholder shall be made, unless the alterations are made pursuant to the Terms and Conditions of the Warrants as set out in the Deed Poll or the prior approval of Shareholders at a general meeting has been sought.
- Governing Law : The terms of the Warrants are governed by the laws of Singapore.

The Terms and Conditions of the Series 2 Convertible Securities and the Terms and Conditions of the Warrants may be subject to such changes as the Directors may, after consultation with the Manager of the Rights Issue, deem fit in the interests of the Company. The final Terms and Conditions of the Series 2 Convertible Securities and the final Terms and Conditions of the Warrants will also be contained in the Offer Information Statement to be lodged with the MAS and to be despatched by the Company to Entitled Shareholders (as defined in Section 6 of this Announcement) at the appropriate time.

5. RATIONALE AND USE OF PROCEEDS

5.1 Rationale

The Company is undertaking the Rights Issue to provide the Company with the financial flexibility to fund its expansion plans. To incentivise Shareholders to subscribe for the Series 2 Convertible Securities, the Company will issue one (1) free detachable Warrant for each Series 2 Convertible Security validly subscribed for under the Rights Issue.

By undertaking the Bonus Issue and issuing Warrants for the Series 2 Convertible Securities validly subscribed under the Rights Issue, the Warrantheolders who are confident of the future prospects of the Company will be given an opportunity to increase their investment in the Company during the Exercise Period by exercising the Warrants for Warrant Exercise Shares. The exercise of these Warrants, if any, will also raise further funds for the Company.

5.2 Use of Proceeds

Proceeds from the issuance of the Series 2 Convertible Securities under the Rights Issue

Assuming that the maximum of S\$147,874,946.70 in aggregate principal amount of Series 2 Convertible Securities is issued pursuant to the Rights Issue at the Issue Price, the estimated gross proceeds from the issue of such Series 2 Convertible Securities are expected to be approximately S\$147.9 million.

After deducting professional fees and related expenses estimated to be incurred in connection with the Proposed Exercises of approximately S\$1.0 million (the "**Related Fees and Expenses**"), the estimated net proceeds from the issue of the Series 2 Convertible Securities under the Rights Issue are expected to be approximately S\$146.9 million (the "**Net Proceeds from the Series 2 Convertible Securities Issued Under the Rights Issue**"). As the Rights Issue and the Bonus Issue are being undertaken concurrently and the Warrants to be issued under the Rights Issue and the Bonus Issue will be fungible, the professional fees and related expenses estimated to be incurred in connection with the Bonus Issue are also comprised within the Related Fees and Expenses.

As at the date of this Announcement, the Company intends to use approximately:

- (a) 78.5 per cent. of the Net Proceeds from the Series 2 Convertible Securities Issued Under the Rights Issue to fund property development projects and/or acquisition of properties (including hotels) held for income, and/or its property financing business, of which an amount to be determined by the Company will be used to repay borrowings incurred by the Group to partially fund the Group's proposed acquisitions of:
 - (i) 94.9 per cent. of the shares in each of BRE/GH II Dresden I Investor GmbH and Hotel Bellevue Dresden Betriebs GmbH which owns, and operates, a hotel in Dresden, Germany, respectively; and
 - (ii) a controlling stake in Concord Focus Development Limited, which holds an equity interest in Dongguan Kanghe Property Management Consulting Services Co., Ltd., which was granted land use rights in respect of three (3) land parcels at Chang'an Town in Dongguan, Guangdong province, the People's Republic of China,

as announced on 21 February 2019 and 4 March 2019, respectively;

- (b) 10.0 per cent. of the Net Proceeds from the Series 2 Convertible Securities Issued Under the Rights Issue for general working capital purposes; and
- (c) 11.5 per cent. of the Net Proceeds from the Series 2 Convertible Securities Issued Under the Rights Issue to redeem all the Series 1 Convertible Securities outstanding after completion of the Proposed Exercises.

The foregoing represents the Company's best estimate of the allocation of the Net Proceeds from the Series 2 Convertible Securities Issued Under the Rights Issue based on its current plans and estimates regarding its anticipated expenditures. Actual expenditures may vary from these estimates and the Company may find it necessary or advisable to re-allocate the Net Proceeds from the Series 2 Convertible Securities Issued Under the Rights Issue within the categories described above or to use the Net Proceeds from the Series 2 Convertible Securities Issued Under the Rights Issue or portions of it for other purposes. In the event that the Company decides to re-allocate the Net Proceeds from the Series 2 Convertible Securities Issued Under the Rights Issue or use portions of it for other purposes, the Company will publicly announce its intention to do so. For instance, if the Company is unable to identify any suitable property development projects, acquisition opportunities or property financing loans, it may utilise part of the Net Proceeds from the Series 2 Convertible Securities Issued Under the Rights Issue to repay any amounts owing under its banking facilities.

Future Proceeds from the Exercise of the Warrants

As the Warrants are issued free, there will be no proceeds raised initially from the issue of the Warrants under the Proposed Exercises.

Assuming that the maximum number of 193,374,930 Warrants is issued under the Proposed Exercises, all such Warrants are exercised at the Exercise Price, and no adjustments are made to the Exercise Price and/or the number of Warrants, the estimated gross proceeds from the exercise of the Warrants are expected to be approximately S\$251.4 million (the "**Gross Proceeds from the Exercise of the Warrants**" and, together with the Net Proceeds from the Series 2 Convertible Securities Issued Under the Rights Issue, the "**Total Proceeds**").

The Company intends to use the Gross Proceeds from the Exercise of the Warrants to fund property development projects and/or acquisition of properties (including hotels) held for income, and/or its property financing business and for general working capital purposes. As the actual amount of Gross Proceeds from the Exercise of the Warrants will depend on the number of Warrants which are exercised and given that there is no certainty as to when (if at all) the Warrants will be exercised, the percentage allocation of the Gross Proceeds from the Exercise of the Warrants for such intended uses cannot be determined as at the date of this Announcement.

The Company believes that there is no minimum amount that needs to be raised from the Proposed Exercises. The Directors are also of the opinion that, after taking into consideration the present bank facilities and the operating cash flows of the Group as well as the Net Proceeds from the Series 2 Convertible Securities Issued Under the Rights Issue, the working capital available to the Group is sufficient to meet its present funding requirements.

Pending the deployment of the Total Proceeds, the Total Proceeds may be used for general corporate purposes, including without limitation, to repay the existing borrowings of the Company, deposited with banks and/or financial institutions, used for investment in short-term money markets or debt instruments and/or used for other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Company.

In accordance with the Listing Manual, the Company will make periodic announcements via the SGXNET on the use of the proceeds from the Proposed Exercises, as and when such proceeds are materially disbursed, and whether such a use is in accordance with the stated use and in accordance with the stated percentage allocation in this Announcement and the Offer Information Statement. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of the proceeds from the Proposed Exercises in the Company's annual report.

6. ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE PROPOSED EXERCISES

6.1 Entitled Shareholders

The Company proposes to provisionally allot the Series 2 Convertible Securities with Warrants under the Rights Issue to all Shareholders⁽¹⁾ who are eligible to participate in the Rights Issue (the "**Rights Issue Entitled Shareholders**") and to issue the Warrants under the Bonus Issue to all Shareholders who are eligible to participate in the Bonus Issue (the "**Bonus Issue Entitled Shareholders**", either of which shall be referred to as the "**Entitled Shareholders**" for the purpose of this Announcement), comprising Entitled Depositors and Entitled Scripholders (each term as defined below) on the basis of their shareholdings in the Company as at the Books Closure Date.

Note:

- (1) As at the date of this Announcement, 307,682 Shares are held by a subsidiary of the Company (the "**Subsidiary**"). Although the Subsidiary is a Rights Issue Entitled Shareholder, it will not be subscribing for its *pro rata* provisional allotment of the Series 2 Convertible Securities with Warrants under the Rights Issue. However, the Subsidiary will be able to trade its provisional allotments of the Series 2 Convertible Securities with Warrants on the SGX-ST during the provisional allotment trading period prescribed by the SGX-ST. In addition, as the Subsidiary is a Bonus Issue Entitled Shareholder, it will be allotted and issued 30,768 Warrants under the Bonus Issue.

6.2 Entitled Depositors

The "**Rights Issue Entitled Depositors**" or, as the case may be, the "**Bonus Issue Entitled Depositors**" are Depositors with Shares standing to the credit of their securities accounts (the "**Securities Accounts**") with CDP as at the Books Closure Date and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents; but excludes Depositors who are located, resident or who have a registered address in any jurisdiction in which the Rights Issue or, as the case may be, the Bonus Issue may not be lawfully made. Either of the Rights Issue Entitled Depositors or the Bonus Issue Entitled Depositors shall be referred to as the "**Entitled Depositors**" for the purpose of this Announcement. The term "**Depositor**" means an account holder or a depository agent but does not include a sub-account holder.

6.3 Entitled Scripholders

The "**Rights Issue Entitled Scripholders**" or, as the case may be, the "**Bonus Issue Entitled Scripholders**" are Shareholders whose share certificates have not been deposited with CDP as well as transferees who have tendered to Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), the share registrar of the Company (the "**Share Registrar**"), registrable transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents ("**Entitled Scripholders**"); but excludes Shareholders who are located, resident or who have a registered address in any jurisdiction in which the Rights Issue or, as the case may be, the Bonus Issue may not be lawfully made. Either of the Rights Issue Entitled Scripholders or the Bonus Issue Entitled Scripholders shall be referred to as the "**Entitled Scripholders**" for the purpose of this Announcement.

As described in "Principal Terms of the Series 2 Convertible Securities and the Warrants – Principal Terms of the Series 2 Convertible Securities – Form and Denomination" above, except in the limited circumstances described in the provisions of the global certificate, owners of interests in the Series 2 Convertible Securities represented by the global certificate will not be entitled to receive definitive security certificates.

Accordingly, Rights Issue Entitled Scripholders and their renounees who wish to accept their provisional allotments of Series 2 Convertible Securities with Warrants and (if applicable) apply for excess Series 2 Convertible Securities with Warrants, and who wish to trade the Series 2 Convertible Securities and the Warrants issued to them on the SGX-ST under the book-entry (scripless) settlement system, must open Securities Accounts if they have not already done so, and provide their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) in the forms comprised in their PALs (as defined below).

6.4 Participation by Entitled Shareholders

Entitled Shareholders will be eligible to participate in the Proposed Exercises and to receive the Offer Information Statement together with the product highlights sheet (the "**Product Highlights Sheet**") and, in respect of the Rights Issue, (a) the application and acceptance form for the Series 2 Convertible Securities with Warrants and excess Series 2 Convertible Securities with Warrants to be issued to a Rights Issue Entitled Depositor in respect of the provisional allotment of Series 2 Convertible Securities with Warrants of such Rights Issue Entitled Depositor under the Rights Issue (the "**ARE**") or (b) the provisional allotment letter to be issued to a Rights Issue Entitled Scripholder, setting out the provisional allotment of Series 2 Convertible Securities with Warrants of the Rights Issue Entitled Scripholder under the Rights Issue (the "**PAL**"), as the case may be, and other accompanying documents at their respective Singapore addresses.

Rights Issue Entitled Depositors who do not receive the Offer Information Statement, the Product Highlights Sheet and the ARE may obtain them from CDP during the period from the date the Rights Issue commences up to the last day for acceptance and payment of the Series 2 Convertible Securities with Warrants under the Rights Issue (the "**Closing Date**"). Rights Issue Entitled Scripholders who do not receive the Offer Information Statement, the Product Highlights Sheet and the PAL may obtain them from the Share Registrar during the period from the date the Rights Issue commences up to the Closing Date.

Bonus Issue Entitled Depositors who do not receive the Offer Information Statement and the Product Highlights Sheet may obtain them from CDP. Bonus Issue Entitled Scripholders who do not receive the Offer Information Statement and the Product Highlights Sheet may obtain them from the Share Registrar.

Rights Issue – Provisional Allotments of Series 2 Convertible Securities with Warrants

Rights Issue Entitled Shareholders will be provisionally allotted the Series 2 Convertible Securities with Warrants under the Rights Issue on the basis of their shareholdings in the Company as at the Rights Issue Books Closure Date. They are at liberty to accept (in full or in part), decline, renounce (in the case of their provisional allotment of Series 2 Convertible Securities with Warrants) or, in the case of Rights Issue Entitled Depositors only, trade on the SGX-ST (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotment of Series 2 Convertible Securities with Warrants, and are eligible to apply for additional Series 2 Convertible Securities with Warrants in excess of their provisional allotments under the Rights Issue.

Provisional allotments which are not taken up for any reason shall be used to satisfy applications for excess Series 2 Convertible Securities with Warrants or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interest of the Company. Excess Series 2 Convertible Securities with Warrants will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company subject to applicable laws and the Listing Manual. In the allotment of excess Series 2 Convertible Securities with Warrants, preference will be given to the rounding of odd lots and Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through nominee(s)) on the Board, including RHRL, MCHIL and TTAPL, will rank last in priority for the rounding of odd lots and the allotment of excess Series 2 Convertible Securities with Warrants.

The procedures for acceptance, excess application and payment by Rights Issue Entitled Shareholders will be set out in the Offer Information Statement.

6.5 **Foreign Shareholders**

For practical reasons and in order to avoid any violation of securities laws applicable in countries other than Singapore, the Offer Information Statement and its accompanying documents will not be despatched to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents at least three (3) Market Days prior to the Books Closure Date (the "**Foreign Shareholders**").

Foreign Shareholders will not be allowed to participate in the Rights Issue. Accordingly, no provisional allotments of the Series 2 Convertible Securities with Warrants will be made to Foreign Shareholders and no purported acceptance of provisional allotments of Series 2 Convertible Securities with Warrants or application for Series 2 Convertible Securities with Warrants by Foreign Shareholders will be valid.

Foreign Shareholders will not be allowed to participate in the Bonus Issue. No allotment and issuance of the Warrants will be made to Foreign Shareholders under the Bonus Issue.

7. IRREVOCABLE UNDERTAKINGS IN RESPECT OF THE RIGHTS ISSUE

In addition to the Undertakings to Convert as set out in Section 1.2 of this Announcement, in respect of FSCL, M&C UK, TTAPL and CDTF, the New Deeds of Undertaking include additional undertakings in relation to the Rights Issue (the "**Rights Issue Undertakings**").

The Rights Issue Undertakings are based on the number of Shares which will be held by FSCL, RHRL, MCHIL, TTAPL and CDTF following the conversion of the Relevant Series 1 Convertible Securities, which will be:

- (a) for FSCL, 286,764,270 Shares (the "**Relevant FSCL Shares**");
- (b) for RHRL, 253,614,321 Shares or, in the event RHRL scales down the number of the Relevant Series 1 Convertible Securities to be converted pursuant to the terms of the New Deeds of Undertaking, the aggregate of 206,648,706 Shares and such number of Shares arising from the conversion of the Series 1 Convertible Securities (the "**Relevant RHRL Shares**");
- (c) for MCHIL, 31,852,326 Shares or, in the event MCHIL scales down the number of the Relevant Series 1 Convertible Securities to be converted pursuant to the terms of the New Deeds of Undertaking, the aggregate of 25,953,747 Shares and such number of Shares arising from the conversion of the Series 1 Convertible Securities (the "**Relevant MCHIL Shares**" and, together with the Relevant RHRL Shares, the "**Relevant M&C Shares**");
- (d) for TTAPL, 65,173,697 Shares (the "**Relevant TTAPL Shares**"); and
- (e) for CDTF, 6,169,770 Shares (the "**Relevant CDTF Shares**").

M&C UK has undertaken to the Company (the "**M&C UK Undertaking**"), *inter alia*, that:

- (a) as at the Rights Issue Books Closure Date, M&C UK will, through its wholly-owned subsidiaries, RHRL and MCHIL, be the registered holder of the Relevant M&C Shares; and
- (b) it will, in accordance with the terms and conditions of the Rights Issue, and in any case not later than the Closing Date, procure that RHRL and MCHIL accept, subscribe and pay in full for their respective *pro rata* provisional allotments of the Series 2 Convertible Securities with Warrants under the Rights Issue arising from the Relevant RHRL Shares and as the case may be, the Relevant MCHIL Shares.

FSCL has undertaken in favour of the Company and TTAPL (the "**FSCL Undertaking**"), which holds 32.5 per cent. of the ordinary shares of US\$1.00 each in FSCL, *inter alia*, that:

- (a) as at the Rights Issue Books Closure Date, it and/or its nominee(s) will be the registered holder(s) of the Relevant FSCL Shares; and
- (b) in accordance with the terms and conditions of the Rights Issue, and in any case not later than the Closing Date, it will and/or will procure that its nominee(s) will, renounce in TTAPL's favour its and/or its nominee(s)'s *pro rata* provisional allotments of the Series 2 Convertible Securities with Warrants under the Rights Issue arising from the Relevant FSCL Shares.

TTAPL has undertaken in favour of the Company and FSCL (the "**TTAPL Undertaking**") that, *inter alia*:

- (a) as at the Rights Issue Books Closure Date, it and/or its nominee(s) will be the registered holder(s) of the Relevant TTAPL Shares; and
- (b) in accordance with the terms and conditions of the Rights Issue and, in any case not later than the Closing Date it will (and/or will procure that its nominee(s) will) accept, subscribe and pay in full for: (i) its and/or its nominee(s)'s *pro rata* provisional allotments of the Series 2 Convertible Securities with Warrants under the Rights Issue arising from the Relevant TTAPL Shares; and (ii) the *pro rata* provisional allotments of the Series 2 Convertible Securities with Warrants of FSCL and/or its nominee(s) under the Rights Issue which FSCL and/or its nominee(s) has undertaken to renounce in its favour.

CDTF has undertaken to the Company (the "**CDTF Undertaking**"), *inter alia*, that:

- (a) as at the Rights Issue Books Closure Date, it and/or its nominee(s) will be the registered holder(s) of the Relevant CDTF Shares; and
- (b) in accordance with the terms and conditions of the Rights Issue, and in any case not later than the Closing Date, it will (and/or will procure that its nominee(s) will) accept, subscribe and pay in full for its and/or its nominee(s)'s *pro rata* provisional allotments of the Series 2 Convertible Securities with Warrants under the Rights Issue arising from the Relevant CDTF Shares.

Each of M&C UK, TTAPL and CDTF has furnished a confirmation of financial resources in connection with the Proposed Exercises to support the M&C UK Undertaking, the TTAPL Undertaking and the CDTF Undertaking, respectively.

Each of the Rights Issue Undertakings is conditional upon the following:

- (a) the AIP having been obtained and not having been withdrawn; and
- (b) the lodgement of the Offer Information Statement, together with all other accompanying documents, with the MAS.

8. APPROVALS AND OTHER CONDITIONS TO THE PROPOSED EXERCISES

The Proposed Exercises are subject to, amongst others, the following:

- (a) the General Share Issue Mandate being approved by Shareholders at the 2019 AGM;
- (b) the AIP having been obtained and not having been withdrawn; and
- (c) the lodgement of the Offer Information Statement, together with all other accompanying documents, with the MAS.

9. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares. The completion of the Proposed Exercises are subject to certain conditions. As at the date of this Announcement, there is no certainty or assurance that the Proposed Exercises will be commenced or completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors should read this Announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions they should take.

10. TAKEOVER IMPLICATION

The Singapore Code on Take-overs and Mergers (the "**Code**") regulates the acquisition of shares of, *inter alia*, corporations with a primary listing on the SGX-ST, including the Company. Except with the consent of the Securities Industry Council, where:

- (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares) held or acquired by parties acting in concert with him carry 30.0 per cent. or more of the voting rights of the company; or
- (b) any person who, together with parties acting in concert with him, holds not less than 30.0 per cent. but not more than 50.0 per cent. of the voting rights of the company and such person, or any party acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1.0 per cent. of the voting rights of the company,

such person must extend a mandatory take-over offer immediately to the shareholders for the remaining shares in the company in accordance with the provisions of the Code. In addition to such person, each of the principal members of the group of parties acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In general, the acquisition of instruments convertible into, rights to subscribe for and options in respect of new shares which carry voting rights (such as the Series 2 Convertible Securities and the Warrants) does not give rise to an obligation to make a mandatory take-over offer under the Code. However, the exercise of any conversion or subscription rights or options will be considered to be an acquisition of voting rights for the purposes of the Code.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of and conversion of the Series 2 Convertible Securities into Conversion Shares or any acquisition of and exercise of the Warrants into Warrant Exercise Shares (as the case may be) should consult the Securities Industry Council and/or their professional advisers.

BY ORDER OF THE BOARD

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
25 March 2019

Important Notice

This Announcement is for information only and does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, any Series 2 Convertible Securities, Conversion Shares, Warrants and/or Warrant Exercise Shares (collectively, the "**Securities**") in any jurisdiction in which such an offer or solicitation is unlawful. No person should acquire any Securities except on the basis of the information contained in the Offer Information Statement. The information contained in this Announcement is not for release, publication or distribution to persons in the United States and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations. The issue, exercise or sale of "nil-paid" rights (from the provisional allotments of Series 2 Convertible Securities with Warrants) ("**Rights**") and/or the Securities and the acquisition or purchase of the Securities is subject to specific legal or regulatory restrictions in certain jurisdictions. The Company assumes no responsibility in the event there is a violation by any person of such restrictions.

The distribution of this Announcement, the Offer Information Statement, the Product Highlights Sheet, the provisional allotment letters and/or the application forms for Series 2 Convertible Securities with Warrants and excess Series 2 Convertible Securities with Warrants into jurisdictions other than Singapore may be restricted by law. Persons into whose possession this Announcement and such other documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

All statements contained in this Announcement, press releases and oral statements that may be made by the Company or its Directors, officers or employees acting on its behalf, that are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as, without limitation, "anticipate", "aim", "believe", "could", "estimate", "expect", "forecast", "if", "intend", "may", "plan", "possible", "predict", "probable", "project", "seek", "should", "will" and "would" or other similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group's future financial position, operating results, business strategies, plans and future prospects are forward-looking statements. These forward-looking statements, including but not limited to, statements as to the Group's revenue and profitability, prospects, future plans and other matters discussed in this Announcement regarding matters that are not historical facts, are merely predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group's actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks (both known and unknown), uncertainties and other factors that may cause the Group's actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Announcement, undue reliance must not be placed on these statements. The Group's actual future results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither the Company nor any other person represents or warrants that the Group's actual future results, performance or achievements will be as discussed in those statements. Further, the Company disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future.

The value of the Securities and the income derived from them may fall as well as rise. The Securities are not obligations of, deposits in, or guaranteed by, the Company or any of its affiliates. An investment in the Securities is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request that the Company redeem or purchase the Securities while the Securities are listed. It is intended that holders of the Securities may only deal in the Securities through trading on the SGX-ST.

Listing of the Securities on the SGX-ST does not guarantee a liquid market for the Securities.

This Announcement is not an offer for sale of securities into the United States or elsewhere. The Rights and the Securities are not being registered under the Securities Act, and may not be offered or sold in the United States unless registered under the Securities Act or pursuant to an exemption from registration under the Securities Act. The Company does not intend to register any portion of any offering in the United States or to conduct a public offering of securities in the United States.

The Conversion Shares and the Warrant Exercise Shares to be allotted and issued pursuant to the exercise of the Warrants (including the new Warrants that may be issued pursuant to any adjustments as set out in the Terms and Conditions of the Warrants) may not be offered to the public in the Cayman Islands unless the Conversion Shares or the Warrant Exercise Shares to be allotted and issued pursuant to the exercise of the Warrants (including the new Warrants that may be issued pursuant to any adjustments as set out in the Terms and Conditions of the Warrants), as the case may be, are listed on the Cayman Islands Stock Exchange.