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## **FIRST SPONSOR GROUP LIMITED**

**(Incorporated in the Cayman Islands)**

**(Registration No. AT-195714)**

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

#### **1.1 Proposed Rights Issue and Bonus Issue**

The board of directors (the "**Directors**") of First Sponsor Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company is 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) Series 2 Convertible Security (the "**Exercise Convertible Security**") on the basis of:
  - (a) one (1) Series 2 Convertible Security for every seven (7) existing ordinary shares with a par value of US\$0.10 each in the capital of the Company (the "**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 and 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 Book 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**", and together with the Rights Issue, the "**Proposed Exercises**") 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 of the Company 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.

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 Proposed Exercises will be undertaken pursuant to the share issue mandate approved by the shareholders of the Company ("**Shareholders**") at the annual general meeting of the Company held on 24 April 2018 (the "**Share Issue Mandate**"). The Share Issue Mandate authorises, amongst other things, the Directors to issue Shares, whether by way of bonus, rights or otherwise, and/or to make or grant offers, agreements or options that might or would require Shares to be issued (including the creation and issue of instruments convertible into Shares and the issuance of Shares in pursuance of any such instrument), of not more than 50.0 per cent. of the total number of issued Shares (excluding treasury shares) as at the date the Share Issue Mandate was passed, after adjusting for, among other things, new Shares arising from the conversion or exercise of any convertible securities outstanding or subsisting as at the date the Share Issue Mandate was passed. Accordingly, the Company will not be seeking specific approval from Shareholders for the Proposed Exercises.

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

## 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

The Company has 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 whether any adjustments would be required to be made to the conversion price of the Series 1 Convertible Securities arising from the Proposed Exercises and any Exercise Convertible Securities to be issued on exercise of the Warrants.

Having reviewed the terms and conditions of the Series 1 Convertible Securities, a draft of the terms and conditions of the Series 2 Convertible Securities (with the principal terms set out in the section titled "Principal Terms of the Series 2 Convertible Securities and the Warrants – Principal Terms of the Series 2 Convertible Securities") and a draft of the terms and conditions of the Warrants (with the principal terms set out in the section titled "Principal Terms of the Series 2 Convertible Securities and the Warrants – Principal Terms of the Warrants"), the IFA is of the opinion that no adjustments are required to be made to the conversion price of the Series 1 Convertible Securities arising from the Proposed Exercises and any Exercise Convertible Securities to be issued on exercise of the Warrants.

A copy of the written opinion of the IFA will be available for inspection during normal business hours by the holders of the Series 1 Convertible Securities at the Company's business address at 63 Market Street, #06-03, Bank of Singapore Centre, Singapore 048942 from the date of this Announcement up to the completion of the Proposed Exercises.

#### Undertakings to Convert the Series 1 Convertible Securities

To demonstrate their intention to maximise their entitlements under the Rights Issue and the Bonus Issue and, in support of the Rights Issue and the Bonus Issue, certain parties have executed deeds of undertaking (the "**Deeds of Undertaking**") in favour of the Company.

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

- (a) remain as registered holders of the respective Series 1 Convertible Securities from the date of the Deed of Undertaking up to and including the date (the "**Conversion Notice Date**") falling five (5) business days after the date of receipt by the Company of the approval-in-principle (the "**AIP**") from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the dealing in, listing of and quotation for, the Series 2 Convertible Securities (including the Exercise Convertible Securities), the Warrants and the new Shares to be issued pursuant to the conversion of the Series 2 Convertible Securities (the "**Conversion Shares**") (including Conversion Shares that may be 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)) on the Official List of the SGX-ST; and
- (b) on the Conversion Notice Date, exercise their conversion rights in respect of the respective Series 1 Convertible Securities listed below.

These Undertakings to Convert are conditional on the AIP having been obtained and not having been withdrawn.

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

<b>Directors</b>	
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
<b>Executive officers of the Group (other than Directors)</b>	
Mr Shu Zhen	3,685,805
Ms Lee Sau Hun	225,000
<b>Substantial shareholders of the Company (other than Directors and executive officers of the Group)</b>	
M&C Hospitality International Limited ("MCHIL") <sup>(1)</sup>	5,898,579
Republic Hotels & Resorts Limited ("RHRL") <sup>(1)</sup>	46,965,615
Tai Tak Asia Properties Limited ("TTAPL")	65,173,697
Chengdu Tianfu Properties Ltd. ("CDTF")	1,142,550
<b>Total</b>	<b>127,229,246</b>

**Note:**

- (1) Millennium & Copthorne Hotels plc ("**M&C UK**") executed the Deed of Undertaking on behalf of its wholly-owned subsidiaries, MCHIL and RHRL.

Following the conversion of the Relevant Series 1 Convertible Securities at the conversion price of S\$1.10 per Share, the entitlements of these parties 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 parties before and after the conversion of the Relevant Series 1 Convertible Securities are set out below:

	<u>Before conversion of the Relevant Series 1 Convertible Securities</u>				<u>After conversion of the Relevant Series 1 Convertible Securities</u>			
	<u>Direct Interest</u>		<u>Deemed Interest<sup>(6)</sup></u>		<u>Direct Interest</u>		<u>Deemed Interest<sup>(6)</sup></u>	
	<u>Number of Shares</u>	<u>% of Issued Shares</u>	<u>Number of Shares</u>	<u>% of Issued Shares</u>	<u>Number of Shares</u>	<u>% of Issued Shares</u>	<u>Number of Shares</u>	<u>% of Issued Shares</u>
<b>Directors</b>								
Mr Ho Han Leong Calvin <sup>(1)</sup>	2,050,000	0.32	291,791,490	44.95	2,475,000	0.32	358,107,737	46.13
Mr Ho Han Khoon <sup>(2)</sup>	1,050,000	0.16	286,764,270	44.18	1,275,000	0.16	286,764,270	36.94
Mr Neo Teck Pheng <sup>(3)</sup>	-	-	301,561,470	46.46	3,363,000	0.43	301,561,470	38.85
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	-	-
<b>Executive officers of the Group (other than Directors)</b>								
Mr Shu Zhen <sup>(4)</sup>	-	-	12,277,774	1.89	-	-	15,963,579	2.06
Ms Lee Sau Hun	990,000	0.15	-	-	1,215,000	0.16	-	-
<b>Substantial shareholders of the Company (other than Directors and executive officers of the Group)</b>								
MCHIL <sup>(5)</sup>	25,953,747	4.00	206,648,706	31.84	31,852,326	4.10	253,614,321	32.67
RHRL	206,648,706	31.84	-	-	253,614,321	32.67	-	-
TTAPL <sup>(6)</sup>	-	-	291,791,490	44.95	15,173,697	1.95	342,934,040	44.18
CDTF <sup>(7)</sup>	-	-	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 Securities and Futures Act, Chapter 289 of Singapore (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 20per 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 20per 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) it via Citibank Nominees Singapore Pte Ltd, (b) FSCL directly and (c) CDTF via DBS Vickers Securities (S) Pte Ltd, which are nil, 286,764,270 Shares and 5,027,220 Shares respectively, before the conversion of the Relevant Series 1 Convertible Securities and 50,000,000 Shares, 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 13.6 per cent. of the initial issue size of the Series 1 Convertible Securities are 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. If the Company decides to proceed with the redemption, it will make a further announcement with the details of such redemption in due course. In such event, subject to the terms and conditions of the Series 1 Convertible Securities, holders of the Series 1 Convertible Securities shall have up to (and including) the close of business on the 7th day before the date fixed for redemption to exercise their right to convert their Series 1 Convertible Securities into Shares. For the avoidance of doubt, holders of Series 1 Convertible Securities who intend to maximise their entitlements under the Rights Issue and the Bonus Issue 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 prior to the Books Closure Date.

### 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 all the Warrants are exercised for Exercise Convertible Securities

- (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 649,077,268 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 and all the Warrants issued under the Proposed Exercises are exercised for Exercise

Convertible Securities, 307,124,889 or approximately S\$399.3 million in aggregate principal amount of Series 2 Convertible Securities are expected to be issued. Assuming no adjustments to the Conversion Price (as defined in Section 4 of this Announcement) of the Series 2 Convertible Securities, 307,124,889 Conversion Shares, representing approximately 47.3 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 these Series 2 Convertible Securities.

- (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 of 649,077,268 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 and all the Warrants issued under the Proposed Exercises are exercised for Exercise Convertible Securities, 299,432,511 or approximately S\$389.3 million in aggregate principal amount of Series 2 Convertible Securities are expected to be issued. Assuming no adjustments to the Conversion Price of the Series 2 Convertible Securities, 299,432,511 Conversion 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 these Series 2 Convertible Securities.

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

- (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 649,077,268 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 but none of the Warrants issued under the Proposed Exercises are exercised for Exercise Convertible Securities, 113,749,959 or approximately S\$147.9 million in aggregate principal amount of Series 2 Convertible Securities are expected to be issued. Assuming no adjustments to the Conversion Price of the Series 2 Convertible Securities, 113,749,959 Conversion Shares, representing approximately 17.5 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 these 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 649,077,268 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 but none of the Warrants issued under the Proposed Exercises are exercised for Exercise Convertible Securities, 110,900,930 or approximately S\$144.2 million in aggregate principal amount of Series 2 Convertible Securities are expected to be issued. Assuming no adjustments to the Conversion Price of the Series 2 Convertible Securities, 110,900,930 Conversion 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 these 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 all the Warrants are exercised for Exercise Convertible Securities

- (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 649,077,268 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 and all the Warrants issued under the Proposed Exercises are exercised for Exercise Convertible Securities, 263,503,363 or approximately S\$342.6 million in aggregate principal amount of Series 2 Convertible Securities are expected to be issued. Assuming no adjustments to the Conversion Price of the Series 2 Convertible Securities, 263,503,363 Conversion Shares, representing approximately 40.6 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 these Series 2 Convertible Securities.

- (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 649,077,268 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 and all the Warrants issued under the Proposed Exercises are exercised for Exercise Convertible Securities, 261,509,043 or approximately S\$340.0 million in aggregate principal amount of Series 2 Convertible Securities are expected to be issued. Assuming no adjustments to the Conversion Price of the Series 2 Convertible Securities, 261,509,043 Conversion Shares, representing approximately 40.3 per cent. of the total issued Shares as at the date of this Announcement and approximately 25.2 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 these Series 2 Convertible Securities.



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

- (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 649,077,268 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 but none of the Warrants issued under the Proposed Exercises are exercised for Exercise Convertible Securities, 91,939,196 or approximately S\$119.5 million in aggregate principal amount of Series 2 Convertible Securities are expected to be issued. Assuming no adjustments to the Conversion Price of the Series 2 Convertible Securities, 91,939,196 Conversion Shares, representing approximately 14.2 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 these 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 649,077,268 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 but none of the Warrants issued under the Proposed Exercises are exercised for Exercise Convertible Securities, 91,939,196 or approximately S\$119.5 million in aggregate principal amount of Series 2 Convertible Securities are expected to be issued. Assuming no adjustments to the Conversion Price of the Series 2 Convertible Securities, 91,939,196 Conversion Shares, representing approximately 14.2 per cent. of the total issued Shares as at the date of this Announcement and approximately 10.6 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 these Series 2 Convertible Securities.

#### 1.4 **SGX-ST Confirmations in Respect of Requirements under the Listing Manual**

As the Warrants are exercisable into Series 2 Convertible Securities (and not Shares) and the Warrants will not provide for adjustment events, the Company had on 25 January 2019 made an application to the SGX-ST (the "**Application**") to seek, *inter alia*:

- (a) (i) a confirmation that Rules 827 and 828(1) of the SGX-ST Mainboard Rules (the "**Listing Manual**") (which require warrants to be exercisable into equity securities listed on the SGX-ST and to give the holder the right to subscribe for one share) will be satisfied in respect of the Warrants and (ii) a waiver of Rule 828(1) of the Listing Manual

in the event that adjustment is made to the Conversion Price (such that each Warrant gives the holder the right to subscribe for more or less than one (1) Share); and

- (b) a waiver of Rule 829(1) of the Listing Manual (which requires warrants to provide for adjustments to the exercise price or the number of warrants).

Pursuant to the Application, the Company wishes to announce that the SGX-ST had, on 11 February 2019, provided the following confirmations that:

- (a) it has no objections to the view that the Warrants comply with Rules 827 and 828(1) of the Listing Manual;
- (b) it is of the view that the Warrants comply with Rule 828(1) of the Listing Manual as it gives the Warrantholder (as defined in Section 4 of this Announcement) the right to subscribe for one (1) Series 2 Convertible Security; and
- (c) it is of the view that Rule 829(1) of the Listing Manual has been complied with as the Terms and Conditions of the Series 2 Convertible Securities will provide for adjustments to the Series 2 Convertible Securities, subject to a confirmation by the Company that the terms of Series 2 Convertible Securities will comply with the requirements under Rule 829(1) of the Listing Manual.

The SGX-ST reserves the right to amend and/or vary the above confirmations and such confirmations are subject to changes in the SGX-ST's policies.

## 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. Please refer to the section titled "Principal Terms of the Series 2 Convertible Securities and the Warrants – Principal Terms of the Series 2 Convertible Securities" of this Announcement for the principal terms of the Series 2 Convertible Securities.

Basis of Provisional Allotment of the Warrants : One (1) Warrant 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.

Please refer to the section titled "Principal Terms of the Series 2 Convertible Securities and the Warrants – Principal Terms of the Warrants" of this Announcement for the principal terms of the Warrants.

Each Warrant will carry the right to subscribe for one (1) Series 2 Convertible Security. Please refer to the section titled "Principal Terms of the Series 2 Convertible Securities and the Warrants – Principal Terms of the Series 2 Convertible Securities" of this Announcement for the principal terms of the Series 2 Convertible Securities.

- 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 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 and the Warrants may be subject to such changes as the Directors may, after consultation with the Manager, 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 and the Warrants will also be contained in the offer information statement (the "**Offer Information Statement**") to be lodged with the Monetary Authority of Singapore (the "**MAS**") and to be despatched by the Company to 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

The Bonus Issue will be made to the Bonus Issue Entitled Shareholders on the basis of one (1) Warrant for every ten (10) existing Shares held by the 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. Please refer to the section titled "Principal Terms of the Series 2 Convertible Securities and the Warrants – Principal Terms of the Warrants" of this Announcement for the principal terms of the Warrants.

Each Warrant will carry the right to subscribe for one (1) Exercise Convertible Security. Please refer to the section titled "Principal Terms of the Series 2 Convertible Securities and the Warrants – Principal Terms of the Series 2 Convertible Securities" of this Announcement for the principal terms of the Series 2 Convertible Securities.

The terms and conditions of the Bonus Issue 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 and 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 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 (including the Exercise 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.

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 herein) 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 Distribution (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 herein) 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:

(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 Series 2 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 Series 2 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 Series 2 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 Series 2 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 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 (as defined below), credited as fully-paid ("**Conversion Right**"), at any time on or after the 41<sup>st</sup> 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. 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 shall be S\$1.30 (the "**Conversion Price**"). The Conversion Price of S\$1.30 represents a premium of approximately 5.7 per cent. over the last transacted price of the Shares on the Official List of the SGX-ST on 13 February 2019, being the last trading day on which trades were done on the Shares prior to the date of 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 ordinary shares or options over ordinary 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 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 Exercise Convertible Securities 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 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 existing Shares, provided that the Conversion Shares will rank for, including without limitation, any entitlements, distributions, dividends or rights, the record date in respect of which falls on or after the date of issuance of the Conversion Shares.

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 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. The Rights Issue is subject to, amongst others, the (a) approval in-principle from the SGX-ST 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 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.

Trading : Upon the listing of and quotation of 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:

- Exercise Price of the Warrants : S\$1.30, being the sum payable in respect of each new Exercise Convertible Security (the "**Exercise Price**").

The Exercise Price of S\$1.30 is equal to the initial Conversion Price of the Series 2 Convertible Securities.

- Exercise Period : Each holder of a Warrant (a "**Warrantholder**") will have the right, by way of exercise of such Warrant, during the period (the "**Exercise Period**") commencing on (and including) the date of

issue of the Warrants (the "**Warrants Issue Date**") and expiring at 5.00 p.m. on the day immediately preceding the fifth anniversary of the Warrants Issue Date, to subscribe for one (1) Exercise Convertible Security at the Exercise Price.

Conversion Price of the Exercise Convertible Security : The Conversion Price of the Exercise Convertible Security shall be the same as that of the then outstanding Series 2 Convertible Securities issued at the time of the Rights Issue as the Exercise Convertible Securities will form the same series as the then outstanding Series 2 Convertible Securities.

Adjustment to the Exercise Price : The Exercise Price will not be subject to any adjustments under any circumstances.

Please refer to the Application with regard to the compliance with Rule 829(1) of the Listing Manual in respect of the Warrants and the response of the SGX-ST dated 11 February 2019 as described in the section titled "SGX-ST Confirmations in Respect of Requirements under the Listing Manual".

As the Warrants are exercisable into Exercise Convertible Securities, investors should look to the adjustment provisions under the Terms and Conditions of the Series 2 Convertible Securities in respect of anti-dilution protection. Please refer to the section titled "Principal Terms of the Series 2 Convertible Securities and the Warrants – Principal Terms of the Series 2 Convertible Securities – Adjustment to the Conversion Price".

Form : The Warrants will be issued in registered form and will be constituted by the Deed Poll.

Listing of the Warrants and the Exercise Convertible Securities : 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 Exercise Convertible Securities 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 and the Exercise Convertible Securities are subject to there being a sufficient spread of holdings to provide for an orderly market in the Warrants and/or the Exercise Convertible Securities, respectively. The Proposed Exercises are subject to, amongst others, the (a) approval in-principle from the SGX-ST for the dealing in, listing of, and quotation for, the Warrants and the Exercise Convertible Securities on the Official List of the SGX-ST 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.

Detachability and Trading : The Warrants issued under the Rights Issue will on allotment and issue be detached from the Series 2 Convertible Securities

issued under the Rights Issue, and will trade separately on the Main Board of the SGX-ST.

Upon the listing of and quotation of the Warrants and the Exercise Convertible Securities on the SGX-ST, the Warrants and the Exercise Convertible Securities, 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 Exercise Convertible Securities 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", (in the case of the Warrants) the "Terms and Conditions for the Central Depository (Pte) Limited to act as Depository for the Warrants" and (in the case of the Exercise 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.

Each board lot of the Warrants will consist of 100 Warrants or such other board lot size which the SGX-ST may require and as may be notified by the Company. Following the Proposed Exercises, Warrantholders who hold odd lots of Warrants (i.e. lots other than board lots of 100 Warrants) and who wish to trade in odd lots on the SGX-ST should note that they are able to do so on the Unit Share Market of the SGX-ST. Warrantholders who hold odd lots of Warrants may have difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Warrants.

Warrant Agent : Tricor Barbinder Share Registration Services  
(a division of Tricor Singapore Pte. Ltd.)

Governing Law : 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, 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 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 will be given the opportunity to increase their investment in the Company during the Exercise Period by exercising the Warrants for Exercise Convertible Securities. The Company's rationale for structuring the Warrants as such (i.e. with an intermediate step of exercise into Exercise Convertible Securities) is to further reward its Shareholders as compared to a conventional structure of warrants over Shares. A registered holder of the Warrants will have the additional option to exercise into Exercise Convertible Securities which may be held for a fixed percentage distribution whilst maintaining the flexibility of converting such Exercise Convertible Securities into Shares at a time which the registered holder deems fit. 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 are 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 Rights Issue and the Bonus Issue of approximately S\$1.0 million (the "**Related Fees and Expenses**"), the estimated net proceeds from the issuance 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 Proposed Exercises are being undertaken concurrently and the Warrants to be issued under the Proposed Exercises will be fungible, the professional fees and related expenses estimated to be incurred in connection with the Bonus Issue is also comprised within the Related Fees and Expenses.

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

- (a) 75.0 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;
- (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) 15.0 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 gross proceeds of approximately S\$162.2 million from the issue of the Series 1 Convertible Securities have been fully utilised. Please refer to the Announcements dated 27 July 2018, 26 October 2018 and



13 February 2019 for details on the uses of the proceeds from the issue of the Series 1 Convertible Securities.

The foregoing represents the Company's best estimate of its 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 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 offered 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 are issued under the Proposed Exercises and all such Warrants are exercised at the Exercise Price, 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**").

As at the date of this Announcement, 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 when and the number of Warrants which are exercised, the percentage allocation for the aforementioned intended uses cannot be determined as of 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 also 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. The Company will make periodic announcements on the utilisation of the Total Proceeds as and when they are materially disbursed and provide a status report on the use of such proceeds 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<sup>(1)</sup> 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 herein) 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 entitled to participate in 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<sup>1</sup> 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.

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<sup>1</sup> "**Market Day**" is a day on which the SGX-ST is open for securities trading.

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, Entitled Scripholders who wish to participate in the Rights Issue must open Securities Accounts if they have not already done so and deposit their share certificates with CDP prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with the provisional allotments of Series 2 Convertible Securities with Warrants. After the issue of the Warrants, Warrantholders who wish to exercise their Warrants and receive Exercise Convertible Securities must open Securities Accounts so that their Securities Accounts may be credited by CDP with Exercise Convertible Securities.**

#### 6.4 Participation by Entitled Shareholders

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

Entitled Depositors who do not receive the Offer Information Statement, the Product Highlights Sheet and the ARE for the Rights Issue may obtain them from CDP, the Share Registrar or any stockbroking firm during the period from the date the Rights Issue commences up to the closing date of the Rights Issue.

Entitled Scripholders who do not receive the Offer Information Statement, the Product Highlights Sheet and the PAL for the Rights Issue may obtain them from the Share Registrar during the period from the date the Rights Issue commences up to the closing date of the Rights Issue.

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

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 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 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, (a) preference will be given to the rounding of odd lots and (b) the 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 a nominee) on the Board, including RHRL, MCHIL and CDTF, 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 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 entitled to participate in the Proposed Exercises. Accordingly, no provisional allotment of Series 2 Convertible Securities with Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application by Foreign Shareholders will be valid. In addition, no Warrants will be issued 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 (on behalf of its wholly-owned subsidiaries, RHRL and MCHIL), TTAPL and CDTF, the 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 (the "**Relevant RHRL Shares**");
- (c) for MCHIL, 31,852,326 Shares (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 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 last day for acceptance and payment of the Series 2 Convertible Securities (the "**Closing Date**"), procure that RHRL and MCHIL will accept, subscribe and pay in full for their respective *pro rata* provisional allotments of the Series 2 Convertible Securities 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 Books Closure Date, it and/or its nominee(s) will be the registered holders 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)) renounce in TTAPL's favour its *pro rata* provisional allotments of the Series 2 Convertible Securities 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 Books Closure Date, it and/or its nominee(s) will be the registered holders 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)) accept, subscribe and pay in full for (i) its *pro rata* provisional allotments of the Series 2 Convertible Securities in relation to the Relevant TTAPL Shares and (ii) the *pro rata* provisional allotments of the Series 2 Convertible Securities of FSCL and/or its nominees under the Rights Issue which FSCL and/or its nominees has undertaken to renounce in its favour.

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

- (a) as at the Books Closure Date, it and/or its nominee(s) will be the registered holders 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)) accept, subscribe and pay in full for its *pro rata* provisional allotments of the Series 2 Convertible Securities under the Rights Issue arising from the Relevant CDTF Shares.

M&C UK, TTAPL and CDTF will each furnish a confirmation of their financial resources to the SGX-ST 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 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.

## 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 ordinary 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,

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 circumstance of the case, have the obligation to extend an offer.

In general, the acquisition of instruments convertible into securities which carry voting rights or warrants which are exercisable into instruments convertible into securities is not considered an acquisition of voting rights that would give rise to an obligation to make a mandatory take-over offer under the Code. However, the exercise of such conversion rights will be considered 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 Warrants (as the case may be) pursuant to the Rights Issue or Bonus Issue (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  
14 February 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 and/or Warrants (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 may not be offered to the public in the Cayman Islands unless the Conversion Shares are listed on the Cayman Islands Stock Exchange.**