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This announcement is not an offer for sale of securities into the United States or elsewhere. The Convertible Securities are not being registered under the United States Securities Act of 1933, as amended (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. There will be no public offering of securities in the United States.



FIRST SPONSOR GROUP LIMITED

(Incorporated in the Cayman Islands)

(Registration No. AT-195714)

PROPOSED RENOUNCEABLE AND NON-UNDERWRITTEN RIGHTS ISSUE OF PERPETUAL CONVERTIBLE CAPITAL SECURITIES

Further to the announcements made by First Sponsor Group Limited (the "Company") on 8 February 2018 (the "**First Announcement**") and 21 February 2018 (the "**Second Announcement**") in relation to the proposed Rights Issue, the board of directors (the "**Board**") of the **Company** is pleased to announce the updated principal Terms and Conditions of the Convertible Securities as summarised below¹. Unless otherwise defined herein or the context otherwise requires, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the First Announcement and the Second Announcement.

Principal Terms

- Basis of Provisional Allotment : The Rights Issue will be made on a renounceable basis to Entitled Shareholders on the basis of one (1) Convertible Security for every four (4) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.
- Issue Size : Up to S\$162,199,110.70 in aggregate principal amount of Convertible Securities (the "**Issue Size**"). Assuming no adjustments to the Conversion Price, based on the Issue Size and the Conversion Price of S\$1.10, the maximum number of Conversion Shares that may be issued is 147,453,737 Shares, representing in aggregate 25.0% of the total number of issued Shares as at the date of this announcement.
- Issue Price : 100 per cent. of the principal amount of the Convertible Securities at S\$1.10 for each Convertible Security.
- Maturity Date : The Convertible Securities are perpetual securities in respect of which there is no fixed redemption date.
- Distributions : Each Convertible Security confers a right to receive distributions on its outstanding principal amount ("**Distributions**") from (and including) the Issue Date.

Subject to "Optional Deferral of Distribution" below and unless

¹ For ease of reference, certain terms and conditions set out in the First Announcement have been repeated in this announcement.

otherwise provided in the Terms and Conditions, Distributions shall be payable on the Convertible Securities at the Distribution Rate (as defined below) semi-annually in arrear and from and on the date falling six (6) months following the Issue Date and every six (6) months thereafter (each a "**Distribution Payment Date**").

Distribution Rate : The rate of Distribution ("**Distribution Rate**") applicable to the Convertible Securities shall be 3.98 per cent. per annum and shall be calculated on the principal amount of S\$1.10 for each Convertible Security.

Form and Denomination : The Convertible Securities will be issued in registered form and in the specified denomination of S\$1.10 each and integral multiples thereof and will initially be represented by a global certificate registered in the name of, and deposited with, 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 (as defined below), 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 not more than 15 nor less than five business days prior to a scheduled Distribution Payment Date. Each Optional Deferral Notice shall be conclusive and binding on the 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:

(i) 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 Convertible Securities) any of the Company's Parity Obligations; or

(ii) 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 Convertible Securities) any of the Company's Parity Obligations,

in each case, other than (1) 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 (2) 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 ordinary 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 Convertible Securities; and

"**Parity Obligation**" means any instrument or security (other than shares) issued, entered into or guaranteed by the Company (1) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with the Convertible Securities and (2) 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 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 Convertible Security. Upon compliance in full of the requirement under the Terms and Conditions to deliver the Conversion Shares, the Company shall have no liability to pay the Arrears of Distribution due in respect of the converted 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 Convertible Security into Conversion Shares, 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.

The number of Conversion Shares to be issued on the conversion of each Convertible Security will be determined by

dividing the principal amount of the Convertible Security to be converted by the Conversion Price. If more than one (1) 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 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 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) Convertible Security will be converted into one (1) Conversion Share shall be S\$1.10 (the "**Conversion Price**"). The Conversion Price of S\$1.10 represents a discount of approximately 20.3% and 24.1% over the last transacted price of the Shares on the SGX-ST on 6 February 2018 and 13 March 2018, being the last trading day on which trades were done on the Shares prior to the date of the First Announcement and prior to the date of this announcement respectively.

For the avoidance of doubt, no further cash outlay will be required from the Securityholders for the conversion of the 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 ordinary 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 ordinary 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; and
- (j) in events or circumstances not otherwise provided in the Terms and Conditions, subject to, among other things, the use by the Company of an independent financial adviser to determine if such adjustment is fair and reasonable.

Conversion Shares : Assuming no adjustments to the Conversion Price, based on the Issue Size and the Conversion Price, 147,453,737 new Shares will be allotted and issued by the Company upon conversion of all the Convertible Securities.

Status of the Convertible Securities : The Convertible Securities 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 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 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 Convertible Securities, and each Securityholder shall, by virtue of his holding of any 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 Convertible Securities (including any benefit received pursuant to any set-off, deduction, withholding or retention) other than in accordance with the Terms and Conditions, 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 issued and delivered on exercise of Conversion Rights will in all respects rank *pari passu* with the fully paid Shares in issue on the relevant conversion date, save for any dividends, rights, distributions or payments the record date for which falls prior to the relevant conversion date, subject to the Terms and Conditions.

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 Convertible Securities at their specified denomination or integral multiples thereof in the manner set out in the Terms and Conditions.

Redemption for Taxation Reasons : The 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 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, 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 Convertible Securities then due.

Redemption for Accounting Reasons : The 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 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 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 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 Convertible Securities outstanding is less than 10 per cent. of the aggregate principal amount originally issued.
- Clearing and Settlement : The 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 Convertible Securities and the Conversion Shares : On 20 February 2018, the SGX-ST granted its Approval In-Principle for the dealing in, listing of and quotation for the Convertible Securities, the Conversion Shares and such other Conversion Shares which may be issued pursuant to any adjustments as set out in the Terms and Conditions on the Main Board of the SGX-ST, subject to certain conditions set out in the Second Announcement.

The Approval In-Principle is not to be taken as an indication of

the merits of the Company and/or its subsidiaries, the Rights Issue, the Convertible Securities and the Conversion Shares.

It should be noted that the Convertible Securities may not be listed and quoted on the SGX-ST in the event of an insufficient spread of holdings of the Convertible Securities to provide for an orderly market in the Convertible Securities. Accordingly, in such event, Securityholders will not be able to trade their Convertible Securities on the SGX-ST. However, if a Securityholder were to exercise his right, subject to the Terms and Conditions, to convert the Convertible Securities into Conversion Shares, such Conversion Shares will be listed and quoted on the Main Board of the SGX-ST.

Trading : Upon the listing of and quotation of the Convertible Securities and Conversion Shares on the SGX-ST, the 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 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 Convertible Securities) the application form 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 Convertible Securities will comprise 100 Convertible Securities with a principal amount of S\$110 and each board lot of Conversion Shares will comprise 100 Shares. Shareholders who hold odd lots of Convertible Securities (that is, lots other than board lots of 100 Convertible Securities with a principal amount of S\$110) 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\$1.10 in principal amount of Convertible Securities and odd lots of Shares in board lots of one Share on the Unit Share Market. Shareholders who hold odd lots of Convertible Securities or Shares may have difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Convertible Securities or Shares, as the case may be.

Acceptances, Excess Application and Payment Procedures : Please see the section titled "Participation by Entitled Shareholders in the Rights Issue" of the First Announcement.

Undertakings : Please see the section titled "Irrevocable Undertakings" of the First Announcement on details of the irrevocable undertakings provided by M&C UK, CDTF, FSCL and TTAPL. However, the reference to "4,567,200" Relevant CDTF Shares should be replaced with "4,570,200" and the reference to a total of "476,718,767" Shares held by FSCL, CDTF, RHRL and MCHIL

should be replaced with "476,721,767" in the section titled "Irrevocable Undertakings" on page 7 of the First Announcement. The Company and CDTF have executed a supplemental to the CDTF Undertaking to clarify that (a) CDTF's undertaking is in respect of all its 4,570,200 Shares (not 4,567,200 Shares) and that (b) the maximum number of excess Convertible Securities which CDTF will (or will procure its nominee(s) to) accept, subscribe and pay in full for is 28,273,296 (not 28,274,046). Therefore, the information on the CDTF Undertaking set out on page 8 of the First Announcement should be read accordingly.

- Taxation : All payments of principal and Distributions (including any Arrears of Distribution) by or on behalf of the Company in respect of the 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 Convertible Security presented in certain circumstances as set out in the Terms and Conditions.
- 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 Convertible Securities" and "No Set-Off" which are governed by laws of the Cayman Islands).

The terms and conditions of the Rights Issue (including the Terms and Conditions) are subject to such changes as the Directors may in their absolute discretion, deem fit. The final terms and conditions of the Rights Issue (including the Terms and Conditions) will be contained in the offer information statement to be despatched by the Company to Entitled Shareholders in due course.

BY ORDER OF THE BOARD

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
15 March 2018

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 provisional allotments of Convertible Securities or Convertible Securities or to take up any provisional allotments of Convertible Securities in any jurisdiction in which such an offer or solicitation is unlawful. No person should acquire any provisional allotments of Convertible Securities or Convertible 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 provisional allotments of Convertible Securities and the acquisition or purchase of the Convertible 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 provisional allotment letters and/or the application forms for Convertible Securities and excess Convertible Securities 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.

The value of the Convertible Securities and the income derived from them may fall as well as rise. The Convertible Securities are not obligations of, deposits in, or guaranteed by, the Company or any of its affiliates. An investment in the Convertible 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 Convertible Securities while the Convertible Securities are listed. It is intended that holders of the Convertible Securities may only deal in the Convertible Securities through trading on the SGX-ST.

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

This announcement is not an offer for sale of securities into the United States or elsewhere. The provisional allotments of Convertible Securities and Convertible Securities may not be offered or sold in the United States absent registration or 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.