

GENERAL ANNOUNCEMENT::ANNOUNCEMENTS BY ASSOCIATED COMPANY, FIRST SPONSOR GROUP LIMITED

Issuer & Securities

Issuer/ Manager

CITY DEVELOPMENTS LIMITED

Securities

CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09

Stapled Security

No

Announcement Details

Announcement Title

General Announcement

Date & Time of Broadcast

23-Jul-2020 17:26:21

Status

New

Announcement Sub Title

Announcements by Associated Company, First Sponsor Group Limited

Announcement Reference

SG200723OTHRGFFG

Submitted By (Co./ Ind. Name)

Enid Ling Peek Fong

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

First Sponsor Group Limited ("FSGL"), an associated company, has released the following announcements on 23 July 2020:-

1. Notice of Record Date for Interim Dividend;
2. Unaudited Half Year Financial Statements for the period ended 30 June 2020 ("1H2020 Financial results");
3. Proposed Bonus Issue of Warrants - Launch Announcement and Press Release; and
4. Press Release and Investor Presentation Slides related to 1H2020 Financial results.

For details, please refer to the announcements released by FSGL on the SGX website www.sgx.com

CASH DIVIDEND/ DISTRIBUTION::MANDATORY

Issuer & Securities

Issuer/ Manager

FIRST SPONSOR GROUP LIMITED

Security

FIRST SPONSOR GROUP LIMITED - KYG3488W1078 - ADN

Announcement Details

Announcement Title

Mandatory Cash Dividend/ Distribution

Date & Time of Broadcast

23-Jul-2020 07:33:22

Status

New

Corporate Action Reference

SG200723DVCA59O3

Submitted By (Co./ Ind. Name)

Neo Teck Pheng

Designation

Group Chief Executive Officer and Executive Director

Dividend/ Distribution Number

Applicable

Value

12

Dividend/ Distribution Type

Interim

Financial Year End

31/12/2020

Declared Dividend/ Distribution Rate (Per Share/ Unit)

SGD 0.011

Event Narrative

Narrative Type	Narrative Text
Additional Text	Please refer to the attached Notice of Record Date.

Event Dates

Record Date and Time

17/09/2020 17:00:00

Ex Date

16/09/2020

Dividend Details**Payment Type**

Tax Exempted (1-tier)

Gross Rate (Per Share)

SGD 0.011

Net Rate (Per Share)

SGD 0.011

Pay Date

01/10/2020

Gross Rate Status

Actual Rate

Attachments[FSGL - Notice of Record Date.pdf](#)

Total size =16K MB

Applicable for REITs/ Business Trusts/ Stapled Securities



FIRST SPONSOR GROUP LIMITED
(Incorporated in the Cayman Islands)
(Registration No. AT-195714)

NOTICE OF RECORD DATE FOR INTERIM DIVIDEND

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of First Sponsor Group Limited (“**Company**”) will be closed at **5.00 p.m.** on **17 September 2020** for the purpose of determining shareholders’ entitlements to the interim tax-exempt (one-tier) dividend of 1.1 Singapore cents per ordinary share for the financial year ending 31 December 2020 (“**Interim Dividend**”).

Shareholders who are Depositors (as defined in the Securities and Futures Act (Chapter 289)) and whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 17 September 2020 will be entitled to the Interim Dividend.

In respect of shareholders who are not Depositors, duly completed and stamped registrable transfers received by the Company’s Share Registrar, Tricor Barbinder Share Registration Services (a business division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road, #02-00 Singapore 068898, up to 5.00 p.m. on 17 September 2020 will be registered to determine shareholders’ entitlements to the Interim Dividend.

The Interim Dividend will be paid on or about 1 October 2020.

BY ORDER OF THE BOARD
FIRST SPONSOR GROUP LIMITED

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
23 July 2020

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

FIRST SPONSOR GROUP LIMITED

Securities

FIRST SPONSOR GROUP LIMITED - KYG3488W1078 - ADN

Stapled Security

No

Announcement Details

Announcement Title

Financial Statements and Related Announcement

Date & Time of Broadcast

23-Jul-2020 07:35:11

Status

New

Announcement Sub Title

Half Yearly Results

Announcement Reference

SG200723OTHR9PKO

Submitted By (Co./ Ind. Name)

Neo Teck Pheng

Designation

Group Chief Executive Officer and Executive Director

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please see attached.

Additional Details

For Financial Period Ended

30/06/2020

Attachments

[FSG - 1H2020 Results Announcement.pdf](#)

Total size = 1097K MB



FIRST SPONSOR GROUP LIMITED

(Incorporated in the Cayman Islands)

(Registration No. AT-195714)

UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020

PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with comparative statements for the corresponding period of the immediately preceding financial year.

	The Group Half year ended 30 June		Incr / (Decr) %
	2020 S\$'000	2019 S\$'000	
Revenue	104,148	124,775	(16.5)
Cost of sales	(20,078)	(38,416)	(47.7)
Gross profit	<u>84,070</u>	<u>86,359</u>	(2.7)
Administrative expenses	(13,077)	(20,178)	(35.2)
Selling expenses	(2,809)	(3,441)	(18.4)
Other income/(expenses) (net)	9,989	(10,522)	n.m.
Other gains (net)	1,902	4,659	(59.2)
Results from operating activities	<u>80,075</u>	<u>56,877</u>	40.8
Finance income	11,349	8,748	29.7
Finance costs	(13,566)	(8,534)	59.0
Net finance (costs)/income	<u>(2,217)</u>	<u>214</u>	n.m.
Share of after-tax results of associates and joint ventures	<u>(5,701)</u>	<u>4,752</u>	n.m.
Profit before tax	<u>72,157</u>	<u>61,843</u>	16.7
Tax expense	(15,152)	(22,888)	(33.8)
Profit for the period	<u><u>57,005</u></u>	<u><u>38,955</u></u>	46.3
Attributable to:			
Equity holders of the Company	58,071	38,857	49.4
Non-controlling interests	(1,066)	98	n.m.
Profit for the period	<u><u>57,005</u></u>	<u><u>38,955</u></u>	46.3
Earnings per share (cents)			
- Basic	6.90	5.35	29.0
- Diluted	<u>5.27</u>	<u>4.58</u>	15.1

n.m.: not meaningful

Consolidated Statement of Comprehensive Income

	The Group	
	Half year ended	
	30 June	
	2020	2019
	S\$'000	S\$'000
Profit for the period	57,005	38,955
Other comprehensive income		
Items that are or may be reclassified		
subsequently to profit or loss:		
Translation differences on financial statements arising from liquidation of a foreign subsidiary reclassified to profit or loss	53	-
Share of translation differences on financial statements of foreign associates and joint ventures, net of tax	7,565	(560)
Translation differences on financial statements of foreign subsidiaries, net of tax	16,666	(12,034)
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	817	(236)
Total other comprehensive income for the period, net of tax	25,101	(12,830)
Total comprehensive income for the period	<u>82,106</u>	<u>26,125</u>
Total comprehensive income attributable to:		
Equity holders of the Company	82,324	26,660
Non-controlling interests	(218)	(535)
Total comprehensive income for the period	<u>82,106</u>	<u>26,125</u>

Notes to the Group's Income Statement:

Profit before tax includes the following:

	The Group	
	Half year ended	
	30 June	
	2020	2019
	S\$'000	S\$'000
Other gains (net) comprise:		
Gain/(loss) on disposal of:		
- assets held-for-sale	1,763	4,925
- investment properties	-	277
- other investments	229	-
- property, plant and equipment (net)	(52)	-
Property, plant and equipment written off	(1)	(22)
Loss on liquidation of subsidiaries	(37)	-
Loss on deconsolidation of a subsidiary	-	(521)
	<hr/> <hr/>	<hr/> <hr/>
Profit before tax includes the following (expenses)/income:		
Depreciation of property, plant and equipment	(4,722)	(4,259)
Exchange gain/(loss) (net)	25,649	(8,642)
Fair value (loss)/gain on derivative assets/ liabilities (net)	(13,146)	1,378
Fair value (loss)/gain on other investments	(380)	332
Hotel base stocks written off	(694)	(512)
Hotel pre-opening expenses	(310)	(601)
	<hr/> <hr/>	<hr/> <hr/>

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group		The Company	
	As at 30 June 2020 S\$'000	As at 31 December 2019 S\$'000	As at 30 June 2020 S\$'000	As at 31 December 2019 S\$'000
Non-current assets				
Property, plant and equipment	368,816	345,847	705	950
Investment properties	98,947	94,827	-	-
Subsidiaries	-	-	774,562	774,562
Interests in associates and joint ventures	305,776	298,062	9,680	9,680
Derivative assets	22,294	28,778	22,294	28,778
Other investments	88,363	74,594	-	-
Deferred tax assets	42,963	43,470	-	-
Trade and other receivables	876,864	824,848	586,683	860,557
	<u>1,804,023</u>	<u>1,710,426</u>	<u>1,393,924</u>	<u>1,674,527</u>
Current assets				
Development properties	449,253	390,046	-	-
Inventories	404	550	-	-
Trade and other receivables	346,247	315,255	1,316,082	483,451
Assets held-for-sale	13,237	18,285	-	-
Derivative assets	8,782	12,545	8,782	12,545
Other investments	11,060	-	-	-
Cash and cash equivalents	463,815	313,389	9,702	22,629
	<u>1,292,798</u>	<u>1,050,070</u>	<u>1,334,566</u>	<u>518,625</u>
Total assets	<u>3,096,821</u>	<u>2,760,496</u>	<u>2,728,490</u>	<u>2,193,152</u>
Equity				
Share capital	102,054	101,251	102,054	101,251
Reserves	1,393,903	1,320,670	1,120,504	1,080,079
Equity attributable to owners of the Company	<u>1,495,957</u>	<u>1,421,921</u>	<u>1,222,558</u>	<u>1,181,330</u>
Perpetual convertible capital securities	146,546	146,548	146,546	146,548
Non-controlling interests	29,902	30,120	-	-
Total equity	<u>1,672,405</u>	<u>1,598,589</u>	<u>1,369,104</u>	<u>1,327,878</u>
Non-current liabilities				
Loans and borrowings	727,632	369,943	673,024	369,943
Derivative liabilities	4,120	2,717	4,120	2,717
Other payables	51,054	49,431	-	-
Lease liabilities	72,780	69,358	310	466
Deferred tax liabilities	7,782	7,202	-	-
	<u>863,368</u>	<u>498,651</u>	<u>677,454</u>	<u>373,126</u>

	The Group		The Company	
	As at 30 June 2020 S\$'000	As at 31 December 2019 S\$'000	As at 30 June 2020 S\$'000	As at 31 December 2019 S\$'000
Current liabilities				
Loans and borrowings	3,522	251,220	3,522	251,220
Current tax payable	55,814	61,925	2,457	1,914
Trade and other payables	300,474	307,085	674,352	238,858
Contract liabilities	196,069	39,288	-	-
Receipts in advance	1,223	1,349	-	-
Lease liabilities	2,451	2,389	106	156
Derivative liabilities	1,495	-	1,495	-
	<u>561,048</u>	<u>663,256</u>	<u>681,932</u>	<u>492,148</u>
Total liabilities	<u>1,424,416</u>	<u>1,161,907</u>	<u>1,359,386</u>	<u>865,274</u>
Total equity and liabilities	<u>3,096,821</u>	<u>2,760,496</u>	<u>2,728,490</u>	<u>2,193,152</u>

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities.

The Group's net borrowings refer to aggregate borrowings from banks and financial institutions, after deducting cash and cash equivalents. Unamortised balance of transaction costs have not been deducted from the gross borrowings.

	The Group	
	As at 30 June 2020 S\$'000	As at 31 December 2019 S\$'000
Unsecured		
- repayable within one year	3,522	251,220
- repayable after one year	651,024	369,943
Total	<u>654,546</u>	<u>621,163</u>
Secured		
- repayable within one year	-	-
- repayable after one year	76,608	-
Total	<u>76,608</u>	<u>-</u>
Grand total	<u>731,154</u>	<u>621,163</u>
Gross borrowings	739,155	628,931
Less:		
(i) cash and cash equivalents	(463,815)	(313,389)
(ii) other investments (current) ^{Note 1}	(11,060)	-
Net borrowings	<u>264,280</u>	<u>315,542</u>

Note 1 Other investments (current) relate to principal-guaranteed structured deposits placed with financial institutions.

Details of any collateral

The secured borrowing is secured by a mortgage on a subsidiary's development property and guaranteed by the 40% non-controlling shareholder on a non-pro rata basis.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Half year ended 30 June	
	2020 S\$'000	2019 S\$'000
Cash flows from operating activities		
Profit for the period	57,005	38,955
Adjustments for:		
Depreciation of property, plant and equipment	4,722	4,259
Fair value loss/(gain) on:		
- Derivative assets/liabilities (net)	13,146	(1,378)
- Other investments	380	(332)
Finance income	(11,349)	(8,748)
Finance costs	13,566	8,534
Gain on disposal of		
- investment properties	-	(277)
- assets held-for-sale	(1,763)	(4,925)
- other investments	(229)	-
- property, plant and equipment (net)	52	-
Loss on deconsolidation of a subsidiary	-	521
Loss on liquidation of subsidiaries	37	-
Property, plant and equipment written off	1	22
Share of after-tax loss/(profit) of associates and joint ventures	5,701	(4,752)
Tax expense	15,152	22,888
	96,421	54,767
Changes in:		
Development properties	(45,435)	(9,643)
Inventories	164	157
Trade and other receivables	32,599	84,799
Trade and other payables	(108,327)	19,796
Contract liabilities	156,752	(44,395)
Loans and borrowings	(11,222)	40,477
Cash generated from operations	120,952	145,958
Interest received	20,976	23,621
Interest paid	(7,089)	(10,892)
Tax paid	(20,717)	(4,247)
Net cash from operating activities	114,122	154,440
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	-	(156,670)
Advances to associates (net)	(46,042)	(108,640)
Deposit received in respect of assets held-for-sale	-	2,392
Placement of other investments	(11,116)	(129,314)
Dividend received from an associate	11,793	-
Dividend received from a joint venture	161	164
Deconsolidation of a subsidiary	-	(2,323)
Interest received	10,155	7,187
Loan to a non-controlling interest	-	(31,858)
Payment for acquisition of other investments	(15,998)	(249)
Payment for additions to:		
- investment properties	-	(5,010)
- property, plant and equipment	(14,706)	(16,251)
Payment for investments in associates and joint ventures	(17,971)	(79,869)

	Half year ended 30 June	
	2020 S\$'000	2019 S\$'000
Proceeds from disposal of:		
- assets held-for-sale	7,894	34,270
- investment properties	-	1,842
- other investments (non-current)	2,785	-
- property, plant and equipment	269	-
Net cash used in investing activities	(72,776)	(484,329)
Cash flows from financing activities		
Advances from associates (net)	18,196	71,462
Distribution to perpetual convertible capital securities ("PCCS") holders	(2,930)	(516)
Dividends paid to the owners of the Company	(12,814)	(10,331)
Interest paid	(9,688)	(3,729)
Issuance of shares	7,454	-
Loan from a third party	-	46,490
Loan from non-controlling interests	176	-
Payment of lease liabilities	(3,036)	(2,815)
Payment of transaction costs related to:		
- borrowings	(2,347)	(900)
- PCCS	-	(1,200)
Proceeds from issuance of PCCS	-	147,649
Proceeds from issuance of medium term notes	100,000	-
Repurchase of medium term notes	(22,000)	-
Proceeds from bank borrowings	436,318	322,220
Repayment of bank borrowings	(407,517)	(270,324)
Redemption of PCCS	-	(952)
Net cash from financing activities	101,812	297,054
Net increase/(decrease) in cash and cash equivalents	143,158	(32,835)
Cash and cash equivalents at beginning of the period	313,389	125,711
Effect of exchange rate changes on balances held in foreign currencies	7,268	(825)
Cash and cash equivalents at end of the period	463,815	92,051

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital S\$'000	Share premium S\$'000	Statutory reserve S\$'000	Capital reserve S\$'000	Distributable reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Perpetual convertible capital securities S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Group											
At 1 January 2020	101,251	150,313	39,959	245	655,029	(18,626)	493,750	1,421,921	146,548	30,120	1,598,589
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	58,071	58,071	-	(1,066)	57,005
Other comprehensive income											
Translation differences on financial statements arising from liquidation of a foreign subsidiary, net of tax	-	-	-	-	-	53	-	53	-	-	53
Share of translation differences on financial statements of foreign associates and joint ventures, net of tax	-	-	-	-	-	7,565	-	7,565	-	-	7,565
Translation differences on financial statements of foreign subsidiaries, net of tax	-	-	-	-	-	15,818	-	15,818	-	848	16,666
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	-	-	-	-	-	817	-	817	-	-	817
Total other comprehensive income	-	-	-	-	-	24,253	-	24,253	-	848	25,101
Total comprehensive income for the period	-	-	-	-	-	24,253	58,071	82,324	-	(218)	82,106

	Share capital S\$'000	Share premium S\$'000	Statutory reserve S\$'000	Capital reserve S\$'000	Distributable reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Perpetual convertible capital securities S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Transaction with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends paid to the owners of the Company	-	-	-	-	-	-	(12,814)	(12,814)	-	-	(12,814)
Issuance of new shares pursuant to conversion of Perpetual Convertible Capital Securities ("PCCS")	*	2	-	-	-	-	-	2	(2)	-	-
Distribution of PCCS	-	-	-	-	-	-	(2,930)	(2,930)	-	-	(2,930)
Issuance of new shares	803	6,651	-	-	-	-	-	7,454	-	-	7,454
Transfer from statutory reserve	-	-	(109)	-	-	-	109	-	-	-	-
Total contributions by and distributions to owners	803	6,653	(109)	-	-	-	(15,635)	(8,288)	(2)	-	(8,290)
Total transactions with owners	803	6,653	(109)	-	-	-	(15,635)	(8,288)	(2)	-	(8,290)
At 30 June 2020	102,054	156,966	39,850	245	655,029	5,627	536,186	1,495,957	146,546	29,902	1,672,405

* Amount less than S\$1,000.

	Share capital S\$'000	Share premium S\$'000	Statutory reserve S\$'000	Capital reserve S\$'000	Distributable reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Perpetual convertible capital securities S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Group											
At 1 January 2019, as previously stated	81,405	9,821	36,607	245	655,029	12,854	354,535	1,150,496	161,285	11,713	1,323,494
Adjustment on initial recognition of IFRS 16	-	-	-	-	-	-	(1,965)	(1,965)	-	-	(1,965)
Adjusted balance at 1 January 2019	81,405	9,821	36,607	245	655,029	12,854	352,570	1,148,531	161,285	11,713	1,321,529
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	38,857	38,857	-	98	38,955
Other comprehensive income											
Share of translation differences on financial statements of foreign associates and joint ventures, net of tax	-	-	-	-	-	(560)	-	(560)	-	-	(560)
Translation differences on financial statements of foreign subsidiaries, net of tax	-	-	-	-	-	(11,401)	-	(11,401)	-	(633)	(12,034)
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	-	-	-	-	-	(236)	-	(236)	-	-	(236)
Total other comprehensive income	-	-	-	-	-	(12,197)	-	(12,197)	-	(633)	(12,830)
Total comprehensive income for the period	-	-	-	-	-	(12,197)	38,857	26,660	-	(535)	26,125

	Share capital S\$'000	Share premium S\$'000	Statutory reserve S\$'000	Capital reserve S\$'000	Distributable reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Perpetual convertible capital securities S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Transaction with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends paid to the owners of the Company	-	-	-	-	-	-	(10,331)	(10,331)	-	-	(10,331)
Issuance of new shares pursuant to conversion of PCCS	19,846	140,492	-	-	-	-	-	160,338	(160,338)	-	-
Distribution of PCCS	-	-	-	-	-	-	(516)	(516)	-	-	(516)
Redemption of PCCS	-	-	-	-	-	-	-	-	(948)	-	(948)
Issuance of PCCS	-	-	-	-	-	-	-	-	147,649	-	147,649
PCCS issue expenses	-	-	-	-	-	-	-	-	(1,100)	-	(1,100)
Total contributions by and distributions to owners	19,846	140,492	-	-	-	-	(10,847)	149,491	(14,737)	-	134,754
Changes in ownership interests in subsidiaries											
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	32,816	32,816
Derecognition of a subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	(11,763)	(11,763)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	21,053	21,053
Total transactions with owners	19,846	140,492	-	-	-	-	(10,847)	149,491	(14,737)	21,053	155,807
At 30 June 2019	101,251	150,313	36,607	245	655,029	657	380,580	1,324,682	146,548	32,231	1,503,461

	Share capital S\$'000	Share premium S\$'000	Capital reserve S\$'000	Distributable reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Perpetual convertible capital securities S\$'000	Total equity S\$'000
The Company								
At 1 January 2020	101,251	150,525	(5,988)	655,029	280,513	1,181,330	146,548	1,327,878
Total comprehensive income for the period								
Profit for the period	-	-	-	-	49,520	49,520	-	49,520
Total comprehensive income for the period	-	-	-	-	49,520	49,520	-	49,520
Transaction with owners, recognised directly in equity								
Contribution by and distributions to owners								
Dividends paid to the owners of the Company	-	-	-	-	(12,818)	(12,818)	-	(12,818)
Issuance of new shares pursuant to conversion of PCCS	*	2	-	-	-	2	(2)	-
Distribution of PCCS	-	-	-	-	(2,930)	(2,930)	-	(2,930)
Issuance of new shares	803	6,651	-	-	-	7,454	-	7,454
Total contributions by and distributions to owners	803	6,653	-	-	(15,748)	(8,292)	(2)	(8,294)
Total transactions with owners of the Company	803	6,653	-	-	(15,748)	(8,292)	(2)	(8,294)
At 30 June 2020	102,054	157,178	(5,988)	655,029	314,285	1,222,558	146,546	1,369,104

* Amount less than S\$1,000.

	Share capital S\$'000	Share premium S\$'000	Capital reserve S\$'000	Distributable reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Perpetual convertible capital securities S\$'000	Total equity S\$'000
The Company								
At 1 January 2019, as previously stated	81,405	10,033	(5,988)	655,029	209,692	950,171	161,285	1,111,456
Adjustment on initial recognition of IFRS 16	-	-	-	-	(9)	(9)	-	(9)
Adjusted balance at 1 January 2019	81,405	10,033	(5,988)	655,029	209,683	950,162	161,285	1,111,447
Total comprehensive income for the period								
Profit for the period	-	-	-	-	16,366	16,366	-	16,366
Total comprehensive income for the period	-	-	-	-	16,366	16,366	-	16,366
Transaction with owners, recognised directly in equity								
Contribution by and distributions to owners								
Dividends paid to the owners of the Company	-	-	-	-	(10,335)	(10,335)	-	(10,335)
Issuance of new shares pursuant to conversion of PCCS	19,846	140,492	-	-	-	160,338	(160,338)	-
Distribution of PCCS	-	-	-	-	(516)	(516)	-	(516)
Redemption of PCCS	-	-	-	-	-	-	(948)	(948)
Issuance of PCCS	-	-	-	-	-	-	147,649	147,649
PCCS issue expenses	-	-	-	-	-	-	(1,100)	(1,100)
Total contributions by and distributions to owners	19,846	140,492	-	-	(10,851)	149,487	(14,737)	134,750
Total transactions with owners of the Company	19,846	140,492	-	-	(10,851)	149,487	(14,737)	134,750
At 30 June 2019	101,251	150,525	(5,988)	655,029	215,198	1,116,015	146,548	1,262,563

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Ordinary shares issued and fully paid	Number of Shares	Share Capital (S\$'000)
Balance at 1 January 2020	795,384,155	101,251
Issuance of new shares from:		
- conversion of PCCS	2,690	*
- exercise of warrants	5,733,697	803
Balance at 30 June 2020	<u>801,120,542</u>	<u>102,054</u>

* Amount less than S\$1,000.

The total number of issued ordinary shares of US\$0.10 each, excluding treasury shares as at 30 June 2020 and 30 June 2019 was 801,120,542 and 795,384,155 respectively.

As at 30 June 2020 and 30 June 2019, a subsidiary of the Company held 307,682 ordinary shares, representing 0.04% of the Company's total number of issued ordinary shares on the two dates respectively.

As at 30 June 2020, pursuant to the 2019 Rights Issue¹ on 31 May 2019, 113,573,547 (30 June 2019: 113,576,237) Perpetual Convertible Capital Securities ("PCCS") and 187,064,149 (30 June 2019: 192,797,846) warrants were outstanding. Assuming (a) full conversion of the PCCS and no adjustments to the conversion price of S\$1.30 and (b) full exercise of the warrants and no adjustments to the exercise price of S\$1.30, an aggregate of 300,637,696 (30 June 2019: 306,374,083) new ordinary shares will be issued, which will increase the total number of issued ordinary shares to 1,101,758,238 on the two dates respectively.

As at 30 June 2020, a subsidiary of the Company held 30,768 warrants (30 June 2019: 30,768).

The Company did not hold any treasury shares as at 30 June 2020 and 30 June 2019.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued ordinary shares (excluding treasury shares) as at 30 June 2020 and 31 December 2019 was 801,120,542 and 795,384,155 respectively.

¹ 2019 Rights Issue refers to the rights issue of up to S\$147.6 million in aggregate principal amount of 3.98% Perpetual Convertible Capital Securities ("PCCS") in the denomination of S\$1.30 for each PCCS, on the basis of one PCCS for every seven existing ordinary shares, at an issue price of S\$1.30 for each PCCS, with up to 113,576,237 free detachable warrants, on the basis of one warrant for every one PCCS subscribed for. 79,221,609 warrants were also allotted and issued on 31 May 2019, on the basis of one warrant for every ten existing ordinary shares, pursuant to a bonus issue.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the half year ended 30 June 2020.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of subsidiary holdings during the half year ended 30 June 2020.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the financial year ended 31 December 2019.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted various new standards, amendments to standards and interpretations that are effective for the financial period beginning on 1 January 2020.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	6 months ended 30 June	
	2020	2019
Earnings per share (cents)		
- basic	6.90	5.35
- diluted	5.27	4.58
Profit attributable to ordinary shareholders (S\$'000)	55,141	38,341
Profit attributable to ordinary shareholders and PCCS holders (S\$'000)	58,071	38,857
Weighted average number of ordinary shares in issue:		
- basic	799,161,494 ²	716,472,206 ²
- diluted	1,101,450,556 ²	848,333,649 ²

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:—

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	As at 30 June 2020	As at 31 December 2019	As at 30 June 2020	As at 31 December 2019
Net asset value per ordinary share (cents)	205.10	197.27	170.90	166.95
Number of issued ordinary shares (excluding treasury shares)	800,812,860 ²	795,076,473 ²	801,120,542	795,384,155

² Excludes 307,682 shares in the Company held by a subsidiary which are accounted for as treasury shares in the consolidated financial statements of the Group in accordance with IAS 32 *Financial Instruments: Presentation*.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:—**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

Group performance

Revenue and cost of sales

The breakdown of our revenue (net of business tax/value added tax) for the period under review is as follows:

	6 months ended 30 June	
	2020 S\$'000	2019 S\$'000
Revenue from sale of properties	22,433	50,998
Rental income from investment properties	3,994	6,148
Revenue from hotel operations	12,788	25,957
Revenue from property financing	64,933	41,672
Total	104,148	124,775

Revenue of the Group decreased by S\$20.6 million or 16.5%, from S\$124.8 million in 1H2019 to S\$104.1 million in 1H2020. This decrease was due to the decrease in revenue from (i) sale of properties of S\$28.6 million, (ii) hotel operations of S\$13.2 million and (iii) rental of investment properties of S\$2.2 million. The decrease was partially offset by the increase in revenue from property financing of S\$23.3 million.

Revenue from sale of properties decreased by S\$28.6 million or 56.0% to S\$22.4 million 1H2020. This was due mainly to no handover of residential and commercial units in the Millennium Waterfront project in 1H2020 compared to 1H2019. The decrease was partially offset by a higher number of car park lots sold in the current period, which included a bulk sale of 883 carpark lots of Plot B of the Millennium Waterfront project (1H2020: 1,172 car park lots; 1H2019: 2 residential units, 110 commercial units and 183 car park lots).

Rental income from investment properties decreased by S\$2.2 million or 35.0% to S\$4.0 million in 1H2020. The decrease was due mainly to the effect of deconsolidation of a subsidiary in June 2019 which owns an investment property.

Revenue from hotel operations decreased by S\$13.2 million or 50.7% to S\$12.8 million in 1H2020 due to the weaker performance of the hotel portfolio as a whole due to the impact of Covid-19 and the closure of the Bilderberg Bellevue Hotel Dresden between late March and mid-May and the Wenjiang Holiday Inn Express from late January 2020. The Wenjiang Holiday Inn Express remains partially closed now. It will be opened when there is an overflow of business from the Wenjiang Crowne Plaza.

Revenue from property financing increased by S\$23.3 million or 55.8% to S\$64.9 million in 1H2020. The increase was due mainly to loan restructuring income arising from the refinancing of the FSMC loans of S\$15.8 million, establishment fee of S\$3.4 million from the provision of a A\$370 million construction facility to fund the redevelopment of the City Tattersalls Club in Sydney, and higher interest income of S\$2.5 million generated from a higher average secured PRC loan portfolio in the current period.

Cost of sales mainly comprises land costs, development expenditure and cost adjustments (if any), borrowing costs, depreciation charge and other related expenditure. Cost of sales decreased by S\$18.3 million or 47.7%, from S\$38.4 million in 1H2019 to S\$20.1 million in 1H2020.

The Group's gross profit marginally decreased by S\$2.3 million or 2.7% from S\$86.4 million in 1H2019 to S\$84.1 million in 1H2020.

The Group achieved higher overall gross margin of 80.7% in 1H2020 compared to 69.2% in 1H2019. This is due mainly to the change in sales mix as the higher yielding property financing business contributed a larger share of the total revenue in the current period. In addition, car park sales were recognised at 100% gross profit margin since the car park lots were carried at nil book costs.

Administrative expenses

Administrative expenses mainly comprise staff costs, depreciation charge in relation to non-hotel assets, professional fees, and other expenses such as office, telecommunications and travelling expenses, stamp duties and other indirect PRC taxes.

Administrative expenses decreased by S\$7.1 million or 35.2%, from S\$20.2 million in 1H2019 to S\$13.1 million in 1H2020. The decrease was due mainly to lower staff costs in 1H2020 and the professional fees incurred in March 2019 in relation to the acquisition of the Bilderberg Bellevue Hotel Dresden.

Other income/(expenses) (net)

In 1H2020, the Group recorded other income of S\$10.0 million which comprised mainly net foreign exchange gain of S\$25.6 million, partially offset by net fair value loss on financial derivatives of S\$13.1 million, and hotel base stock written off and hotel pre-opening expenses amounting to S\$1.0 million in aggregate.

In 1H2019, the Group recorded other expenses of S\$10.5 million which comprised mainly net foreign exchange loss of S\$8.6 million, hotel base stock written off and hotel pre-opening expenses of S\$1.1 million in total, partially offset by net fair value gain on financial derivatives of S\$1.4 million.

Other gains (net)

Other gains of S\$1.9 million recorded in 1H2020 comprised mainly the gain on disposal of certain commercial spaces of the Chengdu Cityspring project (classified as assets held for sale) of S\$1.8 million.

Net finance (costs)/income

Net finance costs for 1H2020 comprise S\$1.8 million (1H2019: S\$1.7 million) of amortisation of lease liabilities recorded under IFRS 16.

Share of after-tax results of associates and joint ventures

Share of after-tax results of associates and joint ventures decreased by S\$10.5 million from a profit of S\$4.8 million in 1H2019 to a loss of S\$5.7 million in 1H2020. The significant decrease was attributable mainly to the Group's share of loan restructuring expenses incurred by the 33%-owned FSMC Group and lower hotel profit contribution from the Bilderberg hotels due to the Covid-19 pandemic.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Non-current assets

Property, plant and equipment increased by S\$23.0 million or 6.6%, from S\$345.8 million as at 31 December 2019 to S\$368.8 million as at 30 June 2020. The increase was due mainly to the refurbishment of the Crowne Plaza Utrecht Centraal Station Hotel which has commenced operations in early June 2020, as well as room renovations carried out for the Bilderberg Bellevue Hotel Dresden.

Other investments increased by S\$13.8 million or 18.5%, from S\$74.6 million as at 31 December 2019 to S\$88.4 million as at 30 June 2020. The increase was due mainly to the net acquisition of quoted equity investments of S\$10.6 million in 1H2020.

Current assets

Development properties increased by S\$59.2 million or 15.2%, from S\$390.0 million as at 31 December 2019 to S\$449.3 million as at 30 June 2020. The increase was due mainly to the development of the Pinnacle project in Dongguan and Plot F of the Millennium Waterfront Project in Chengdu.

Loans and borrowings

Gross borrowings increased by S\$110.3 million or 17.5%, from S\$628.9 million as at 31 December 2019 to S\$739.2 million as at 30 June 2020. This was due mainly to the issuance of S\$100.0 million in principal amount of 3.29% fixed rate notes due 2025 ("Notes") in February 2020, of which S\$22.0 million was repurchased by the Group in June 2020.

The Group maintained a net gearing ratio of 0.16 as at 30 June 2020.

Foreign currency risk management

The Group is exposed to volatility of the RMB due to its operations in the PRC. Therefore, any depreciation in the RMB against the S\$ will adversely affect the Group's earnings, net assets, value of any dividends we pay to our shareholders in S\$ or require us to use more RMB funds to service the same amount of any S\$ debt. Fluctuations in RMB exchange rates are affected by, amongst others, changes in political and economic conditions and the PRC's foreign exchange regime and policy.

Since the Group's entry to the Dutch and German property markets in February 2015 and January 2018 respectively, the Group has hedged its currency exposure to Euro by financing all its Dutch and German acquisitions with a combination of Euro-denominated borrowings and/or financial derivatives involving cross currency swaps ("CCSs"), forex swaps ("FCS") and forex forwards ("FXF") whereby the end result is also to achieve a corresponding Euro liability. The Group takes an economic hedge rather than an accounting hedge approach with regard to the management of its Euro asset exposure.

In November 2018, the Group entered into the property financing market in Australia via a 50-50 owned joint venture with Tai Tak. In January 2020, the Group subscribed for units in a 39.9%-owned project development trust to redevelop the City Tattersalls Club in Sydney. The Group has also adopted the same approach as its European assets, which is to fully hedge its Australian dollar cost base.

As at 30 June 2020, the Group had 21 CCSs outstanding with an aggregate notional amount of €502.1 million, A\$36.1 million, RMB630.6 million and US\$25.0 million; four FCS with aggregate notional amounts of i) €72.2m million and ii) US\$53.0 million, and three FXF with an aggregate notional amount of €50.0 million. These financial instruments are measured at fair value with changes in fair value recognised in the profit and loss account. The fair values of the instruments are mainly dependent on the forward foreign exchange rates, discount rates and yield curves of the notional amounts, as applicable. On the other hand, the changes in fair value of the instruments will be largely offset by the corresponding changes in fair values of the underlying foreign currency denominated assets when the respective instruments approach their maturity dates and foreign currency denominated borrowings are taken up to close out the instruments, thereby resulting in a minimal cumulative impact to the profit or loss. The cumulative net positive impact to the retained earnings arising from the various financial derivatives and underlying foreign currency denominated assets as at 30 June 2020 amounted to approximately S\$13.3 million.

As at 30 June 2020, the Group recorded a cumulative net translation gain of S\$5.6 million as part of reserves in its shareholders' equity. This arose from the translation of the net assets and income and expenses of the Group's foreign operations in the PRC, Europe and Australia to S\$ at the exchange rates prevailing at the end of the reporting period.

We currently do not have a formal hedging policy with respect to our RMB foreign exchange exposure and have not used any financial hedging instruments to actively manage our RMB foreign exchange risk. The cost of entering into such hedging instruments to manage the Group's exposure to RMB remains fairly expensive. However, the Group has started to hedge its new exposure to the PRC property development and property financing operations to the extent that these are not funded by onshore RMB assets by drawing CNH-denominated borrowings and/or executing the appropriate financial derivative instrument(s). We will continue to monitor our foreign exchange exposure vis-à-vis the associated hedging costs and take appropriate actions when necessary. There is no assurance as to the effectiveness and success of any hedging action that we might or might not take.

Statement of cash flows of the Group

Net cash from operating activities amounted to S\$114.1 million in 1H2020 due mainly to the cash proceeds collected from the pre-sale of five residential blocks of The Pinnacle, Chang'an which were launched since April 2020 of S\$148.3 million (RMB747.3 million).

Net cash used in investing activities of S\$72.8 million in 1H2020 was due mainly to the (i) net advances to associates of S\$46.0 million, (ii) placement of structured deposits of S\$11.1 million, (iii) net acquisition of quoted equity investments of S\$16.0 million, (iv) payments for additions of property, plant and equipment of S\$14.7 million in relation to the fit out of the Crowne Plaza Utrecht Centraal Station Hotel and rooms renovation of the Bilderberg Bellevue Hotel Dresden, and (v) the subscription of units in the 39.9%-owned project development trust amounting to S\$18.0 million to redevelop the iconic 125-year old City Tattersalls Club in Sydney. This was partially offset by dividend received of S\$11.8 million from the 30%-owned associated company that develops the Star of East River project as the PRC project company carried out a capital reduction exercise in June 2020, interest received of S\$10.2 million and proceeds from disposal of assets held-for-sale and other investments of S\$10.7 million in aggregate.

Net cash from financing activities amounted to S\$101.8 million in 1H2020 due mainly to net proceeds from medium term notes issued and bank borrowings of S\$78.0 million and S\$28.8 million respectively, advances from an associate of S\$18.2 million and proceeds from issuance of shares of S\$7.5 million. This was partially offset by payment of dividends to the shareholders of the Company of S\$12.8 million, the payment of interest expense, transaction costs related to borrowings, and lease liabilities of S\$9.7 million, S\$2.6 million and S\$3.0 million respectively, and distributions to PCCS holders of S\$2.9 million.

Note:

The figures stated in our statement of financial position have been translated based on the exchange rates at the end of each reporting period; and the figures in our income statement, statement of comprehensive income and statement of cash flows have been translated based on the average exchange rate for the relevant period and exchange rate at the date of the transaction, where applicable.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement for the current financial period has been previously disclosed to the shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Industry Outlook

People's Republic of China ("PRC")

China's Caixin Services Purchasing Managers Index ("PMI") hit a 10-year high of 58.4 in June 2020, up from 55 in May 2020. As the service sector accounts for almost 50% of the country's GDP, these latest figures indicate a positive pickup in economic activity and act as a signal of economic expansion in the PRC after months of contraction as it battled to contain the Covid-19 pandemic earlier this year. The observed uptick of the PRC economy is supported by the consensus of economists surveyed by Nikkei who estimate that the PRC economy expanded by 1.1% during 2Q2020, rebounding from a 6.8% contraction in the previous quarter. The chief economist at ICBC added that recovery is expected to be subdued with the average forecast of full-year growth for 2020 reduced to 1.6%, down from 3.3% in a previous survey conducted in March 2020. A senior economist at ABN AMRO has also cut their PRC growth forecast from 3.0% to 2.0%. Economists and analysts cite the fear of external headwinds such as a possible "second wave" of coronavirus cases in the country and worry over the ongoing US-PRC trade frictions which appear to have also impacted the technology and finance sectors.

The Business Times reported that home prices in the PRC rose at its fastest pace in the six months up to May 2020 on the back of the rapid recovery in the property market from the coronavirus shutdowns. Prices of new homes across 70 major cities excluding state-subsidised housing increased by 0.49% in May, up from 0.42% in April with home values in the secondary market gaining by 0.24%, the fastest pace in the last seven months. It was also reported that residential sales in May 2020 exceeded pre-coronavirus levels in almost half of the 28 cities monitored by China Real Estate Information Corp., and hit a two-year high in cities such as Shanghai and Hangzhou. A separate article in The Business Times indicated cheaper credit and incremental policy easing as the key drivers for the recovery in the property market.

Bloomberg also highlighted that a boost in credit availability drove developers' land purchases in May to the highest level seen in the first five months of 2020. However, analysts are divided on the outlook for the rest of 2020. The head of the PRC real estate research at UBS expects prices to hold broadly stable because of the positive funding environment which will enable developers to hold off price cuts for cash flow turnover. On the other hand, the head of research for the PRC at Jones Lang LaSalle expected the housing market to encounter headwinds as he voiced concerns over the effects of the Covid-19 pandemic, possible economic downturn, shrinking family wealth and the level of market liquidity.

The Netherlands

It was announced in a June 2020 Dutch Central Planning Bureau (“CPB”) press release that the social distancing measures introduced in the Netherlands have led to an unprecedented decline in economic activity during the period from late February to late April of between 10% and 15%, compared to 2019. Uncertainty over the pandemic has led the CPB to revise its June projections assuming various scenarios. The base case assuming moderate recovery indicated that GDP would decrease by 6.0% in 2020 compared to a 1.8% growth in 2019. Statistics Netherlands (“CBS”) reported a GDP decline of 1.5% in 1Q2020 as compared to 4Q2019. The unemployment rate has been forecasted to grow to 5.0% this year, up from 3.4% in 2019 and is projected to increase to 7% in the next year under the CPB’s baseline scenario. The CPB further estimated that should a second wave of coronavirus trigger another lockdown, the unemployment rate will climb further to 10.0% and government debt will increase to over 75% of GDP.

A June 2020 report by the Ministry of Home Affairs showed that the Netherlands is currently facing a shortage of 331,000 homes or approximately 4.2% of the housing stock. It was further reported that the authorities are targeting to reduce the shortage to 2.0% by 2035. To achieve this, it was indicated that 845,000 new homes need to be created within the next 10 years taking into account the expected increase in inhabitants. In 2019, 81,500 new homes were created (71,500 built and 10,000 converted). However, that number is expected to fall to 55,000 in 2020 and just 50,000 in 2021 on the back of issues surrounding the control of nitrogen emissions and pollutants as well as a lack of construction sites. As the housing shortage woes continue in the Netherlands, housing prices have risen by an average of 7.7% in May 2020 although there were fewer transactions recorded according to CBS. Home prices are now on average 48% higher than the lowest price level seven years ago in June 2013. While the Dutch land registry figures indicate that 18,300 homes were transacted in May (down 7% compared to a year ago in May 2019), overall transactions were 5% higher for the first 5 months of 2020 compared to the same period in 2019.

It was also reported on the news website dutchnews.nl that Amsterdam employers’ organisations have warned that up to 80% of businesses in some sectors could go into bankruptcy because of Covid-19. In a similar vein, demand for Dutch hotel overnight stays has been severely impacted by the pandemic. Figures from the STR Benelux Hotel Review report indicated that occupancy and room rate for Dutch hotels in May 2020 decreased by more than 86% and 39% respectively as compared to that in May 2019.

Company Outlook

Property Development

The Group has teamed up with, inter alia, two reputable state-owned enterprises – China Poly Group (the JV partner for the Group’s Skyline Garden project) and China State Railway Group (collectively “Consortium”) to successfully bid for a mixed use development land on 29 June 2020 at the winning price of RMB6.6 billion. The land will be developed into a transit-oriented development in excess of 1 million sqm GFA encompassing a major transport hub including the Guangzhou-Hong Kong High-speed Railway Humen Station, Guangzhou-Shenzhen Intercity Railway Humen Station, Dongguan Metro Line 2 Humen Station and Dongguan Humen Bus Interchange. The Guangzhou-Hong Kong High-speed Railway is directly linked to Beijing in the north via Guangzhou, and Kowloon, Hong Kong in the south via Shenzhen. The Group has an approximately 17% effective equity interest in the joint venture.

Buying sentiments in the Dongguan property market have exceeded the Group's expectations after normal business activities resumed in late February 2020. Almost all the SOHO units in the Star of East River project and saleable residential units in the Emerald of the Orient project were sold as of 30 June 2020. Similarly, The Pinnacle project launched five residential blocks for sale in phases since April 2020 which were also almost fully sold soon after their respective launches. The current overwhelming demand has triggered price control measures from the Dongguan municipal. Another residential block in The Pinnacle project was launched for pre-sale on 14 July 2020 and has since sold more than 85%. The Group will pace its future sales launch of the remaining two residential blocks in The Pinnacle project and five residential blocks in the Skyline Garden project as appropriate.

The Group also recognised development profit of RMB47.9 million in 1H2020 from the sale and leaseback of 883 carpark lots in Plot B of the Millennium Waterfront project which were carried at nil cost on the Group's balance sheet. The Group is discussing with potential bulk buyers for the approximately 2,500 remaining unsold carpark lots in the other three residential plots of the Millennium Waterfront project and will continue to evaluate its options for Plot E, the last development plot of the project.

In the Netherlands, in light of the prevailing market conditions and effects of the Covid-19 pandemic, the Group is re-assessing the feasibility of the proposed new residential and office redevelopment project of the Dreeftoren Amsterdam, acquired for €11.7 million in a bank foreclosure exercise conducted by the Dutch court in September 2016. In addition, the Group is reconsidering its plan to convert the bare shell hotel in Milan, acquired for €10.7 million in January 2019, into a high density youth hostel. The Group will proceed with the redevelopment once there is a sound business case for these projects.

Property Holding

The positive outlook of the Dongguan property market augurs well for the Group's East Sun and Wanli investments as some of these outdated Dongguan properties are located in certain districts with good redevelopment potential. In January 2020, the Group's 90%-owned Dongguan East Sun Limited signed an agreement to divest a 51% controlling equity interest in Dongguan Wan Li Group Limited valuing its five properties ("Wanli Portfolio") at RMB320 million which is approximately 100% premium over its allocated cost. A RMB50 million non-refundable deposit has been received and the remaining consideration will be paid by 2022. The new investor will take the lead in the re-zoning application for the Wanli Portfolio.

The Group's 33%-owned FSMC completed the sale of Villa Nuova (a 1,428 sqm office property in Zeist, the Netherlands) on 31 January 2020 at an approximately 8% premium over its allocated cost. The property was 100% leased with a lease term expiring on 1 June 2022 and FSMC has been enjoying an annual net rental yield of more than 10% since its purchase in November 2015. The sale of Villa Nuova allows FSMC to focus its attention on its other more significant property assets and to recycle capital for other opportunities.

The Covid-19 pandemic had a significant adverse impact on the Dutch and German hospitality industry. After taking into account, among other things, the recommendations of the respective third party managers, the operations of 13 out of the 16 hotels owned and operated by the Group, comprising Holiday Inn Express Wenjiang Chengdu Hotel, Bilderberg Bellevue Hotel Dresden in Germany and the 11 hotels in the Dutch Bilderberg hotel portfolio, were temporarily suspended from 26 January 2020, 23 March 2020 and 3 April 2020 respectively. Since then, demand for hotel rooms has gradually improved although it remains weak. As of 30 June 2020, all except for one (being Bilderberg Garden Amsterdam) out of the 13 hotels that were temporarily closed (due to the outbreak of the Covid-19 pandemic) have re-opened. The Group has also commenced operations of the newly developed 144-room Crowne Plaza Utrecht Centraal Station Hotel on 2 June 2020. The Group has received subsidies from the Dutch and German authorities under the relevant wage subsidy programs which have mitigated the operating losses of its Dutch and German hospitality operations arising from the Covid-19 pandemic. Further subsidies are expected to be received pursuant to the application of the wage subsidy programs in the Netherlands and Germany until 1 October 2020 and until at least March 2021, respectively.

The Group is also seeking legal advice from its German lawyers as to, among others, its legal recourse against mhp Parkhotel GmbH, the tenant for the Group's 50%-owned Le Méridien Frankfurt hotel, for, among others, the non-payment of rent. As at 21 July 2020, the rental arrears amounted to €1.0 million, excluding VAT.

Investment property valuations are conducted annually and reported at the end of the financial year. At the moment, there are no clear indications of cap rate changes. For the Group's hotels classified as property, plant and equipment, in view of the expected decline in operating cash flows due to the impact of Covid-19, it is still too preliminary to conclude on the exact decline in value of the assets. The Board will perform an impairment assessment on the property, plant and equipment at the end of the year based on the then prevailing conditions.

Property Financing

On the PRC property financing ("PF") front, all interest payments by borrowers have been current except for the two borrower groups to which the Group has given consent for the short term deferral of interest payments in view of the economic difficulties resulting from the Covid-19 pandemic. The Group will seek to expand its property financing loan book prudently.

For the European PF loans, the Group has restructured all loans extended to the 33%-owned FSMC group. Interest obligations have been duly met up to 30 June 2020.

11. If a decision regarding dividend has been made:—

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of dividend	Interim tax-exempt (one-tier) dividend
Dividend Type	Cash
Dividend Amount	1.1 Singapore cents per ordinary share

(b) Corresponding Period of the Immediately Preceding Financial Year Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of dividend	Interim tax-exempt (one-tier) dividend
Dividend Type	Cash
Dividend Amount	1.1 Singapore cents per ordinary share

(c) Date payable

1 October 2020.

(d) Record date

17 September 2020.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a shareholders' general mandate for IPTs.

- 14. Confirmation that the issuer has procured undertakings from all of its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company confirms that it has procured undertakings from all of its directors and executive officers in the format set out in Appendix 7.7 under Rule 720 (1) of the Listing Manual.

BY ORDER OF THE BOARD
FIRST SPONSOR GROUP LIMITED

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
23 July 2020

FIRST SPONSOR GROUP LIMITED

(Registration No. AT-195714)

CONFIRMATION BY THE BOARD

The Directors of the Company hereby confirm, to the best of their knowledge that, nothing has come to the attention of the Board of Directors which may render the Group's unaudited financial results for the six months ended 30 June 2020 to be false or misleading in any material respect.

On behalf of the Board of Directors

Ho Han Leong Calvin
Non-Executive Chairman

Neo Teck Pheng
Group Chief Executive Officer
and Executive Director

23 July 2020

Issuer & Securities

Issuer/ Manager

FIRST SPONSOR GROUP LIMITED

Security

FIRST SPONSOR GROUP LIMITED - KYG3488W1078 - ADN

Announcement Details

Announcement Title

Bonus Issue/ Capitalisation Issue

Date of Announcement

BONUS ISSUE/ CAPITALISATION ISSUE::MANDATORY

Status

New

Corporate Action Reference

SG200723BONUMLDL

Submitted By (Co./ Ind. Name)

Neo Teck Pheng

Designation

Group Chief Executive Officer and Executive Director

Financial Year End

31/12/2020

Foreign Shareholder Eligibility

No

Event Narrative

Narrative Type	Narrative Text
Additional Text	PROPOSED BONUS ISSUE OF WARRANTS
Additional Text	Please see attached.

Disbursement Details

New Security Details

New Security Name

FIRST SPONSOR GROUP LIMITED

Security Not Found?

Yes

Distribution Ratio (Additional: Old)

1:4

Attachments

[FSGL - Bonus Issue - Launch Announcement.pdf](#)

[FSGL - Bonus Issue - Press release.pdf](#)

Total size =263K MB

Not for publication or distribution in the United States, Canada, Japan or Australia.

This Announcement is not an offer for sale of securities into the United States or elsewhere. The securities are not being registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States unless registered under the Securities Act or pursuant to an exemption from registration under the Securities Act. There will be no public offering of securities in the United States.



FIRST SPONSOR GROUP LIMITED
(Incorporated in the Cayman Islands)
(Registration No. AT-195714)

PROPOSED BONUS ISSUE OF WARRANTS

1. INTRODUCTION

1.1 Proposed 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 a bonus issue (the "**Bonus Issue**") of warrants (the "**Warrants**"), each carrying the right to subscribe for one (1) new ordinary share with a par value of US\$0.10 in the capital of the Company ("**Warrant Exercise Share**"), on the basis of one (1) Warrant for every four (4) existing ordinary shares with a par value of US\$0.10 each in the capital of the Company (the "**Shares**") held by the Entitled Shareholders (as defined in Section 4 of this Announcement) as at a record date to be determined by the Directors, being a time and date at and on which the register of members (the "**Register of Members**") and share transfer books (the "**Share Transfer Books**") of the Company will be closed to determine the entitlements of the Entitled Shareholders to the Bonus Issue (the "**Record Date**"), fractional entitlements to be disregarded. The Record Date will be announced by the Company at the appropriate time. Please refer to Section 1.3 of this Announcement for more information on the maximum and minimum number of Warrants that may be issued pursuant to the Bonus Issue.

The Bonus Issue will be undertaken pursuant to the general share issue mandate approved by shareholders of the Company ("**Shareholders**") at the annual general meeting of the Company held on 20 May 2020.

1.2 Existing Securities

On 31 May 2019, the Company issued a total of: (a) 113,576,237 3.98 per cent. perpetual convertible capital securities (the "**Series 2 Convertible Securities**") and 113,576,237 warrants (the "**Existing Warrants**") pursuant to a rights issue undertaken by the Company; and (b) 79,221,609 Existing Warrants pursuant to a bonus issue undertaken by the Company (the Existing Warrants and the Series 2 Convertible Securities collectively, the "**Existing Securities**").

No Adjustments to be made to the conversion/exercise price of the Existing Securities

As the initial Exercise Price (as defined in Section 2 of this Announcement) of the Warrants of S\$1.08 is above S\$1.07 (being the Relevant Price (as defined in the terms and conditions of the Existing Securities) rounded up to the nearest cent), no adjustments are required to be made to the conversion/exercise price of the Existing Securities pursuant to the terms and conditions of the Existing Securities.

IMPORTANT NOTICE:

SUBJECT TO THE REQUIREMENTS IN RESPECT OF THE ELIGIBILITY TO PARTICIPATE IN THE BONUS ISSUE (DETAILS OF WHICH ARE SET OUT IN SECTION 4 OF THIS ANNOUNCEMENT):

(A) SHAREHOLDERS WHO HOLD EXISTING SECURITIES AND WHO WISH TO MAXIMISE THEIR ENTITLEMENTS UNDER THE BONUS ISSUE; AND

(B) HOLDERS OF EXISTING SECURITIES WHO ARE NOT SHAREHOLDERS BUT WHO WISH TO PARTICIPATE IN THE BONUS ISSUE,

SHOULD ENSURE THAT THEY DELIVER TO THE CONVERSION AGENT AND/OR THE WARRANT AGENT THEIR DULY COMPLETED CONVERSION NOTICE AND/OR EXERCISE NOTICE, AS THE CASE MAY BE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE EXISTING SECURITIES BEFORE 3.00 P.M. ONE (1) BUSINESS DAY PRIOR TO THE RECORD DATE.

HOLDERS OF THE EXISTING SECURITIES SHOULD ALSO NOTE THAT THERE IS NO ASSURANCE THAT THE BONUS ISSUE WILL PROCEED AND/OR BE COMPLETED. THE BONUS ISSUE IS SUBJECT TO THE AIP (AS DEFINED BELOW) HAVING BEEN OBTAINED AND NOT HAVING BEEN WITHDRAWN.

THE DELIVERY OF CONVERSION NOTICES AND/OR EXERCISE NOTICES MAY NOT BE REVOKED EVEN IF THE BONUS ISSUE DOES NOT PROCEED OR COMPLETE.

1.3 Size of the Bonus Issue and Effect of the Bonus Issue on the Share Capital of the Company

As at the date of this Announcement, there are:

- (a) 801,120,542¹ existing Shares;
- (b) 113,573,547 unconverted Series 2 Convertible Securities; and
- (c) 187,064,149² unexercised Existing Warrants.

Minimum Scenario

Assuming that (i) none of the Existing Securities are converted/exercised on or prior to the Record Date, (ii) no adjustments are made to the conversion/exercise price of the Existing Securities on or prior to the Record Date and (iii) no new Shares are issued on or prior to the Record Date, a total number of 200,280,135³ Warrants will be issued, and further assuming

¹ This includes the 307,682 Shares held by Wenjiang (BVI) Limited ("**Wenjiang BVI**"), a wholly-owned subsidiary of the Company.

² This includes the 30,768 Existing Warrants held by Wenjiang BVI.

³ As Foreign Shareholders (as defined in Section 4 of this Announcement) will not be allowed to participate in the Bonus Issue, no Warrants will be issued to them under the Bonus Issue. Accordingly, the actual number of Warrants that are issued under the Bonus Issue may be lower.

that these Warrants are exercised in full, a total of 200,280,135 Warrant Exercise Shares may be issued pursuant to the exercise of all the Warrants (assuming no adjustments to the Exercise Price) (the "**Minimum Scenario**").

Maximum Scenario

Assuming that (i) all the Existing Securities are converted/exercised on or prior to the Record Date, (ii) no adjustments are made to the conversion/exercise price of the Existing Securities on or prior to the Record Date and (iii) (save as pursuant to (i) above) no new Shares are issued on or prior to the Record Date, a total number of 275,439,559³ Warrants will be issued, and further assuming that these Warrants are exercised in full, a total of 275,439,559 Warrant Exercise Shares may be issued pursuant to the exercise of all the Warrants (assuming no adjustments to the Exercise Price) (the "**Maximum Scenario**").

2. PRINCIPAL TERMS OF THE BONUS ISSUE

2.1 Basis of Allotment

The Warrants will be issued free on the basis of one (1) Warrant for every four (4) existing Shares held by Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded.

Fractional entitlements to the Warrants which are disregarded and not allotted to Entitled Shareholders will be aggregated and disposed of or dealt with in such manner as the Directors in their absolute discretion deem fit, in the interest of the Company.

2.2 Principal Terms of the Warrants

The following is a summary of the principal Terms and Conditions of the Warrants (as defined below) and is derived from, and should be read in conjunction with, the Terms and Conditions of the Warrants as set out in the Appendix to this Announcement and is qualified in its entirety by reference to information appearing therein:

Form : The Warrants will be issued in registered form and will be constituted by a deed poll (the "**Deed Poll**") to be executed by the Company. The Deed Poll will set out, among others, the terms and conditions of the Warrants (the "**Terms and Conditions of the Warrants**") (the form of which is substantially set out in the Appendix to this Announcement) and which may from time to time be amended, supplemented or modified in accordance with its terms.

Exercise Period : Each holder of a Warrant (the "**Warrantholder**") will have the right, by way of exercise of each Warrant, to subscribe for one (1) Warrant Exercise Share at the Exercise Price during the period (the "**Exercise Period**") commencing on (and including) the date falling six (6) months from the date the Warrants are first listed and quoted on the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and expiring at 5.00 p.m. on the date immediately preceding 102 months from the date of issue of the Warrants, unless such date is a date on which the Register of Members, the Share Transfer Books, the register of Warrantholders of the Company (the "**Register of**

Warrantholders") and/or the depository register (the "**Depository Register**") (as the case may be) is closed, and/or is not a day on which the SGX-ST is open for trading in securities ("**Market Day**"), in which event, the last day of the Exercise Period shall be the immediate preceding Market Day on which the Register of Members, the Share Transfer Books, the Register of Warrantholders and/or the Depository Register (as the case may be) remain open on the immediate preceding Market Day, as the case may be, subject to the Terms and Conditions of the Warrants. At the expiry of the Exercise Period, any Warrants which have not been exercised shall lapse and cease to be valid for any purpose.

Exercise Price : Subject to adjustments to the Exercise Price (as set out in the Terms and Conditions of the Warrants) referred to in "Adjustments" below, the initial price payable for each Warrant Exercise Share upon the exercise of a Warrant (the "**Exercise Price**") is S\$1.08, payable in full upon exercise of the Warrant and which represents a discount of approximately 3.6 per cent. to the last transacted price of the Shares on the Official List of the SGX-ST on 22 July 2020, being the last trading day on which trades were done on the Shares prior to the release of this Announcement.

Issue Size : Please see Section 1.3 of this Announcement.

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

In the event that there are adjustments to the number of Warrants which would require additional Warrants and/or Warrant Exercise Shares (as the case may be) to be issued, the Company will seek the approval of the SGX-ST for the dealing in, listing of, and quotation for, such additional Warrants and/or Warrant Exercise Shares on the Official List of the SGX-ST at the relevant time.

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

Upon the listing of and quotation for the Warrants and the Warrant Exercise Shares on the Official List of the SGX-ST, the Warrants and the Warrant Exercise Shares, when issued, will be traded on the SGX-ST under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Warrants and the Warrant Exercise Shares effected through the SGX-ST and/or The Central Depository (Pte) Limited ("**CDP**") shall be made in accordance with the

"Terms and Conditions for Operation of Securities Accounts with The Central Depository (Pte) Limited" and (in the case of the Warrants) the "Terms and Conditions for The Central Depository (Pte) Limited to act as Depository for the Warrants", as the same may be amended from time to time.

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

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

Adjustments : The Exercise Price and/or the number of Warrants shall from time to time be adjusted in accordance with the Terms and Conditions of the Warrants. Subject to the Terms and Conditions of the Warrants, such circumstances include:

- (a) any consolidation or subdivision of the Shares;
- (b) capitalisation of profits or reserves;
- (c) capital distribution;
- (d) rights issues of Shares or options over Shares at less than 95 per cent. of the Current Market Price (as defined in the Deed Poll); and
- (e) an issue of Shares (other than (i) a rights issue requiring an adjustment under sub-paragraph (d) above and (ii) an issue of Shares to members of the Company who elect to receive Shares in lieu of cash as dividend) if the total effective consideration for each Share is less than 90 per cent. of the Current Market Price for each Share,

provided always that the Exercise Price shall not be less than the nominal or par value of a Share.

Any additional Warrants issued pursuant to such adjustment shall rank *pari passu* with the Warrants and will for all purposes form part of the same series of Warrants constituted by the Deed Poll. Any such adjustments will be announced by the Company via an announcement on SGXNET in compliance with the listing

manual of the SGX-ST (the "**Listing Manual**").

Winding up : In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to its members give notice thereof to the Warranholders and thereupon, each Warranholder shall be entitled to exercise all or any of his Warrants at any time not later than two (2) business days prior to the proposed general meeting in accordance with the Terms and Conditions of the Warrants whereupon the Company shall, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Warrant Exercise Shares to the Warranholder credited as fully paid.

If a resolution is passed for a members' voluntary winding-up of the Company, then if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warranholders, or some person designated by them for such purpose by Extraordinary Resolution (as defined in the Deed Poll), shall be a party, the terms of such scheme of arrangement shall be binding on all the Warranholders.

Subject to the foregoing, if the Company is wound-up for any reason, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

Notice of Expiry : The Company shall, no later than one (1) month before the expiry of the Exercise Period, (a) give notice to the Warranholders of the expiry of the Exercise Period in accordance with the Terms and Conditions of the Warrants and make an announcement of the same to the SGX-ST and (b) take reasonable steps to despatch to the Warranholders notices in writing to their addresses recorded in the Register of Warranholders or the Depository Register, as the case may be, of the expiry of the Exercise Period.

Alteration to Terms : No material alteration to the terms of the Warrants after the issue thereof to the advantage of the Warranholder and prejudicial to the Shareholders shall be made, unless the alterations are made pursuant to the Terms and Conditions of the Warrants or the prior approval of Shareholders at a general meeting has been obtained.

Governing Law : The terms of the Warrants are governed by the laws of Singapore.

The terms and conditions of the Bonus Issue, the Warrants and the Warrant Exercise Shares may be subject to such changes as the Directors may deem fit in the interest of the Company. The final Terms and Conditions of the Warrants will be set out in the Deed Poll to be executed by the Company and (in the event that there are any further changes to the terms) will be

published by the Company on SGXNET together with the notice of the Record Date, subject to the AIP being obtained and not having been withdrawn.

3. RATIONALE AND USE OF PROCEEDS

3.1 Rationale

The Warrants are being issued to, *inter alia*, reward shareholders for their continuing support for and participation in the Company.

Warranholders who are confident of the future prospects of the Company will be given an opportunity to increase their investment in the Company during the Exercise Period by exercising the Warrants for Warrant Exercise Shares. The Exercise Period of the Warrants has also been extended (in comparison to the exercise period of the Existing Warrants) to provide better shareholder value as Entitled Shareholders would have a longer time period to exercise the Warrants into Warrant Exercise Shares. The exercise of these Warrants, if any, will raise funds for the Company and provide the Company with the financial flexibility to fund its expansion plans.

3.2 Use of Proceeds

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

In the Minimum Scenario and assuming that all the Warrants are exercised, it is estimated that the Company will receive gross proceeds ("**Gross Proceeds**") of approximately S\$216.3 million. In the Maximum Scenario and assuming that all the Warrants are exercised, it is estimated that the Company will receive Gross Proceeds of approximately S\$297.5 million. After deducting professional fees and related expenses estimated to be incurred in connection with the Bonus Issue of approximately S\$0.1 million, the net proceeds are expected to range between approximately S\$216.2 million (in the case of the Minimum Scenario) and S\$297.4 million (in the case of the Maximum Scenario) (the "**Net Proceeds**").

The Company intends to use the Net Proceeds 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 Net Proceeds will depend on the number of Warrants which are exercised and given that there is no certainty as to when (if at all) the Warrants will be exercised, the percentage allocation of the Net Proceeds for such intended uses cannot be determined as at the date of this Announcement.

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

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

4. ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE BONUS ISSUE

4.1 Entitled Shareholders

The Company proposes to issue the Warrants to all Shareholders who are eligible to participate in the Bonus Issue (the "**Entitled Shareholders**"), comprising Entitled Depositors and Entitled Scripholders (each term as defined below) on the basis of their shareholdings in the Company as at the Record Date.

4.2 Entitled Depositors

The "**Entitled Depositors**" are Depositors with Shares standing to the credit of their securities accounts (the "**Securities Accounts**") with CDP as at the Record Date and whose registered addresses with CDP are in Singapore as at the Record Date or who have, at least three (3) Market Days prior to the Record 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 Bonus Issue may not be lawfully made. The term "**Depositor**" means an account holder or a depository agent but does not include a sub-account holder.

4.3 Entitled Scripholders

The "**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 Record Date and whose registered addresses with the Company are in Singapore as at the Record Date or who have, at least three (3) Market Days prior to the Record Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents; but excludes Shareholders who are located, resident or who have a registered address in any jurisdiction in which the Bonus Issue may not be lawfully made.

As the Warrants will only be traded on the SGX-ST under the book-entry (scripless) settlement system, Entitled Scripholders who wish to trade the Warrants issued to them must open Securities Accounts if they have not already done so, and provide their Securities Account numbers and/or NRIC/passport numbers (for individuals) or registration numbers (for corporations) to the Share Registrar at least three (3) Market Days prior to the Record Date.

4.4 Foreign Shareholders

For practical reasons and in order to avoid any violation of securities laws applicable in countries other than Singapore, the Warrants will not be issued to Shareholders with registered addresses outside Singapore as at the Record 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 Record Date (the "**Foreign Shareholders**").

For the avoidance of doubt, even if a Foreign Shareholder has provided a Singapore address, his participation in the Bonus Issue will be subject to compliance with applicable securities laws outside Singapore.

5. CAUTIONARY STATEMENT AND RISK FACTORS

Shareholders and potential investors should note that the Bonus Issue is subject to the AIP being obtained by the Company and not having been withdrawn, and are therefore advised to exercise caution when dealing or trading in the Shares. 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.

To the best of the Directors' knowledge and belief, the risk factors that are material to Shareholders and potential investors in making an informed judgment on the Bonus Issue are also set out below. Shareholders and potential investors should carefully consider and evaluate each of the following considerations and all other information contained in this Announcement before making an investment decision. The risks described below are not intended to be exhaustive.

Risks associated with the Warrants

The Warrants may expire and become worthless if not exercised by the expiry of the Exercise Period

The Warrants will have an Exercise Period commencing on (and including) the date falling six (6) months from the date the Warrants are first listed and quoted on the Official List of the SGX-ST and expiring at 5.00 p.m. on the date immediately preceding 102 months from the date of issue of the Warrants, subject to the Terms and Conditions of the Warrants. In the event that the Warrants are not exercised by the end of the Exercise Period, the Warrants will expire and become worthless.

The listing of the Warrants is subject to a sufficient spread of holdings

In the event that permission is not granted by the SGX-ST for the listing of and quotation for the Warrants due to an insufficient spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants, the Company shall nevertheless proceed with and complete the Bonus Issue. In such event, Warranholders will not be able to trade their Warrants on the SGX-ST.

The dealing in, listing of and quotation for additional Warrants issued pursuant to any adjustments as set out in the Terms and Conditions of the Warrants (if any), and additional Warrant Exercise Shares pursuant to an exercise of such additional Warrants are subject to approval by the SGX-ST

In the event that adjustments are made to the number of Warrants pursuant to the Terms and Conditions of the Warrants such that additional Warrants are required to be issued, the dealing in, listing of and quotation for such additional Warrants and additional Warrant Exercise Shares pursuant to an exercise of such additional Warrants on the Official List of the SGX-ST are subject to the SGX-ST's approval and there is no assurance that such approval will be obtained on a timely basis or at all.

The exercise of the Warrants may cause the market value of the Shares to immediately decrease

The Exercise Price represents a discount of approximately 3.6 per cent. to the last transacted price of the Shares on the Official List of the SGX-ST on 22 July 2020, being the last trading day on which the Shares were traded on the SGX-ST prior to the release of this

Announcement. However, there is no assurance that the Exercise Price will be at a discount or premium to or over the prevailing market price of the Shares at the time of exercise. The discount or premium represented by the Exercise Price to or over the prevailing market price of the Shares, as the case may be at such time, coupled with the potential increase in the number of Shares upon the exercise, may result in an immediate decrease in the market value of the Shares. The Exercise Price does not bear a direct relationship to the book value of the Group's assets, past operations, cash flow, earnings, financial condition or other established criteria for value. Hence, the Exercise Price may not be an indication of any underlying value of Shares.

Warrantheolders will have no rights as Shareholders until they acquire Warrant Exercise Shares upon the exercise of the Warrants

Subject to the Terms and Conditions of the Warrants, Warrantheolders have the right to exercise their Warrants to subscribe for Warrant Exercise Shares. Unless and until the Warrantheolders acquire Warrant Exercise Shares upon the exercise of the Warrants, the Warrantheolders will have no rights as Shareholders (including voting rights and rights to receive dividends or distributions) with respect to the Warrant Exercise Shares. Except for limited cases under the adjustments to the Exercise Price and number of Warrants, the Warrantheolder will be entitled only to rights that the Company may grant with respect to its Shares if and when it delivers Shares to the Warrantheolder upon exercise of its Warrants to subscribe for Warrant Exercise Shares. For example, should the Company seek approval from Shareholders for a potential merger, or if an amendment is proposed to its Memorandum and Articles of Association which may require Shareholder approval, the Warrantheolders will not be entitled to vote on the merger or amendment with respect to the Warrant Exercise Shares.

Warrantheolders who acquire the Warrant Exercise Shares upon the exercise of the Warrants will be entitled to exercise rights as Shareholders only as to actions for which the applicable record date occurs on or after the relevant exercise date in respect of the Warrant Exercise Shares, subject to the Terms and Conditions of the Warrants. The Warrant Exercise Shares which the Warrantheolder will receive upon exercise of his Warrants will be subject to all changes affecting the Shares.

There may be further issues of Shares

Subject to the Terms and Conditions of the Warrants, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit, but the Warrantheolders shall not have any participating rights in such further issues unless otherwise resolved by the Company in a general meeting or in the event of a takeover offer to acquire Shares.

Amendment of the Terms and Conditions of the Warrants

The Terms and Conditions of the Warrants contain provisions for calling meetings of Warrantheolders to consider matters affecting their interests generally, including the sanctioning of a modification of the Warrants or the Deed Poll. These provisions permit defined majorities to bind all Warrantheolders, including Warrantheolders who did not attend and vote at the relevant meeting and Warrantheolders who voted in a manner contrary to the majority.

The Company may, without the consent of the Warrantheolders, but in accordance with the Deed Poll, effect any modification to the Warrants, the Warrant Agency Agreement (as defined in Section 9 of this Announcement) or the Deed Poll, which, in the opinion of the

Company, (a) is not materially prejudicial to the interests of the Warrantholders or (b) is of a formal, technical or minor nature, or (c) is to correct a manifest error or to comply with mandatory provisions of Singapore law or (d) is to vary or replace provisions relating to the transfer or exercise of the Warrants including the issue of Warrant Exercise Shares arising from the exercise thereof or meetings of the Warrantholders in order to facilitate the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the SGX-ST.

There may not be an active or liquid market for the Warrants

There is no assurance that an active or liquid market for the Warrants will develop or, if it develops, will be sustained after the Bonus Issue. The Company is unable to predict the extent to which a trading market will develop, if at all, or how liquid that market may become. Any secondary market activities may not be continuous or regular and the value of the Warrants may fluctuate for various reasons over which the Company has no control. There is no assurance as to the ability of investors to sell, or the prices at which investors would be able to sell, the Warrants.

Further, the demand for the Warrants, its price fluctuations as well as trading volume may vary from that of the Shares.

Shareholders may suffer dilution of their percentage of ownership of the Shares if they do not exercise their Warrants

If a Warrantholder who is a Shareholder does not exercise his Warrants and other Warrantholders do, his proportionate voting and ownership interest will be reduced upon the issue of the Warrant Exercise Shares. The percentage that such Shareholder's Shares represent of the Company's enlarged share capital after the issue of the Warrant Exercise Shares will also be reduced. The magnitude of the reduction of such Shareholder's percentage ownership will depend upon the number of Warrants ultimately exercised.

Additionally, the Group may have to raise additional funds to meet new financial requirements, which may be by way of a rights offering or through the issuance and placement of new Shares. In the event that a Warrantholder is not a Shareholder at the time of such fundraising, he may be unable to participate in such fundraising and thereafter, if there is no adjustment to the Exercise Price and/or the number of Warrants in accordance with the Terms and Conditions of the Warrants, the percentage of such Warrantholder's interest in the Company upon the exercise of his Warrants may also be diluted.

The Warrants issued under the Bonus Issue may result in odd lots of Warrants

The basis of allotment of Warrants under the Bonus Issue (being one Warrant for every four (4) existing Shares held by the Entitled Shareholders as at the Record Date, fractional entitlements to be disregarded) is likely to, depending on the number of Shares held by each Entitled Shareholder, create odd lots of Warrants to be issued under the Bonus Issue. Such odd lots of Warrants are likely to be less liquid than whole board lots of Warrants comprising 100 Warrants as, among other things, it may be more difficult for holders of such odd lots of Warrants who wish to sell them to find a ready buyer on the market. Furthermore, there may be other minimum fees and expenses involved in the trading of odd lots of Warrants which may make trading of the odd lots of Warrants more costly on a per Warrant basis as compared to trading in board lots of Warrants.

6. APPROVAL

6.1 SGX-ST Approval

The Bonus Issue is subject to the in-principle approval (the "**AIP**") of the SGX-ST for the dealing in, listing of and quotation for the Warrants and the Warrant Exercise Shares on the Official List of the Main Board of the SGX-ST. An application will be made to the SGX-ST for permission to deal in and for the listing and quotation of the Warrants and the Warrant Exercise Shares on the Official List of the Main Board of the SGX-ST, and such approval having not been revoked or amended. An appropriate announcement on the outcome of the application will be made in due course.

6.2 No Prospectus or Offer Information Statement

In view of the exemption accorded under Regulation 31(1) of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018, there will not be any prospectus, profile statement or offer information statement to be issued in relation to, and for the purpose of, the Bonus Issue.

7. TAKEOVER IMPLICATION

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

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

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

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

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

8. GENERAL

8.1 Further details

Further details for the Bonus Issue such as the expected date of issuance of the Warrants will be announced by the Company at the appropriate time.

8.2 Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore

The Warrants and Warrant Exercise Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in Monetary Authority of Singapore ("**MAS**") Notice SFA 04- N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

9. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the offices of Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #11-02, Singapore 068898 (the "**Warrant Agent's Office**") upon prior appointment and during normal business hours for a period of three (3) months from the date of this Announcement:

- (a) the draft of the Deed Poll; and
- (b) the draft of the warrant agency agreement to be entered into between the Company, as issuer and Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) as warrant agent and share registrar (the "**Warrant Agency Agreement**").

Upon execution, copies of the executed Deed Poll and Warrant Agency Agreement will be made available for inspection at the Warrant Agent's Office in place of the drafts referred to above.

Please call +65 6236 3550 or +65 6236 3555 to arrange an appointment for the inspection of the above documents at the Warrant Agent's Office. Please also note that all visitors to the Warrant Agent's Office will be subject to temperature checks and SafeEntry requirements.

BY ORDER OF THE BOARD

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
23 July 2020

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 Warrants and/or Warrant Exercise Shares (collectively, the "**Securities**") in any jurisdiction in which such an offer or solicitation is unlawful.

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 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 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.

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

APPENDIX

TERMS AND CONDITIONS OF THE WARRANTS

The warrants (the "**Warrants**") to subscribe for new Ordinary Shares (as defined below) of First Sponsor Group Limited (the "**Issuer**"), are issued subject to the benefit of a deed poll (the "**Deed Poll**") dated [●] 2020 executed by the Issuer. The issue of the Warrants was authorised by resolutions of the Directors of the Issuer passed on 22 July 2020 and is made pursuant to the general mandate to issue shares and convertible securities of the Issuer obtained from shareholders of the Issuer (the "**Shareholders**") at the Annual General Meeting of the Issuer held on 20 May 2020. As at the date of issue of the Warrants, approval in-principle has been obtained from the SGX-ST (as defined below) for dealing in, the listing of and quotation for [●] Warrants and [●] Warrant Exercise Shares (as defined below) arising from the exercise of the Warrants subject to, *inter alia*, a sufficient spread of holdings for the Warrants. The statements in these Terms and Conditions of the Warrants (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Deed Poll. Copies of the Deed Poll are available for inspection at the registered office for the time being of the Issuer and at the specified office of the warrant agent referred to in Condition 4.7 (the "**Warrant Agent**") and the Warrantholders (as defined below) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Deed Poll.

Terms used in the Conditions shall, unless herein expressly defined otherwise, have the same meanings as the expressions used in the Deed Poll.

1. DEFINITIONS

For the purposes of these Conditions and subject as otherwise provided herein:

"**Act**" means the Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time;

"**Auditors**" means the auditors for the time being of the Issuer or, if there shall be joint auditors, any one or more of such auditors or, in the event of them being unable or unwilling to carry out any action requested of them pursuant to the provisions of the Deed Poll or the Conditions, such other auditors as may be nominated by the Issuer;

"**Business Day**" means a day (excluding Saturday, Sunday or public holiday) on which commercial banks, the SGX-ST, the Depository and the Warrant Agent are open for business in Singapore;

"**CDP**" and "**Depository**" means The Central Depository (Pte) Limited and any other corporation(s) which agrees with the Issuer to act as Depository in respect of the Warrants including its successors in title and where the context so requires, shall include any person specified by it in a notice given to the Issuer as its nominees;

"**Depositor**" and "**Depository Register**" shall have the respective meanings ascribed to them in Section 81SF of the SFA;

"**Designated Account**" means the account maintained by the Issuer with a bank in Singapore for the purpose of crediting moneys paid by exercising Warrantholders in satisfaction of the Exercise Price in relation to the Warrants exercised by such exercising Warrantholders;

"**Directors**" means the directors for the time being of the Issuer;

"Exercise Date" means, in relation to the exercise of a Warrant, the Business Day on which the applicable conditions referred to in Condition 4.1 are fulfilled, or (if fulfilled on different days) on which the last of such conditions is fulfilled, provided that if any such day falls during a period when the Register of Members, the Share Transfer Books, the Register and/or the Depository Register (as the case may be) is closed, then the **"Exercise Date"** shall be earlier of the next Business Day on which the Register of Members, the Share Transfer Books, the Register and/or the Depository Register (as the case may be) is open and the Expiration Date;

"Exercise Notice" means a notice (in the form for the time being current and at present in the form of Schedules 3 or 4 of the Deed Poll, as the case may be, appended hereto) for the exercise of the Warrants, copies of which may be obtained from the Warrant Agent;

"Exercise Period" means the period during which the Warrants may be exercised commencing on (and including) the date falling six (6) months from the date the Warrants are first listed and quoted on the Official List of the SGX-ST and expiring at 5.00 p.m. on the date immediately preceding 102 months from the date of issue of the Warrants, but excluding such period(s) during which the Register may be closed pursuant to Condition 4.6 below, unless such date is a date on which the Register of Members, the Share Transfer Books, the Register and/or the Depository Register (as the case may be) is closed and/or is not a Market Day, in which event, the Expiration Date shall be the immediate preceding Market Day on which the Register of Members, the Share Transfer Books, the Register and/or the Depository Register (as the case may be) remain open or the immediate preceding Market Day, as the case may be, subject to the Conditions as set out in this Deed Poll.

"Exercise Price" means, in respect of each Warrant, S\$1.08 for each Warrant Exercise Share, subject to adjustment in accordance with Condition 5 below;

"Extraordinary Resolution" means a resolution passed at a meeting of the Warrantholders duly convened and held in accordance with this Deed Poll by a majority of at least 75 per cent. of the votes cast;

"Expiration Date" means the last date of the Exercise Period, provided that if such last day falls on a day on which the Register of Members, the Share Transfer Books, the Register and/or the Depository Register (as the case may be) is closed and/or is not a Market Day, then the immediate preceding Market Day on which the Register of Members, the Share Transfer Books, the Register and/or the Depository Register (as the case may be) remain open or the immediate preceding Market Day, as the case may be, subject to the Conditions;

"Independent Financial Adviser" means an independent financial institution of international repute appointed by the Issuer at its own expense, provided always that the Independent Financial Adviser shall not also be the Auditors;

"Listing Rules" means the Listing Manual of the SGX-ST, as amended or modified from time to time;

"Market Day" shall have the meaning ascribed to it in the Listing Rules;

"Ordinary Shares" means ordinary shares of par value US\$0.10 each in the capital of the Issuer, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer;

"Register" means the Register of Warrantholders to be maintained by the Warrant Agent pursuant to Condition 4.6 below;

"Register of Members" means the Register of Members of the Issuer;

"Securities Account" means a securities account maintained by a Depositor with the Depository but does not include a securities sub-account;

"SFA" means the Securities and Futures Act, Chapter 50 of Singapore, as amended or modified from time to time;

"SGX-ST" means the Singapore Exchange Securities Trading Limited;

"Share Transfer Books" means the share transfer books of the Issuer;

"Specified Instrument" means an option or a warrant issued by the Issuer which:

- (a) carries the right to subscribe for, purchase or otherwise acquire any security issued by the Issuer which is convertible into an Ordinary Share at an initial conversion price which is equal to the initial exercise price of such option or warrant, (and if applicable) subject to adjustments to the exercise price or the conversion price in accordance with the terms of such option, warrant or security, as the case may be; and
- (b) has an initial exercise price which is not less than the Relevant Price (as defined in Condition 5.2(d)) on the date of the announcement of the terms of the issue of such option or warrant;

"S\$" means the lawful currency of the Republic of Singapore;

"unexercised" means, in relation to the Warrants, all the Warrants which have been issued pursuant to the Deed Poll for so long as the Warrants shall not have lapsed in accordance with Condition 3.2 or 7.2 other than (a) those which have been exercised in accordance with the Conditions, (b) those mutilated or defaced Warrants in respect of which replacement Warrants have been duly issued pursuant to Condition 10, and (c) for the purpose of ascertaining the number of Warrants unexercised at any time (but not for the purpose of ascertaining whether any Warrants are unexercised), those Warrants alleged to have been lost, stolen or destroyed and in respect of which replacement Warrants have been issued pursuant to Condition 10; Provided that for the purposes of (i) the right to attend and vote at any meeting of Warrantholders and (ii) the determination of how many and which Warrants for the time being remain unexercised for the purposes of Condition 11 and paragraphs 1, 3, 4 and 8 of Schedule 5 of the Deed Poll, those Warrants (if any) which have not been exercised but have been lodged for exercise (whether or not the conditions precedent to such exercise have been or will be fulfilled) shall, unless and until withdrawn from lodgement, be deemed not to remain unexercised;

"Warrant Agency Agreement" means the warrant agency agreement dated [●] 2020 appointing the Warrant Agent, as the same may be modified from time to time by the parties thereto, and includes any other agreement (whether made pursuant to the terms of the Warrant Agency Agreement or otherwise) appointing further or other Warrant Agents or amending or modifying the terms of any such appointment;

"Warrant Certificates" means the certificates (in registered form) to be issued in respect of the Warrants substantially in the form set out in Schedule 1 of the Deed Poll, as from time to time modified in accordance with the provisions set out therein;

"Warrant Exercise Shares" means the new Ordinary Shares to be allotted and issued by the Issuer arising from the exercise of the relevant Warrants by a Warrantholder; and

"Warrantholders" means the registered holders of the Warrants, except that where the registered holder is the Depository, the term **"Warrantholders"** shall, in relation to Warrants registered in the name of the Depository, include, where the context requires, the Depositors whose Securities Account(s) with the Depository are credited with Warrants, Provided that for the purposes of Schedule 5 of the Deed Poll relating to meetings of Warrantholders, such Warrantholders shall mean those Depositors having Warrants credited to their Securities Account(s) as shown in the records of the Depository as at a time not earlier than forty-eight (48) hours prior to the time of a meeting of Warrantholders supplied by the Depository to the Issuer. The word **"holder"** or **"holders"** in relation to Warrants shall (where appropriate) be construed accordingly.

2. FORM AND TITLE

2.1 The Warrants are issued in registered form. Title to the Warrants shall be transferable in accordance with Condition 9. The Warrant Agent shall maintain the Register on behalf of the Issuer and, except as required or provided by law:

- (a) the registered holder of the Warrants (other than the Depository); and
- (b) (where the registered holder of the Warrants is the Depository) the Depositor for the time being appearing in the Depository Register maintained by the Depository as having Warrants credited to its Securities Account(s),

will be deemed to be and be treated as the absolute owner thereof and as the holder of all the rights and interests in the number of Warrants so entered (whether or not the Issuer shall be in default in respect of the Warrants or its covenants contained in the Deed Poll and notwithstanding any notice of ownership or writing hereon or notice of any previous loss or theft of the relevant Warrant Certificate or any irregularity or error in the records of the Depository or any express notice to the Issuer or the Warrant Agent or any other related matters) for the purpose of giving effect to the exercise of the rights constituted by the Warrants and for all other purposes in connection with the Warrants.

2.2 If two or more persons are entered in the Register or the Depository Register (as the case may be) as joint holders of any Warrant, they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:

- (a) the Issuer shall not be bound to register more than two persons as the registered joint holders of any Warrant but this provision shall not apply in the case of executors or administrators (or trustees) of the estate of a deceased Warrantholder where such executors or administrators are entered into the Depository Register;
- (b) joint holders of any Warrant whose names are entered in the Register or the Depository Register (as the case may be) shall be treated as one Warrantholder;
- (c) the Issuer shall not be bound to issue more than one Warrant Certificate for a Warrant registered jointly in the names of several persons and delivery of a Warrant Certificate to the joint holder whose name stands first in the Register or the Depository Register (as the case may be) shall be sufficient delivery to all; and

- (d) the joint holders of any Warrant whose names are entered in the Register or the Depository Register (as the case may be) shall be, jointly and severally, liable severally in respect of all payments which ought to be made in respect of such Warrants as well as in connection with their exercise of any such Warrant. No fraction of a share shall be allotted.

3 EXERCISE RIGHTS

- 3.1 Each Warrantholder shall have the right, by way of exercise of a Warrant, at any time during normal business hours on any Business Day during the Exercise Period in the manner set out in Condition 4 and otherwise on the terms of and subject to the Conditions set out below, to subscribe for one (1) Warrant Exercise Share at the Exercise Price, subject to adjustments in accordance with Condition 5, on the Exercise Date applicable to such Warrant. The Exercise Price shall, on the Exercise Date, be applied towards payment for the Warrant Exercise Share to be issued on the exercise of the relevant Warrant. Each Warrant shall, following its exercise in accordance with these Conditions, be cancelled by the Issuer. No payments shall be refunded and no fraction of an Ordinary Share shall be allotted.
- 3.2 At the expiry of the Exercise Period, any Warrant which has not been exercised in accordance with Condition 4 will lapse and cease to be valid for any purpose. The right to exercise the Warrants will not be extended beyond the Expiration Date.
- 3.3 Any Warrant in respect of which the Exercise Notice shall not have been duly completed and delivered in the manner set out below under Condition 4 to the Warrant Agent on or before 5.00 p.m. on the Expiration Date shall become void.
- 3.4 Warrant Exercise Shares allotted and issued upon exercise of the Warrants shall be fully paid and, save for any dividends, rights, allocations or other distributions that may be declared or paid, the Distribution Record Date for which is before the relevant Exercise Date of the Warrants, shall rank *pari passu* in all respects with the then existing Ordinary Shares of the Issuer. For the purpose of this Condition 3.4, "**Distribution Record Date**" means, in relation to any dividends, rights, allocations or other distributions, the date as at the close of business (or such other time as may have been notified by the Issuer) on which Shareholders must be registered with the Issuer or CDP, as the case may be, in order to establish their entitlement to and participate in such dividends, rights, allocations or other distributions.
- 3.5 The Issuer shall, not later than one (1) month before the expiry of the Exercise Period:
- (a) give notice to the Warrantholders in accordance with Condition 12 of the expiry of the Exercise Period and make an announcement of the same to the SGX-ST; and
 - (b) take reasonable steps to despatch to the Warrantholders notices in writing to their addresses recorded in the Register or the Depository Register, as the case may be, of the expiry of the Exercise Period.

Without prejudice to the generality of the foregoing, Warrantholders who acquire Warrants after notice of the expiry of the Exercise Period has been given in accordance with the aforementioned shall be deemed to have notice of the expiry of the Exercise Period so long as such notice has been given in accordance with Condition 12. For the avoidance of doubt, neither the Issuer nor the Warrant Agent shall in any way be responsible or liable for any claims, proceedings, costs or expenses arising from the failure by the purchaser or transferee of the Warrants to be aware of or to receive such notification.

4 PROCEDURE FOR EXERCISE OF WARRANTS

4.1 Lodgement Conditions

- (a) In order to exercise one or more Warrants, a Warrantholder must, before 3.00 p.m. on any Business Day and before 5.00 p.m. on the Expiration Date during the Exercise Period, fulfill the following conditions:
- (i) lodgement of the relevant Warrant Certificate registered in the name of the exercising Warrantholder or Depository (as the case may be) for exercise at the specified office of the Warrant Agent together with the Exercise Notice in respect of the Warrants represented thereby in the form (for the time being current) obtainable from the Warrant Agent, duly completed and signed by or on behalf of the exercising Warrantholder and duly stamped in accordance with any law for the time being in force relating to stamp duty, Provided that the Warrant Agent may dispense with the production of the relevant Warrant Certificate where such Warrant Certificate is registered in the name of the Depository;
 - (ii) the furnishing of such evidence (if any, including evidence of nationality) as the Warrant Agent may require to determine the due execution of the Exercise Notice by or on behalf of the exercising Warrantholder (including every joint Warrantholder, if any) or otherwise ensure the due exercise of the Warrants;
 - (iii) the payment or satisfaction of the Exercise Price in accordance with the provisions of Condition 4.2 below;
 - (iv) the payment of deposit or other fees for the time being chargeable by, and payable to, the Depository (if any) or any stamp, issue, registration or other similar taxes or duties arising on the exercise of the relevant Warrants as the Warrant Agent may require; and
 - (v) if applicable, (1) the payment of any fees for certificates for the Warrant Exercise Shares to be issued, (2) the payment of the expenses of, and the submission of any necessary documents required in order to effect the registration of the Warrant Exercise Shares in the name of the exercising Warrantholder or the Depository (as the case may be) and (3) the payment of the expenses of the delivery of certificates for the Warrant Exercise Shares upon exercise of the relevant Warrants to the place specified by the exercising Warrantholder in the Exercise Notice or to the Depositor (as the case may be).
- (b) Any exercise by a Warrantholder in respect of Warrants registered in the name of the Depository shall be further conditional on that number of Warrants so exercised being available in the "Free Balance" of the Securities Account of the exercising Warrantholder with the Depository and on the exercising Warrantholder electing in the Exercise Notice to have the delivery of the Warrant Exercise Shares arising from the exercise of the relevant Warrants to be effected by crediting such Warrant Exercise Shares to the Securities Account(s) of the exercising Warrantholder.
- (c) An Exercise Notice which does not comply with the applicable conditions referred to in Conditions 4.1(a) and 4.1(b) shall be void for all purposes. Warrantholders whose

Warrants are registered in the name of the Depository irrevocably authorise the Issuer and the Warrant Agent to obtain from the Depository and to rely upon such information and documents as the Issuer or the Warrant Agent deems necessary to satisfy itself that all the applicable conditions referred to in Conditions 4.1(a) and 4.1(b) have been fulfilled and such other information as the Issuer or the Warrant Agent may require in accordance with these Conditions and the Deed Poll and to take such steps as may be required by the Depository in connection with the operation of the Securities Account of any Warranholder. Provided that the Issuer and the Warrant Agent shall not be liable in any way whatsoever for any loss or damage incurred or suffered by the Warranholder as a result of or in connection with reliance by the Issuer, the Warrant Agent or any other persons upon the records of and information supplied by the Depository.

- (d) Once all the applicable conditions referred to in Conditions 4.1(a) and 4.1(b) (where applicable) have been fulfilled, the relevant Warrant Certificate(s) (if any), the Exercise Notice and any moneys tendered in or towards payment of the Exercise Price in accordance with Condition 4.2 below may not be withdrawn without the consent in writing of the Issuer.

4.2 **Payment of Exercise Price**

Payment of the Exercise Price shall be made to the specified office of the Warrant Agent by way of a remittance in Singapore currency by banker's draft or cashier's order drawn on a bank operating in Singapore for the credit of the Designated Account for the full amount of the Exercise Price payable in respect of the Warrants exercised, Provided that any such remittance shall be accompanied by the delivery to the Warrant Agent of the payment advice referred to below and shall comply with any exchange control or other statutory requirement for the time being applicable.

Each such payment shall be made free of any foreign exchange commissions, remittance charges or other deductions and shall be accompanied by a payment advice containing (a) the name of the exercising Warranholder; (b) the certificate numbers of the relevant Warrant Certificates in respect of the Warrants being exercised or, if the relevant Warrant Certificates are registered in the name of CDP, the Securities Account(s) of the exercising Warranholder which is to be debited with the Warrants being exercised; and (c) the number of Warrants tendered for exercise.

If the payment advice fails to comply with the foregoing provisions, the Warrant Agent may, at its absolute discretion and without liability on behalf of itself or the Issuer, refuse to recognise the relevant payment as relating to the exercise of any particular Warrant, and the exercise of the relevant Warrants may accordingly be delayed or treated as invalid and neither the Warrant Agent nor the Issuer shall be liable to the Warranholder in any manner whatsoever. If the relevant payment received by the Warrant Agent in respect of an exercising Warranholder's purported payment of the Exercise Price relating to all the relevant Warrants lodged with the Warrant Agent is less than the full amount of such Exercise Price, the Warrant Agent shall not treat the relevant payment so received or any part thereof as payment of the Exercise Price or any part thereof and, accordingly, the whole of such relevant payment shall remain in the Designated Account (subject to Condition 4.4 below) unless and until a further payment is made in accordance with the requirements set out above in this Condition 4.2 in an amount sufficient to cover the deficiency provided that the Issuer will not be held responsible for any loss arising from any retention of such payment by the Warrant Agent.

4.3 **Exercise Date**

A Warrant shall (provided the provisions of this Condition 4 have been satisfied) be treated as exercised on the Exercise Date which shall be the Business Day (falling within the Exercise Period) on which all the applicable conditions for and provisions relating to the exercise of the Warrant have been fulfilled or, if fulfilled on different dates, the last of such dates provided that if any Warrant is exercised on a date when the Register of Members, the Share Transfer Books, the Register and/or the Depository Register (as the case may be) is closed, the Exercise Date shall be the earlier of the next Business Day on which such Register of Members, the Share Transfer Books, the Register and/or the Depository Register (as the case may be) is open and the Expiration Date.

The relevant Warrants and Warrant Certificates shall be cancelled on the Exercise Date except that, in relation to Warrant Certificates in the name of the Depository, such Warrant Certificates shall be cancelled as soon as possible after receipt by the Warrant Agent from the Depository of instructions as to the cancellation of the Warrants and the said Warrant Certificates.

4.4 **Designated Account**

Payment of the Exercise Price received by the Warrant Agent shall be deposited to the Designated Account on the Business Day after the Exercise Date relating to the relevant Warrants in payment for the Warrant Exercise Shares to be delivered in consequence of the exercise of such Warrants.

If payment of the Exercise Price is made to the Warrant Agent and such payment is not recognised by the Warrant Agent as relating to the exercise of the relevant Warrants or the relevant payment is less than the full amount payable under Condition 4.1 or the conditions set out in Condition 4.1 or Condition 4.2 have not then all been fulfilled in relation to the exercise of such Warrants, pending recognition of such payment or full payment or, as the case may be, fulfilment of the conditions set out in Conditions 4.1 and 4.2, such payment will (if the Exercise Date in respect of such Warrants had not by then occurred) be returned, without interest, to the Warranholder on (i) the 14th day after receipt of such Exercise Notice by the Warrant Agent, or (ii) the expiry of the Exercise Period, whichever is the earlier. So long as the relevant Exercise Date has not occurred, any such payment (excluding any interest, if any, accrued thereon) will continue to belong to the Warranholder but may only be withdrawn within the above mentioned 14 days period with the prior consent in writing of the Issuer.

The Warrant Agent will, if it is possible to relate the payment so returned to any Warrant Certificates (if applicable), and the Exercise Notice previously lodged with the Warrant Agent, return such Warrant Certificates (if applicable) and the relevant Exercise Notice, together with such payment, after receipt of the same from the Issuer, to the exercising Warranholder at the risk and expense of such Warranholder. The Issuer will, upon receipt of notification from the Warrant Agent of any unsuccessful exercise of Warrants, forward such payment to the Warrant Agent for it to be returned to the exercising Warranholder. The Issuer will be entitled to deduct or otherwise recover from the exercising Warranholder any applicable handling charges and out-of-pocket expenses of the Warrant Agent.

4.5 **Allotment of new Ordinary Shares and Issue of Balancing Warrant Certificates**

A Warranholder exercising Warrants which are registered in the name of the Depository must elect in the Exercise Notice to have the delivery of the Warrant Exercise Shares arising from the exercise of such Warrants effected by crediting such Warrant Exercise Shares to the Securities Account of such Warranholder as specified in the Exercise Notice.

A Warranthead exercising Warrants registered in his own name may elect in the Exercise Notice to either receive physical share certificates in respect of the Warrant Exercise Shares arising from the exercise of such Warrants or to have the delivery of such Warrant Exercise Shares effected by crediting such Warrant Exercise Shares to his Securities Account(s) with the Depository (in which case such Warranthead shall also duly complete and deliver to the Warrant Agent such forms as may be required by the Depository), and failing such election, such exercising Warranthead shall be deemed to have elected to receive physical share certificates in respect of such Warrant Exercise Shares at his address specified in the Register.

The Issuer shall allot and issue the Warrant Exercise Shares arising from the exercise of the relevant Warrants by a Warranthead and deliver such Warrant Exercise Shares in accordance with the terms herein and the instructions of such Warranthead as set out in the Exercise Notice and:

- (a) where such Warranthead has (or is deemed to have) elected in the Exercise Notice to receive physical certificates in respect of the Warrant Exercise Shares arising from the exercise of the relevant Warrants, the Issuer shall despatch the physical certificates, as soon as practicable but in any event not later than seven (7) Market Days after the relevant Exercise Date, by ordinary post to the address specified in the Exercise Notice (or the Register, as the case may be) and at the risk of such Warranthead; and
- (b) where the delivery of Warrant Exercise Shares arising from the exercise of the relevant Warrants is to be effected by the crediting of the Securities Account(s) of such Warranthead as specified in the Exercise Notice, the Issuer shall as soon as practicable but not later than three (3) Market Days after the relevant Exercise Date despatch the certificates relating to such Warrant Exercise Shares in the name of, and to the Depository for the credit of the Securities Account(s) of such Warranthead as specified in the Exercise Notice.

Where a Warranthead exercises part only (but not all) of the exercise rights represented by Warrants registered in his name, the Warrant Agent shall despatch a balancing Warrant Certificate in the name of the exercising Warranthead in respect of any Warrants remaining unexercised by ordinary post to the address specified in the relevant Exercise Notice (or, failing which, to his address specified in the Register) and at the risk of that Warranthead.

Where a Warranthead exercises part only (but not all) of the exercise rights represented by Warrants which are registered in the name of the Depository, the number of Warrants represented by the Warrant Certificate registered in the name of the Depository shall be deemed to have been reduced for all purposes by the number of Warrants so exercised.

4.6 **Register of Warrantheads**

The Warrant Agent shall maintain a register (the "**Register**") containing particulars of the Warrantheads (other than Warrantheads who are Depositors) and such other information relating to the Warrants as the Issuer may require. The Register (and the Depository Register) may be closed during such periods when the Register of Transfers and/or Register of Members of the Issuer is deemed to be closed or during such other period as may be required to determine the adjustments to the Exercise Price and/or the number of Warrants under Condition 5 or during such period as the Issuer may determine. Notice of the closure of the Register and (if applicable) the Depository Register will be given to the Warrantheads in accordance with Condition 12.

Except as required by law or as ordered by a court of competent jurisdiction, the Issuer and the Warrant Agent shall be entitled to rely on the Register (where the registered holder of a

Warrant is a person other than the Depository) or the Depository Register (where the Depository is the registered holder of a Warrant) or any statement or certificate issued by the Depository to the Issuer or any Warrantholder (as made available to the Issuer and/or the Warrant Agent) to ascertain the identity of the Warrantholders or the number of Warrants to which any such Warrantholders are entitled, to give effect to the exercise of the subscription rights constituted by the Warrants and for all other purposes in connection with the Warrants (whether or not the Issuer shall be in default in respect of the Warrants or any of the terms and conditions contained herein or in the Deed Poll and notwithstanding any notice of ownership or writing thereon or notice of any claim on or loss or theft or forgery of any Warrant or Warrant Certificate).

4.7 **Warrant Agent**

The name of the initial Warrant Agent and its specified office is set out below. The Issuer reserves the right at any time to vary or terminate the appointment of the Warrant Agent and to appoint an additional or another Warrant Agent, provided that it will at all times maintain a Warrant Agent having a specified office in Singapore so long as the Warrants are outstanding. Notice of any such termination or appointment and of any changes in the specified offices of the Warrant Agent shall be given to the Warrantholders in accordance with Condition 12.

Warrant Agent:

**Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte. Ltd.)**

80 Robinson Road #11-02
Singapore 068898

5 **ADJUSTMENTS OF EXERCISE PRICE AND NUMBER OF WARRANTS**

5.1 The Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted by the Directors in consultation with an Independent Financial Adviser and certified to be in accordance with Condition 5.2 by the Auditors. The Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted as provided in these Conditions and the Deed Poll in all or any of the following cases:

- (a) any consolidation or subdivision of the Ordinary Shares;
- (b) an issue by the Issuer of Ordinary Shares credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature) to its members ("**Members**") (other than an issue of Ordinary Shares to Members who elect to receive Ordinary Shares in lieu of cash or other dividend);
- (c) a Capital Distribution (as defined below) made by the Issuer to its Members whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets);
- (d) an offer or invitation made by the Issuer to its Members whereunder they may acquire or subscribe for Ordinary Shares by way of rights at less than the Relevant Price (as defined below) for each Ordinary Share; or
- (e) an issue (otherwise than pursuant to (i) a rights issue available to all Members, requiring an adjustment under Condition 5.1(d), and (ii) an issue of Ordinary Shares to Members who elect to receive Ordinary Shares in lieu of cash as dividend) by the Issuer of

Ordinary Shares if the Total Effective Consideration (as defined below) for each Ordinary Share is less than 90% of the Current Market Price (as defined below) for each Ordinary Share (calculated as provided below),

provided always that the Exercise Price shall not be less than the nominal or par value of an Ordinary Share.

5.2 Subject to these Conditions and the Deed Poll, the Exercise Price and the number of Warrants held by each Warrantholder shall from time to time be adjusted in accordance with the following provisions (but so that if the event giving rise to any such adjustment shall be capable of falling within any two or more of Conditions 5.1(a) to 5.1(e) or if such event is capable of giving rise to more than one adjustment, the adjustment shall be made in such manner as the Independent Financial Adviser shall determine):

(a) If, and whenever, a consolidation or subdivision of the Ordinary Shares occurs, the Exercise Price shall be adjusted in the following manner: -

$$\text{New Exercise Price} = \frac{A}{B1} \times X$$

and the number of Warrants shall be adjusted in the following manner:

$$\text{Adjusted number of Warrants} = \frac{B1}{A} \times W$$

where:

"A" the aggregate number of issued and fully paid up Ordinary Shares immediately before such consolidation or subdivision;

"B1" the aggregate number of issued and fully paid up Ordinary Shares immediately after such consolidation or subdivision;

"X" existing Exercise Price; and

"W" existing number of Warrants held.

Such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation or subdivision becomes effective.

(b) If, and whenever the Issuer shall make any issue of Ordinary Shares to its Members (other than an issue of Ordinary Shares to Members who elect to receive Ordinary Shares in lieu of cash or other dividend) credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature), the Exercise Price and the number of Warrants shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{A}{A + B2} \times X$$

$$\text{Adjusted number of Warrants} = \frac{A + B2}{A} \times X$$

where:

"A" the aggregate number of issued and fully paid-up Ordinary Shares immediately before such capitalisation issue;

"B2" the aggregate number of Ordinary Shares to be issued pursuant to any allotment to Members (other than an allotment of Ordinary Shares to Members who elect to receive Ordinary Shares in lieu of cash or other dividend) credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature);

"X" as in X above; and

"W" as in W above.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such issue.

For the purpose of this Condition 5, "**record date**" in relation to the relevant transaction means the date as at the close of business on which Members must be registered as such to participate therein.

- (c) If, and whenever, the Issuer shall make a Capital Distribution (as defined below) to Members whether on a reduction of capital or otherwise (but excluding any cancellation of capital which is lost or unrepresented by available assets), then the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{C - D}{C} \times X$$

where:

"C" the Current Market Price on the date on which the Capital Distribution is publicly announced to the SGX-ST or (failing any such announcement), on the date of the Capital Distribution;

"D" the fair market value, as determined by an Independent Financial Adviser (with the concurrence of the Auditors), of that portion of the Capital Distribution attributable to one Ordinary Share; and

"X" as in X above.

For the purposes of Conditions 5.1(c) and 5.2(c), "**Capital Distribution**" shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of issue of Ordinary Shares (not falling under Condition 5.2(b) above) or other securities (other than an issue of Ordinary Shares to Members who elect to receive Ordinary Shares in lieu of cash or other dividends) credited as fully or partly paid-up by way of capitalisation of profits or reserves.

Any distribution out of profits or reserves shall not be deemed to be a Capital Distribution unless the profits or reserves are attributable to profits or gains arising from the sale of assets owned by the Issuer or any of its subsidiaries on or before the date of such distribution and any cancellation of capital which is lost or unrepresented by available assets shall not be deemed to be a Capital Distribution.

For the purpose of this Condition 5:

"Alternative Stock Exchange" means at any time, in the case of the Ordinary Shares, if they are not at that time listed and traded on the SGX-ST, the principal stock exchange or securities market on which the Ordinary Shares are then listed or quoted or dealt in;

"Current Market Price" means, in respect of an Ordinary Share at a particular time on a particular date, the average of the closing prices quoted by the SGX-ST or, as the case may be, by the Alternative Stock Exchange for one Ordinary Share (being an Ordinary Share carrying full entitlement to dividend) for the five consecutive Trading Days ending on the Trading Day immediately preceding such date; provided that if at any time during the said five Trading Day period the Ordinary Shares shall have been quoted ex-dividend and during some other part of that period the Ordinary Shares shall have been quoted cum-dividend then:

- (i) if the Ordinary Shares to be issued in such circumstances do not rank for the dividend in question, the quotations on the dates on which the Ordinary Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Ordinary Share; or
- (ii) if the Ordinary Shares to be issued in such circumstances rank for the dividend in question, the quotations on the dates on which the Ordinary Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of that dividend per Ordinary Share,

and provided further that if the Ordinary Shares on each of the said five Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Ordinary Shares to be issued do not rank for that dividend, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Ordinary Share;

"Fair Market Value" means, with respect to any assets, security, option, warrants or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by the Independent Financial Adviser; provided that: (A) the fair market value of a cash dividend paid or to be paid per Ordinary Share shall be the amount of such cash dividend per Ordinary Share determined as at the date of announcement of such dividend; and (B) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such Independent Financial Adviser) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five Trading Days on the relevant market immediately prior to the date on which the Fair Market Value is to be determined and, if no such period is available, the period of five Trading Days on the relevant market commencing on

the first such Trading Day such options, warrants or other rights are publicly traded; and

"Trading Day" means a day when the SGX-ST or, as the case may be, an Alternative Stock Exchange is open for dealing business, provided that if no closing price is reported in respect of the relevant Ordinary Shares on the SGX-ST or, as the case may be, the Alternative Stock Exchange for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the record date for such transactions.

- (d) If, and whenever, the Issuer shall make any offer or invitation to its Members whereunder they may acquire or subscribe for Ordinary Shares by way of rights at less than the Relevant Price (as defined below) on the date of the announcement of the terms of such offer or invitation, then the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{E - F}{E} \times X$$

and the number of Warrants shall be adjusted in the following manner:

$$\text{Adjusted number of Warrants} = \frac{E}{E - F} \times W$$

where:

"E" the Current Market Price on the date on which the offer or invitation referred to in this Condition 5.2(d) is publicly announced to the SGX-ST or (failing any such announcement) on the date of the offer or invitation;

"X" as in X above;

"W" as in W above; and

"F" the value of rights attributable to one Ordinary Share, which shall be calculated in accordance with the formula:

$$\frac{E - G}{H + 1}$$

where:

"E" as in E above;

"G" the subscription price of one additional Ordinary Share under the offer or invitation to acquire or subscribe for Ordinary Shares by way of rights;

"H" the number of Ordinary Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one additional Ordinary Share by way of rights; and

"1" one.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for such offer or invitation. For the purpose of this paragraph, "**closing date**" shall mean the date by which acceptance of and payment for the Ordinary Shares are to be made under the terms of such offer or invitation.

For the purpose of this Condition 5, "**Relevant Price**" means the product of the Current Market Price and 0.95.

- (e) If, and whenever, the Issuer makes any allotment to its Members as provided in Condition 5.2(b) above and also makes any offer or invitation to its Members as provided in Condition 5.2(d) and the record date for the purpose of the allotment is also the record date for the purpose of the offer or invitation, the Exercise Price and/or the number of Warrants shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{(I \times E) + (J \times G)}{(I + J + B2) \times E} \times X$$

$$\text{Adjusted number of Warrants} = \frac{(I + J + B2) \times E}{(I \times E) + (J \times G)} \times W$$

where:

"B2" as in B2 above;

"E" as in E above;

"G" as in G above;

"I" the aggregate number of issued and fully paid-up Ordinary Shares on the record date;

"J" the aggregate number of new Ordinary Shares to be issued under an offer or invitation to acquire or subscribe for Ordinary Shares by way of rights;

"W" as in W above; and

"X" as in X above.

Such adjustment will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for such offer or invitation. For the purpose of this paragraph, "**closing date**" shall mean the date by which acceptance of

and payment for the Ordinary Shares are to be made under the terms of such offer or invitation.

- (f) If, and whenever, (otherwise than pursuant to a rights issue available to all Members alike and requiring an adjustment under Conditions 5.2(d) or 5.2(e) and other than an issue of Ordinary Shares to Members who elect to receive Ordinary Shares in lieu of cash or other dividend), the Issuer shall issue any Ordinary Shares and the Total Effective Consideration for each Ordinary Share (as defined below) is less than ninety per cent (90%) of the Current Market Price on the SGX-ST on the date on which the issue price of such Ordinary Shares is determined, or, if such price is determined either before the close of business on the SGX-ST for that day or on a day which is not a Market Day, on the immediately preceding Market Day, the Exercise Price shall be adjusted in the following manner:

$$\text{New Exercise Price} = \frac{K + L}{K + M} \times X$$

where:

- "K" the number of Ordinary Shares in issue at the close of business on the SGX-ST on the day immediately preceding the date on which the relevant adjustment becomes effective;
- "L" the number of Ordinary Shares which the Total Effective Consideration (as defined below) would have purchased at such Current Market Price (exclusive of expenses);
- "M" the aggregate number of Ordinary Shares so issued; and
- "X" as in X above.

Each such adjustment will be effective (if appropriate, retroactively) from the close of business on the SGX-ST on the Market Day immediately preceding the date on which the issue is announced, or (failing any such announcement) immediately preceding the date on which the Issuer determines the offering price of such Ordinary Shares.

For the purposes of Conditions 5.1(e) and 5.2(f), the "**Total Effective Consideration**" shall be determined by the Directors with the concurrence of an Independent Financial Adviser and shall be the aggregate consideration receivable by the Issuer on payment in full for such Ordinary Shares without any deduction of any commissions, discounts or expenses paid, allowed or incurred in connection with the issue thereof, and the "**Total Effective Consideration for each Ordinary Share**" shall be the Total Effective Consideration divided by the number of Ordinary Shares issued as aforesaid.

5.3 Notwithstanding any of the provisions contained in Condition 5.1 and 5.2, no adjustment to the Exercise Price and/or the number of Warrants will be required in respect of:

- (a) an issue by the Issuer of Ordinary Shares or other securities convertible into or right to acquire or subscribe for Ordinary Shares to officers, including directors, or employees of the Issuer or any of its subsidiaries, related corporations or associated companies pursuant to any purchase or option scheme or performance share plan approved by the Members in general meeting;

- (b) an issue by the Issuer of Ordinary Shares in consideration or part consideration for or in connection with the acquisition of any other securities, assets or business;
- (c) any issue by the Issuer of 3.98 per cent. perpetual convertible capital securities constituted by the trust deed dated 31 May 2019 (as amended, varied or supplemented from time to time) and made between the Issuer and Perpetual (Asia) Limited (which includes, for the avoidance of doubt, any further capital securities forming a single series with the Series 2 Convertible Securities) (the "**Series 2 Convertible Securities**") and Ordinary Shares pursuant to the conversion of any of the Series 2 Convertible Securities;
- (d) any issue by the Issuer of warrants constituted by the deed poll dated 31 May 2019 (as amended, varied or supplemented from time to time) executed by the Issuer ("**2019 Warrants**") and Ordinary Shares pursuant to the exercise of any of the 2019 Warrants;
- (e) any issue by the Issuer of Specified Instruments and Ordinary Shares pursuant to the conversion and/or exercise of any Specified Instruments;
- (f) any issue by the Issuer of securities convertible into Ordinary Shares or rights to acquire or subscribe for Ordinary Shares and the issue of Ordinary Shares arising from the conversion or exercise of such securities or rights; and
- (g) any purchase by the Issuer of Ordinary Shares.

For the avoidance of doubt, the provisions contained in Conditions 5.1 and 5.2 do not apply to (i) any issue of the Warrants (including any additional Warrants that may be issued pursuant to any adjustments under the Warrants); and (ii) any issue of the Warrant Exercise Shares.

- 5.4 Any adjustment to the Exercise Price will be rounded to the nearest whole multiple of S\$0.005 and in no event shall any adjustment involve an increase in the Exercise Price (other than upon the consolidation of Ordinary Shares into shares of a larger par value). No adjustment to the Exercise Price shall be made unless it has been certified to be in accordance with Condition 5 by the Auditors. No adjustment will be made to the Exercise Price in any case in which the amount by which the same would be reduced would be less than one (1) cent but any adjustment which would otherwise then be required will be carried forward and taken into account appropriately in any subsequent adjustment. In the event that the Exercise Price as determined is less than the nominal or par value of an Ordinary Share, the Exercise Price shall be the nominal or par value of an Ordinary Share.
- 5.5 Any adjustment to the number of Warrants held by each Warrantholder will be rounded downwards to the nearest whole Warrant. No adjustment to the number of Warrants shall be made unless (i) it has been certified to be in accordance with Condition 5 by the Auditors and (ii) if the Warrants are listed and quoted on the SGX-ST on the Market Day immediately before such adjustment, approval in-principle has been granted by the SGX-ST for the listing of and quotation for such additional Warrants as may be issued pursuant to such adjustment and such additional Ordinary Shares as may be issued on the exercise of any of such Warrants.
- 5.6 Notwithstanding the provisions referred to in this Condition 5, in any circumstance where the Directors consider that any adjustments to the Exercise Price and/or the number of Warrants provided under the said provisions should not be made or should be calculated on a different basis or date or should take effect on a different date or that an adjustment to the Exercise Price and/or the number of Warrants should be made notwithstanding that no such adjustment is required under the said provisions, the Issuer may appoint an Independent Financial Adviser to consider whether for any reason whatsoever the adjustment to be made (or the absence of an

adjustment) in accordance with the provisions of this Condition 5 is appropriate or inappropriate, as the case may be, and, if such Independent Financial Adviser shall consider the adjustment to be inappropriate, the adjustment shall be modified or nullified, or an adjustment made instead of no adjustment in such manner as shall be considered by such Independent Financial Adviser to be in its opinion appropriate.

- 5.7 Whenever there is an adjustment as herein provided, the Issuer shall give notice to Warrantheolders in accordance with Condition 12 that the Exercise Price and/or the number of Warrants has/have been adjusted and setting forth the event giving rise to the adjustment, the Exercise Price and/or the number of Warrants in effect prior to such adjustment, the adjusted Exercise Price and/or number of Warrants and the effective date of such adjustment and shall at all times thereafter so long as any of the Warrants remains exercisable make available for inspection at its registered office a signed copy of the certificate of the Auditors certifying the adjustment to the Exercise Price and/or the number of Warrants and a certificate signed by a Director setting forth brief particulars of the event giving rise to the adjustment, the Exercise Price and/or number of Warrants in effect prior to such adjustment, the adjusted Exercise Price and/or number of Warrants and the effective date of such adjustment and shall, on request, send a copy thereof to any Warrantheolder. Whenever an adjustment involves an increase in the number of Warrants, the Issuer will, as soon as practicable but not later than five (5) Market Days after the effective date of such adjustment, despatch by ordinary post Warrant Certificates for the additional number of Warrants issued to each Warrantheolder, at the risk and expense of that Warrantheolder, at his address appearing in the Register or, in respect of Warrants registered in the name of the Depository, to the Depository.
- 5.8 If the Directors, the Independent Financial Adviser and/or the Auditors are unable to agree upon any adjustment required under these provisions, the Directors shall refer the adjustment to the decision of another Independent Financial Adviser acting as expert and not as arbitrator and whose decision as to such adjustment shall be final and conclusive and no certification by the Auditors shall in such circumstances be necessary.
- 5.9 If the Issuer shall in any way modify the rights attached to any share or loan capital so as to convert or make convertible such share or loan capital into, or attach thereto any rights to acquire or subscribe for Ordinary Shares, the Issuer shall appoint an Independent Financial Adviser to consider whether any adjustment is appropriate and if such Independent Financial Adviser and the Directors shall determine that any adjustment is appropriate, the Exercise Price and/or the number of Warrants shall be adjusted accordingly.
- 5.10 Any new Warrants which may be issued by the Issuer under this Condition 5 shall be part of the same series of Warrants constituted by the Deed Poll, and shall be issued subject to and with the benefit of the Deed Poll and on such terms and conditions as the Directors may from time to time think fit including but not limited to the terms and conditions as set out herein for the Warrants.
- 5.11 Nothing shall prevent or restrict the buy-back of any classes of shares pursuant to applicable law and the requirements of the SGX-ST. For the avoidance of doubt, no approval or consent of the Warrantheolders shall be required for such buy-back of any classes of shares and there shall be no adjustments to the Exercise Price and/or the number of Warrants by reason of such buy-back of any classes of shares.
- 5.12 In giving any certificate or making any adjustment hereunder, the Independent Financial Adviser shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest error, their decision shall be conclusive and binding on all persons having an interest in the Warrants.

- 5.13 Notwithstanding anything herein contained, any adjustment to the Exercise Price and/or the number of Warrants other than in accordance with the provisions of this Condition 5 shall be subject to the approval of the SGX-ST (if required) and agreed to by the Issuer, the Independent Financial Adviser and/or the Auditors.
- 5.14 In the event any adjustment to the Exercise Price and/or the number of Warrants held by each Warrantholder is proposed or required to be made pursuant to the Deed Poll, the relevant party or parties, in exercising or making any discretion, consideration or determination (if applicable) shall, subject to any changes to, supplements, modifications and/or amendments of the accounting standards applicable to the Issuer from time to time, take into account or have reference to the general principle and intent, which is based on accounting standards applicable to the Issuer as at the date of execution of the Deed Poll, that such adjustment shall, to the extent possible or permitted, be made in such manner such that the per share value of such adjustment cannot exceed the per share value of the dilution to the Warrantholder's interest in the equity of the Issuer (based on the Ordinary Shares comprised in the unexercised Warrants held by such Warrantholder) which would otherwise result from the relevant transaction or event (as contemplated under the relevant Condition) giving rise to such adjustment.

6 STATUS OF ALLOTTED SHARES

The Warrant Exercise Shares allotted and issued upon the exercise of the Warrants shall be fully paid and will rank *pari passu* in all respects with the then existing Ordinary Shares save for any dividends, rights, allocations and other distributions that may be declared or paid, the Distribution Record Date for which is before the relevant Exercise Date of the Warrants. For the purpose of this Condition 6, "**Distribution Record Date**" means, in relation to any dividends, rights, allocations or other distributions, the date as at the close of business (or such other time as may have been notified by the Issuer) on which Members must be registered with the Issuer or CDP, as the case may be, in order to establish their entitlement to and participate in such dividends, rights, allocations or other distributions.

7 WINDING-UP OF THE ISSUER

- 7.1 (a) In the event a notice is given by the Issuer to its Members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Issuer, the Issuer shall on the same date as or soon after it despatches such notice to its Members give notice thereof to the Warrantholders and thereupon, each Warrantholder shall be entitled to exercise all or any of his Warrants at any time not later than two (2) Business Days prior to the proposed general meeting in accordance with Condition 4 whereupon the Issuer shall, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Warrant Exercise Shares to the Warrantholder credited as fully paid; and
- (b) If a resolution is passed for a members' voluntary winding-up of the Issuer, then if such winding-up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrantholders, or some person designated by them for such purpose by Extraordinary Resolution, shall be a party, the terms of such scheme of arrangement shall be binding on all the Warrantholders.
- 7.2 Subject to the foregoing, if the Issuer is wound-up for any reason, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and the Warrants shall cease to be valid for any purpose.

8 FURTHER ISSUES

Subject to these Conditions, the Issuer shall be at liberty to issue Ordinary Shares to Shareholders either for cash or as bonus distributions and further subscription rights upon such terms and conditions as the Issuer sees fit but the Warrantheolders shall not have any participating rights in such issue unless otherwise resolved by the Issuer in general meeting or in the event of a takeover offer to acquire Ordinary Shares.

9 TRANSFER OF WARRANTS

9.1 Subject to the provisions contained herein, the Warrants shall be transferable in lots entitling a Warrantheolder to subscribe for whole numbers of Warrant Exercise Shares and so that no person shall be recognised by the Issuer as having title to Warrants entitling the holder thereof to subscribe for a fractional part of an Warrant Exercise Share or otherwise than as the sole or joint holder of the entirety of such Warrant Exercise Share. In order to transfer Warrants, the Warrantheolder must fulfil the following conditions:

- (a) lodgement during normal business hours of the relevant Warrant Certificate(s) registered in the name of the Warrantheolder at the specified office of the Warrant Agent together with an instrument of transfer in respect thereof, in the form approved by the Issuer from time to time (the "**Transfer Form**"), in any usual or common form or such other form as may be approved by the Issuer, duly completed and signed by or on behalf of the Warrantheolder and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty provided that the Issuer and the Warrant Agent may dispense with requiring the Depository to sign as transferee any Transfer Form for the transfer of Warrants to it;
- (b) the furnishing of such evidence (if any) as the Warrant Agent may require to determine the due execution of the Transfer Form by or on behalf of the Warrantheolder;
- (c) the payment of the registration fee of S\$2.00 (or such other amount as may be determined by the Directors) (subject to goods and services tax at the prevailing rate) for every Warrant Certificate issued; and
- (d) the payment of the expenses of, and the submission of any necessary documents required in order to effect the delivery of the new Warrant Certificate(s) to be issued in the name of the transferee.

9.2 If the Transfer Form has not been fully or correctly completed by the Warrantheolder or the full amount of the fees and expenses due to the Warrant Agent have not been paid to the Warrant Agent, the Warrant Agent shall return such Transfer Form to the Warrantheolder accompanied by written notice of the omission(s) and/or error(s) and requesting the Warrantheolder to complete and/or amend the Transfer Form and/or to make the requisite payment.

9.3 If the Transfer Form has been fully and correctly completed the Warrant Agent shall, as agent for and on behalf of the Issuer:

- (a) register the person named in the Transfer Form as transferee in the Register as the registered holder of the Warrant in place of the Warrantheolder;
- (b) cancel the Warrant Certificate(s) in the name of the Warrantheolder; and

- (c) issue new Warrant Certificate(s) in respect of the Warrants in the name of the transferee.
- 9.4 Where the transfer relates to part only (but not all) of the Warrants represented by a Warrant Certificate, the Issuer shall deliver or cause to be delivered to the Warrantholder at the cost of the Warrantholder a Warrant Certificate in the name of the Warrantholder in respect of any Warrants not transferred.
- 9.5 Each Warrantholder shall be deemed to remain the registered holder of the Warrants registered in his name until the name of the transferee is entered in the Register by the Warrant Agent or the Depository Register by the Depository, as the case may be.
- 9.6 The executors or administrators of a deceased registered Warrantholder (not being one of several joint holders) where such executors or administrators are entered into the Depository Register and, in the case of the death of one or more of several registered joint holders, the survivor or survivors of such joint holders shall be the only persons recognised by the Issuer and the Warrant Agent as having any title to the Warrants registered in the name of the deceased Warrantholder. Such persons shall, on producing to the Warrant Agent such evidence as may be required by the Warrant Agent to prove their title, and on the payment of such fees and expenses referred to in this Condition 9 be entitled to be registered as a Warrantholder or to make such transfer as the deceased Warrantholder could have made.
- 9.7 With respect to the Warrants registered in the name of the Depository, any transfer of such Warrants shall be effected subject to and in accordance with these terms and conditions, applicable law and the rules of the Depository as amended from time to time and where Warrants are to be transferred between Depositors, such Warrants must be transferred in the Depository Register by the Depository by way of book-entry. A Depositor shall be deemed to remain a Warrantholder of the Warrants until the name of the transferee is entered in the Depository Register by the Depository.

10 REPLACEMENT OF WARRANT CERTIFICATES

Should any Warrant Certificate be lost, stolen, destroyed, mutilated or defaced, it may be replaced at the specified office of the Warrant Agent, upon payment by the claimant of the expenses incurred in connection therewith and the replacement fee of S\$2.00 (or such other sum being the replacement fee for the time being, which replacement fee shall not exceed the maximum sum for the time being prescribed by any applicable law) for every Warrant Certificate issued and on such terms as to evidence and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Warrant Certificate(s) in respect of the Warrants is subsequently exercised, there will be paid to the Issuer and/or the Warrant Agent on demand the market value of the Warrants at the time of the replacement thereof) as the Issuer may reasonably require. Mutilated or defaced Warrant Certificates must be surrendered before replacements will be issued. The replacement Warrant Certificate(s) will be issued in the name of the registered holder of the Warrant Certificate(s) being replaced.

11 MEETINGS OF WARRANTHOLDERS AND MODIFICATION

- 11.1 The Deed Poll contains provisions for convening meetings of the Warrantholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Warrants or the Deed Poll. Such a meeting may be convened by the Issuer or by Warrantholders holding not less than 10 per cent. of the Warrants for the time being

remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution shall be two (2) or more persons holding or representing over 50 per cent. of the Warrants for the time being unexercised, or at any adjourned meeting two (2) or more persons being or representing Warrantheolders whatever the number of Warrants so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Warrants or of the Deed Poll (including cancelling the subscription rights constituted by the Warrants), the necessary quorum for passing an Extraordinary Resolution shall be two (2) or more persons holding or representing not less than 75 per cent., or at any adjournment of such meeting, over 25 per cent., of the Warrants for the time being remaining unexercised. An Extraordinary Resolution duly passed at any meeting of Warrantheolders shall be binding on all Warrantheolders, whether or not they are present at the meeting. Warrants which have not been exercised but have been lodged for exercise shall not, unless and until they are withdrawn from lodgement, confer the right to attend or vote at, or join in convening, or be counted in the quorum for any meeting of Warrantheolders.

11.2 The Issuer may, without the consent of the Warrantheolders but in accordance with the terms and conditions of the Deed Poll, effect any modification to the Warrants, the Warrant Agency Agreement or the Deed Poll which, in the opinion of the Issuer:

- (a) is not materially prejudicial to the interests of the Warrantheolders;
- (b) is of a formal, technical or minor nature;
- (c) is to correct a manifest error or to comply with mandatory provisions of Singapore law; or
- (d) is to vary or replace provisions relating to the transfer or exercise of the Warrants including the issue of Warrant Exercise Shares arising from the exercise thereof or meetings of the Warrantheolders in order to facilitate the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Issuer's securities on the SGX-ST.

Any such modification shall be binding on the Warrantheolders and shall be notified to them in accordance with Condition 12 as soon as practicable thereafter.

Without prejudice to any other provisions herein, any material alteration to the terms and conditions of the Warrants after the issue thereof to the advantage of the Warrantheolders and prejudicial to the Shareholders must be approved by the Shareholders in general meeting, except where the alterations are made pursuant to the terms and conditions of the Warrants.

12 **NOTICES**

12.1 Subject to Condition 12.2, notices to Warrantheolders will be valid if either (i) for so long as the Warrants are listed on the SGX-ST and the rules of the SGX-ST so require, published on the website of the SGX-ST at <http://www.sgx.com> or (ii) published in a leading English language newspaper having general circulation in Singapore. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made.

12.2 *Where the registered holder is CDP, notices to Warrantheolders will only be valid if despatched by uninsured post to persons who are for the time being shown in the records of CDP as the holders of the Warrants or, if the rules of CDP so permit, delivered to CDP for communication by it to the Warrants, except that if the Warrants are listed on the SGX-ST and the rules of the*

SGX-ST so require, notice will in any event be considered valid if published in accordance with the preceding paragraph. Any such notice shall be deemed to have been given to the Warranholders on the fourth day after the day of despatch or (as the case may be) on which the said notice was given to CDP.

- 12.3 Notwithstanding the other provisions of this Condition 12, in any case where the identity and addresses of all the Warranholders are known to the Issuer, notices to such Warranholders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.
- 12.4 The Issuer shall, not later than one (1) month before the Expiration Date, give notice to the Warranholders in accordance with this Condition 12, of the Expiration Date and make an announcement of the same to the SGX-ST. The Issuer shall also, not later than one (1) month before the Expiration Date, take reasonable steps to notify the Warranholders in writing of the Expiration Date and such notice shall be delivered by post to the addresses of the Warranholders as recorded in the Register or, in the case of Warranholders whose Warrants are registered in the name of CDP, their addresses as shown in the records of CDP. Proof of posting or despatch of any notice shall be deemed to be proof of receipt on the next Business Day after posting.
- 12.5 Without prejudice to the generality of the foregoing, Warranholders who acquire Warrants after notice of the Expiration Date has been given in accordance with these Conditions shall be deemed to have notice of the expiry of the Exercise Period so long as such notice has been given in accordance with this Condition 12. For the avoidance of doubt, neither the Issuer nor the Warrant Agent shall in any way be responsible or liable for any claims, proceedings, costs or expenses arising from the failure by the purchaser of the Warrants to be aware of or to receive such notification.

13 WARRANT AGENT NOT ACTING FOR WARRANTHOLDERS

In acting under the Warrant Agency Agreement, the Warrant Agent is (subject to the terms and conditions thereof) acting as agent for the Issuer and does not assume any obligation or duty to or any relationship or trust for the Warranholders.

14 GOVERNING LAW AND JURISDICTION

14.1 Governing Law

The Deed Poll and the Warrants are governed by, and shall be construed in accordance with, the laws of Singapore.

14.2 Jurisdiction

The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Deed Poll and the Warrants and accordingly any legal action or proceedings arising out of or in connection with the Deed Poll and the Warrants, ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

15 PROCESS AGENT

The Issuer has irrevocably appointed FS Chengdu No. 1 Pte. Ltd. (presently at 8 Robinson Road, #07-00, ASO Building, Singapore 048544) as its authorised agent for service of process in Singapore. If for any reason such agent shall cease to be such agent for service of process, the Issuer shall forthwith appoint a new agent for service of process in Singapore and deliver to the Warrant Agent a copy of the new agent's acceptance of that appointment within 30 days. Nothing in the Deed Poll or any term or condition of the Warrants shall affect the right to serve process in any other manner permitted by law.

Notes:

- (1) The attention of Warranholders is drawn to Rule 14 of The Singapore Code on Take-overs and Mergers and Sections 139 and 140 of the Securities and Futures Act, Chapter 289 of Singapore, as amended from time to time. In general terms, these provisions regulate the acquisition of effective control of public companies. Warranholders should consider the implications of these provisions before they exercise their respective Warrants. In particular, a Warranholder should note that he may be under an obligation to extend a take-over offer for the Issuer if:
- (a) he intends to acquire, by the exercise of the Warrants or otherwise, whether at one time or different times, Ordinary Shares which (together with Ordinary Shares owned or acquired by him or persons acting in concert with him) carry thirty per cent. (30%) or more of the voting rights of the Issuer; or
 - (b) he, together with persons acting in concert with him, holds not less than thirty per cent. (30%) but not more than fifty per cent. (50%) of the voting rights of the Issuer, and either alone or together with persons acting in concert, intends to acquire additional Ordinary Shares by the exercise of the Warrants or otherwise in any period of six (6) months, increasing such percentage of the voting rights by more than one per cent. (1%).
- (2) The attention of Warranholders is drawn to Condition 4.1 and 4.2 of the Warrants relating to restrictions on the exercise of the Warrants.

A Warranholder who, after exercise of this Warrant, has an interest in not less than five per cent. (5%) of the aggregate of the number of the voting shares in the Issuer or (if he already holds not less than five per cent. (5%) in the manner as aforesaid) increases his percentage shareholding in the Issuer, so as to result in his aggregate percentage shareholding in the Issuer crossing the next discrete whole number, is under an obligation to (a) notify the Issuer of his interest in the manner set out in sections 82 and 83 of the Companies Act (Chapter 50) of Singapore; and (b) notify the SGX-ST of his interest in the manner set out in sections 135, 136 and 137 of the Securities and Futures Act (Chapter 289) of Singapore.



FIRST SPONSOR GROUP LIMITED

(Incorporated in the Cayman Islands)

(Registration No. AT-195714)

Press Release

FIRST SPONSOR PROPOSES 1-FOR-4 BONUS ISSUE OF WARRANTS

Singapore, 23 July 2020 – Singapore Exchange ("**SGX**") Main Board-listed First Sponsor Group Limited ("**First Sponsor**" or the "**Company**") is proposing to carry out a 1-for-4 bonus issue ("**Bonus Issue**") of warrants ("**Warrants**") exercisable into ordinary shares in the capital of the Company ("**Shares**").

The Company is proposing to carry out the Bonus Issue to, *inter alia*, reward shareholders for their continuing support for and participation in the Company. The Warrants will have an exercise period commencing from the date falling 6 months from the date of listing of the Warrants on the SGX and ending on the date immediately preceding 8.5 years from the date of issue of the Warrants, which will allow shareholders a substantial period to exercise their Warrants and hence provide better shareholder value. The exercise of these Warrants, if any, will raise funds for the Company and provide the Company with the financial flexibility to fund its expansion plans.

Key highlights of the Bonus Issue and the Warrants are as follows:

Basis of Allotment:	Issued free on the basis of 1 Warrant for every 4 existing Shares
Exercise Period:	The period commencing from the date falling 6 months from the date of listing of the Warrants on the SGX and ending on the date immediately preceding 8.5 years from the date of issue of the Warrants
Exercise Price:	Subject to adjustments, the initial price payable for each new Share (" Warrant Exercise Share ") upon the exercise of a Warrant is S\$1.08
Listing:	SGX, subject to a sufficient spread of holdings for the Warrants
Warrant Exercise Shares:	The Warrant Exercise Shares shall, when allotted and issued upon the exercise of the Warrants, be fully paid and shall rank <i>pari passu</i> in all respects with the then existing Shares

The actual number of Warrants to be issued by the Company will depend on the total issued Shares as at the record date (the "**Record Date**"), which will be announced by the Company in due course. For practical reasons and in order to avoid any violation of securities laws applicable in countries other than Singapore, the Warrants will not be issued to Foreign Shareholders (as defined in the Company's announcement titled "Proposed Bonus Issue of Warrants" dated 23 July 2020 (the "**Announcement**")).

Subject to the total number of issued Shares as at the Record Date and assuming that all the Warrants are exercised, the Bonus Issue is expected to raise net proceeds of between approximately S\$216.2 million and approximately S\$297.4 million. The Company intends to use such proceeds 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.

The Bonus Issue is subject to the in-principle approval of the SGX for the dealing in, listing of and quotation for the Warrants and the Warrant Exercise Shares. For further details on the Bonus Issue and the Warrants, please refer to the Announcement.

For media enquiries, please contact:

Mr Zhang Jiarong
Senior Vice President – Financial Planning & Analysis
First Sponsor Group Limited
Email: ir@1st-sponsor.com.sg
Tel: (65) 6436 4920 Fax: (65) 6438 3170

About First Sponsor Group Limited

First Sponsor Group Limited ("**First Sponsor**", and together with its subsidiaries, associated companies and joint ventures, the "**Group**") is a public company listed on the Main Board of the Singapore Exchange Securities Trading Limited since 22 July 2014. The principal business activities of the Group are property development, property holding and property financing.

The Group's property development projects include offices, retail, residential and hotel developments in the Netherlands, Australia and the People's Republic of China (the "**PRC**"). The Group's property portfolio comprises commercial properties (including hotels) in the Netherlands, Germany and the PRC. The Group provides property financing services mainly in the Netherlands, Germany, Australia and the PRC.

The Group is supported by both its established key controlling shareholders, the Hong Leong group of companies, through its shareholding interests in City Developments Limited, and Tai Tak Estates Sendirian Berhad, a private company with a long operating history, which was incorporated in Singapore in 1954.

Issuer & Securities

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

Securities

FIRST SPONSOR GROUP LIMITED - KYG3488W1078 - ADN

Stapled Security

No

Announcement Details

Announcement Title

Financial Statements and Related Announcement

Date & Time of Broadcast

23-Jul-2020 07:40:41

Status

New

Announcement Sub Title

Half Yearly Results

Announcement Reference

SG200723OTHRNWGE

Submitted By (Co./ Ind. Name)

Neo Teck Pheng

Designation

Group Chief Executive Officer and Executive Director

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please see attached presentation slides and news release related to the 1H2020 financial results.

Additional Details

For Financial Period Ended

30/06/2020

Attachments

[FSGL - 1H2020 Press Release.pdf](#)

[FSGL - 1H2020 Investor Presentation.pdf](#)

Total size =4586K MB



FIRST SPONSOR GROUP LIMITED

Co Reg. No: AT-195714 | Business Address: 63 Market Street, #06-03 Bank of Singapore Centre, Singapore 048942

Press Release

FIRST SPONSOR ACHIEVED A NET PROFIT OF S\$58.1 MILLION FOR 1H2020, A 49.4% GROWTH FROM 1H2019

THE BOARD OF FIRST SPONSOR HAS APPROVED AN INTERIM TAX-EXEMPT (ONE-TIER) CASH DIVIDEND OF 1.1 SINGAPORE CENTS PER SHARE AND A 1-FOR-4 BONUS ISSUE OF FREE WARRANTS

Singapore, 23 July 2020 – Singapore Exchange (“SGX”) Main Board-listed First Sponsor Group Limited (“First Sponsor” or the “Company”, and together with its subsidiaries, associated companies and joint ventures, the “Group”) today announced the Group’s unaudited financial results for the six months ended 30 June 2020 (“1H2020”).

Financial Highlights

In S\$'000	1H2020	1H2019	Change %
Revenue	104,148	124,775	(16.5)%
Profit attributable to equity holders of the Company	58,071	38,857	49.4%

- In Dongguan, the Group has teamed up with, *inter alia*, two reputable state-owned enterprises – China Poly Group (the JV partner for the Group’s Skyline Garden project) and China State Railway Group to develop a transit-oriented development in excess of 1 million sqm GFA encompassing a major transport hub including the Guangzhou-Hong Kong High-speed Railway Humen Station, Guangzhou-Shenzhen Intercity Railway Humen Station, Dongguan Metro Line 2 Humen Station and Dongguan Humen Bus Interchange.
- Buying sentiments in the Dongguan property market have exceeded the Group’s expectations after normal business activities resumed in late February 2020.
- The Group has also commenced operations of the newly developed wholly-owned 144-room Crowne Plaza Utrecht Centraal Station Hotel on 2 June 2020 which is located in the same building as the Group’s wholly-owned 193-room Hampton by Hilton Utrecht Centraal Station Hotel that commenced operations on 17 June 2019.

Mr Neo Teck Pheng, Group Chief Executive Officer, said

“The Group achieved a net profit of S\$58.1 million for 1H2020, a 49.4% growth from 1H2019. The Board has approved an interim tax-exempt (one-tier) cash dividend of 1.1 Singapore cents per share for FY2020 which is the same as that of last year. In addition, the Company will undertake a 1-for-4 bonus issue of free warrants to reward shareholders for their continuing support and participation. Each warrant is exercisable into one new share at the exercise price of S\$1.08 at any time from the date falling 6 months from the date of listing of the warrants and ending on the date immediately preceding 8.5 years from the issue of the warrants.

In Dongguan, the Group has teamed up with, *inter alia*, two reputable state-owned enterprises – China Poly Group (the JV partner for the Group’s Skyline Garden project) and China State Railway Group to successfully bid for a mixed use development land on 29 June 2020 at the winning price of RMB6.6 billion (approx. S\$1.3 billion). The land will be developed into a transit-oriented development in excess of 1 million sqm GFA encompassing a major transport hub including the Guangzhou-Hong Kong High-speed Railway Humen Station, Guangzhou-Shenzhen Intercity Railway Humen Station, Dongguan Metro Line 2 Humen Station and Dongguan Humen Bus Interchange. The Guangzhou-Hong Kong High-speed Railway is directly linked to Beijing in the north via Guangzhou, and Kowloon, Hong Kong in the south via Shenzhen. The Group has an approximately 17% effective equity interest in the joint venture.

Buying sentiments in the Dongguan property market have exceeded the Group’s expectations after normal business activities resumed in late February 2020. Almost all the SOHO units in the Star of East River project and saleable residential units in the Emerald of the Orient project were sold as of 30 June 2020. Similarly, The Pinnacle project launched five residential blocks for sale in phases since April 2020 which were also almost fully sold soon after their respective launches. The current overwhelming demand has triggered price control measures from the Dongguan municipal. Another residential block in The Pinnacle project was launched for pre-sale on 14 July 2020 and has since sold more than 85%. The Group will pace its future sales launch of the remaining two residential blocks in The Pinnacle project and five residential blocks in the Skyline Garden project as appropriate. The positive outlook of the Dongguan property market also augurs well for the Group’s East Sun and Wanli investments as some of these outdated Dongguan properties are located in certain districts with good redevelopment potential.

As of 30 June 2020, all except for one (being Bilderberg Garden Amsterdam) out of the 13 hotels owned and operated by the Group that were temporarily closed (due to the outbreak of the Covid-19 pandemic) have re-opened. The Group has also commenced operations of the newly developed 144-room Crowne Plaza Utrecht Centraal Station Hotel on 2 June 2020.

On the property financing front, overall loan conduct has been acceptable. The Group has given consent to two PRC borrower groups for the short term deferral of interest payments in view of the economic difficulties resulting from the Covid-19 pandemic. The Group will seek to expand its property financing loan book prudently.

The Group is cautiously optimistic that the Covid-19 crisis may bring new opportunities, whether during or in the aftermath of the crisis. With a strong balance sheet, undrawn committed long term debt facilities and potential equity infusion from the exercise of outstanding warrants as well as warrants to be issued pursuant to the aforesaid bonus issue, the Group is well equipped financially to enable it to take advantage of such opportunities when they arise.”

- End -

Please refer to the Group’s unaudited financial results announcement for 1H2020 and the investor presentation slides dated 23 July 2020 for a detailed review of the Group’s performance and prospects. For media enquiries, please contact:

Mr Zhang Jiarong
Senior Vice President – Financial Planning & Analysis
First Sponsor Group Limited
Email: ir@1st-sponsor.com.sg
Tel: (65) 6436 4920 Fax: (65) 6438 3170

About First Sponsor Group Limited

First Sponsor Group Limited (“**First Sponsor**”, and together with its subsidiaries, associated companies and joint ventures, the “**Group**”) is a public company listed on the Main Board of the Singapore Exchange Securities Trading Limited since 22 July 2014. The principal business activities of the Group are property development, property holding and property financing.

The Group’s property development projects include offices, retail, residential and hotel developments in the Netherlands, Australia and the People’s Republic of China (the “**PRC**”). The Group’s property portfolio comprises commercial properties (including hotels) in the Netherlands, Germany and the PRC. The Group provides property financing services mainly in the Netherlands, Germany, Australia and the PRC.

The Group is supported by both its established key controlling shareholders, the Hong Leong group of companies, through its shareholding interests in City Developments Limited, and Tai Tak Estates Sendirian Berhad, a private company with a long operating history, which was incorporated in Singapore in 1954.

Please visit www.1st-sponsor.com.sg for the Group’s SGX announcements, financial statements, investor presentations and press releases.



First Sponsor Group Limited Investor Presentation 23 July 2020



Artist's impression
Humen TOD Project, Dongguan, the PRC

Contents

	Page
Section 1 <i>Key Message</i>	2
Section 2 <i>Financial Highlights</i>	7
Section 3 <i>Key Business Review 1H2020 – Property Development</i>	16
Section 4 <i>Key Business Review 1H2020 – Property Holding</i>	26
Section 5 <i>Key Business Review 1H2020 – Property Financing</i>	34

Section 1

Key Message

Key Message

1. Net profit for the Group was S\$58.1 million for 1H2020, a 49.4% growth from 1H2019. This is the 22nd reported periodic growth out of the 25 periodic results reporting since the Group's IPO in July 2014.
2. The Board has approved an interim tax-exempt (one-tier) cash dividend of 1.1 Singapore cents per share for FY2020 which is the same as that of last year. In addition, the Company will undertake a 1-for-4 bonus issue of free warrants to reward shareholders for their continuing support and participation. Each warrant is exercisable into one new share at the exercise price of S\$1.08 at any time from the date falling 6 months from the date of listing of the warrants and ending on the date immediately preceding 8.5 years from the issue of the warrants.
3. The Group has teamed up with, *inter alia*, two reputable state-owned enterprises – China Poly Group (the JV partner for the Group's Skyline Garden project) and China State Railway Group to successfully bid for a mixed use development land on 29 June 2020 at the winning price of RMB6.6 billion (approximately S\$1.3 billion). The land will be developed into a transit-oriented development in excess of 1 million sqm GFA encompassing a major transport hub including the Guangzhou-Hong Kong High-speed Railway Humen Station, Guangzhou-Shenzhen Intercity Railway Humen Station, Dongguan Metro Line 2 Humen Station and Dongguan Humen Bus Interchange. The Group has an approximately 17% effective equity interest in the joint venture.

Key Message

4. Buying sentiments in the Dongguan property market have exceeded the Group's expectations after normal business activities resumed in late February 2020. Almost all the SOHO units in the Star of East River project and saleable residential units in the Emerald of the Orient project were sold as of 30 June 2020. Similarly, The Pinnacle project launched five residential blocks for sale in phases since April 2020 which were also almost fully sold soon after their respective launches. The current overwhelming demand has triggered price control measures from the Dongguan municipal. Another residential block in The Pinnacle project was launched for pre-sale on 14 July 2020 and has since sold more than 85%. The Group will pace its future sales launch of the remaining two residential blocks in The Pinnacle project and five residential blocks in the Skyline Garden project as appropriate. The positive outlook of the Dongguan property market also augurs well for the Group's East Sun Portfolio and Wanli Portfolio as some of these outdated Dongguan properties are located in certain districts with good redevelopment potential.

5. In light of the prevailing market conditions and effects of the Covid-19 pandemic, the Group is re-assessing the feasibility of the proposed new residential and office redevelopment project of the Dreeftoren Amsterdam, acquired for €11.7 million in a bank foreclosure exercise conducted by the Dutch court in September 2016. In addition, the Group is reconsidering its plan to convert the bare shell hotel in Milan, acquired for €10.7 million in January 2019, into a high density youth hostel. The Group will proceed with the redevelopment once there is a sound business case for these projects.

Key Message

6. As of 30 June 2020, all except for one (being Bilderberg Garden Amsterdam) out of the 13 hotels owned and operated by the Group that were temporarily closed (due to the outbreak of the Covid-19 pandemic) have re-opened. The Group has also commenced operations of the newly developed wholly-owned 144-room Crowne Plaza Utrecht Centraal Station Hotel on 2 June 2020. The Group has received subsidies from the Dutch and German authorities under the relevant wage subsidy programs which have mitigated the operating losses of its Dutch and German hospitality operations arising from the Covid-19 pandemic. Further subsidies are expected to be received pursuant to the application of the wage subsidy programs in the Netherlands and Germany until 1 October 2020 and at least March 2021, respectively.

7. On the property financing front, overall loan conduct has been acceptable. The Group has given consent to two PRC borrower groups for the short term deferral of interest payments in view of the economic difficulties resulting from the Covid-19 pandemic. The Group will seek to expand its property financing loan book prudently.

Key Message

8. The Group has seen a slow, gradual recovery in the hospitality sector in 2Q2020 although demand remains far from pre-Covid-19 levels. The Group is also cautiously optimistic that the Covid-19 crisis may bring new opportunities, whether during or in the aftermath of the crisis. With a strong balance sheet, undrawn committed long term debt facilities and potential equity infusion from the exercise of outstanding warrants as well as warrants to be issued pursuant to the aforesaid bonus issue, the Group is well equipped financially to enable it to take advantage of such opportunities when they arise.

Section 2 **Financial Highlights**

2.1 Statement of Profit or Loss - Highlights

Statement of Profit or Loss - Highlights			
In S\$'000	1H2020	1H2019	Change %
Revenue	104,148	124,775	(16.5%)
Gross profit	84,070	86,359	(2.7%)
Profit before tax	72,157	61,843	16.7%
Attributable profit ⁽¹⁾	58,071	38,857	49.4%
Basic EPS (cents)	6.90	5.35	29.0%
Diluted EPS (cents) ⁽²⁾	5.27	4.58	15.1%
Interest cover ⁽³⁾	18.3x	19.7x	n.a.

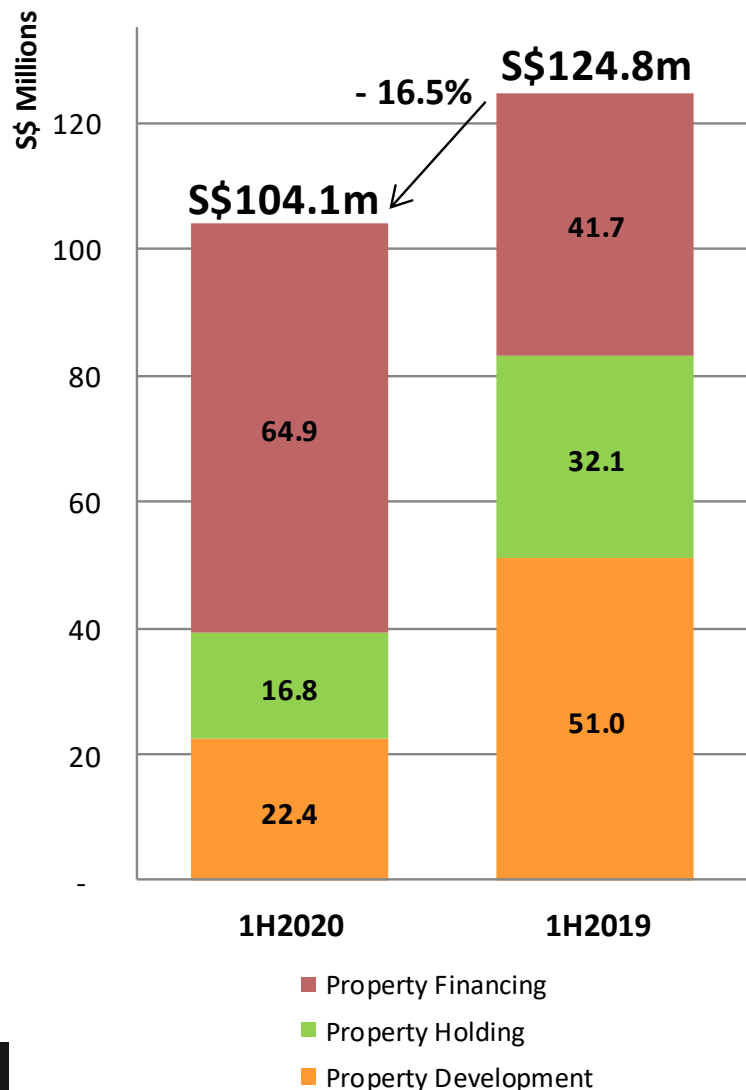
(1) "Attributable profit" refers to profit attributable to equity holders of the Company.

(2) Dilutive effect arising from assumed conversion of all perpetual convertible capital securities and exercise of all warrants.

(3) Interest cover = PBT (excluding accounting interest due to or from financial institutions) ÷ net accounting interest expense due to or from financial institutions.

2.2 Statement of Profit or Loss – Revenue

Revenue



Property Development

The decrease was due mainly to no handover of residential and commercial units of the Chengdu Millennium Waterfront project in 1H2020 as compared to 1H2019, partially offset by higher number of carpark lots sold (1H2020: 1,172 car park lots; 1H2019: 2 residential units, 110 commercial units and 183 car park lots).

Property Holding

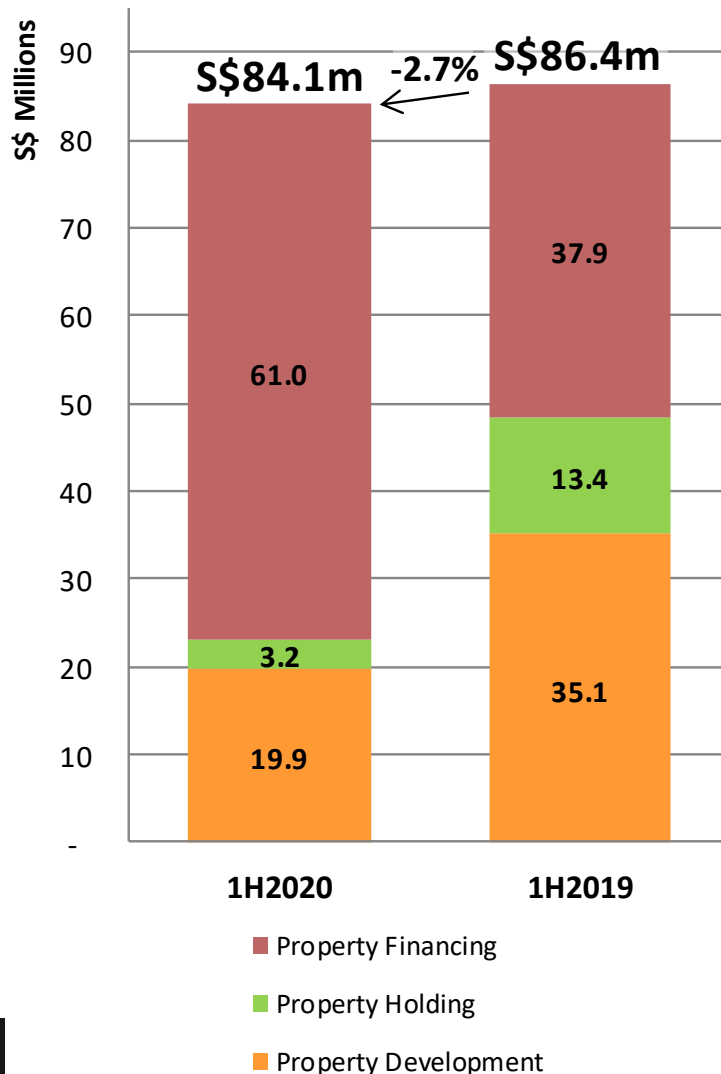
The decrease was due mainly to lower contribution from investment properties arising from the deconsolidation of the Zuiderhof I property, and lower hotel revenue due to the impact of the Covid-19 pandemic.

Property Financing

The increase in 1H2020 was due mainly to the loan restructuring income arising from the refinancing of the FSMC loans and establishment fee from the provision of a A\$370m construction facility to fund the redevelopment of the City Tattersalls Club in Sydney.

2.3 Statement of Profit or Loss – Gross Profit

Gross Profit



Property Development

The decrease was consistent with the decline in revenue recognised in 1H2020. The high gross profit margin was due mainly to the recognition of profit from the sale of carpark lots of the Millennium Waterfront Project which has nil carrying book costs.

Property Holding

The decrease was due mainly to lower contribution from investment properties arising from the deconsolidation of the Zuiderhof I property, and lower hotel profit due to the impact of the Covid-19 pandemic.

Property Financing

The increase was consistent with the increase in revenue recognised in 1H2020.

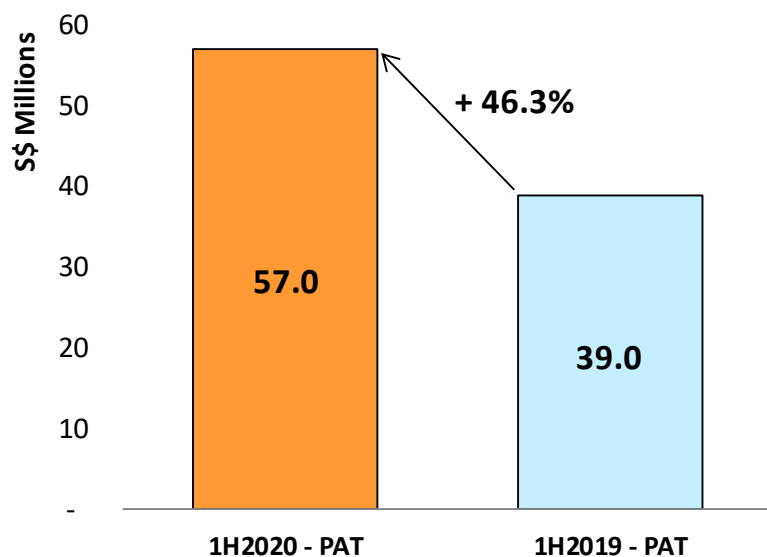
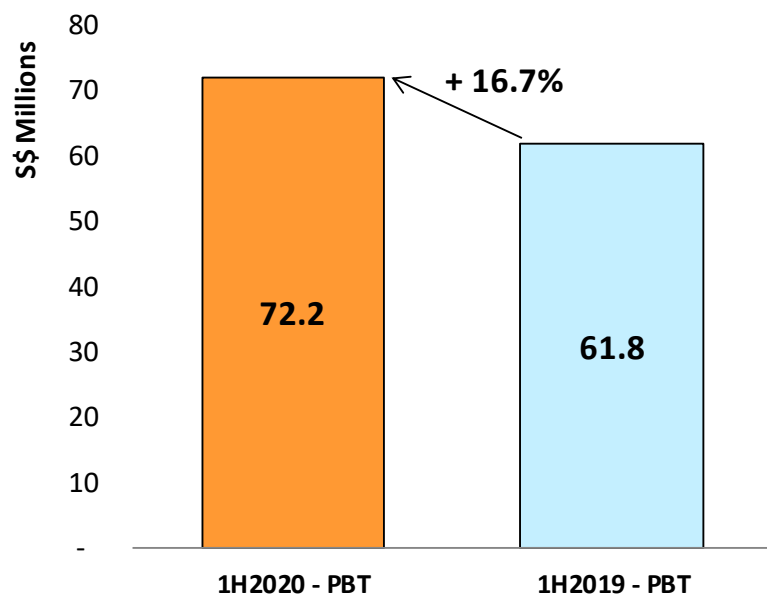
2.4 European Property Portfolio Performance

In S\$'000	1H2020	1H2019	Change %
Dutch office income	14,793	10,510	40.8% ⁽³⁾
European hotel income	(1,163)	16,562	(107.0%)
- Operating hotels ⁽¹⁾	(7,062)	10,840	(165.1%) ⁽⁴⁾
- Leased hotels ⁽²⁾	5,899	5,722	3.1%
Total	13,630	27,072	(49.7%)

- (1) Includes the Bilderberg Hotel Portfolio, Hilton Rotterdam hotel, Bilderberg Bellevue Hotel Dresden, Hampton by Hilton Utrecht Centraal Station and Crowne Plaza Utrecht Centraal Station.
- (2) Includes the Le Méridien Frankfurt hotel and Arena Towers Amsterdam (Holiday Inn/Holiday Inn Express).
- (3) Due mainly to the income contribution from the Munthof Amsterdam and Oliphant Amsterdam which have completed their redevelopment in 2019 offset by reduction of rental income due to the sale of Villa Nuova Zeist office in late January 2020.
- (4) Due mainly to the negative impact of Covid-19 resulting in low demand for overnight stays and the temporary suspension of hotel operations for most of the Group's European hotels between April 2020 to June 2020.

Excluding Dreeftoren Amsterdam and Meerparc Amsterdam, the Dutch office portfolio and European leased hotels (LFA: 133,372 sqm, 92% occupancy) have a WALT of approximately 9.3 years.

2.5 Statement of Profit or Loss – 1H2020 vs 1H2019



The increase in profit before tax was due mainly to:

- Higher gross profit contribution from the property financing business segment [S\$23.1m increase]
- Higher fair value gain (net) on financial derivatives net of foreign exchange gain/loss [S\$19.8m increase]
- Lower professional fees and administrative expenses due mainly to absence of one-off acquisition cost incurred in 1H2019 and the effect of wage subsidies recorded in 1H2020 [S\$7.4m increase]

The increase was partially offset by:

- Lower gross profit contribution from the property development and property holding business segments [S\$25.4m decrease]
- Lower share of income from associates due mainly to loan restructuring expenses and lower profit contribution from hospitality operations [S\$10.9m decrease]
- Lower net gain on disposal of assets of Chengdu Cityspring [S\$3.2m decrease]

The adjusted effective tax rate was 25.0% for 1H2020.

2.6 Statement of Financial Position – Highlights

Statement of Financial Position - Highlights			
In S\$'000	30-Jun-20	31-Dec-19	Change %
Total assets	3,096,821	2,760,496	12.2%
Cash and structured deposits ⁽¹⁾	474,875	313,389	51.5%
Total debt ⁽²⁾	731,154	621,163	17.7%
Net asset value (NAV)⁽³⁾	1,642,503	1,568,469	4.7%
NAV per share (cents)	205.10	197.27	4.0%
Adjusted NAV per share (cents)⁽⁴⁾	171.20	165.16	3.7%
Gearing ratio ⁽⁵⁾	0.16x	0.20x	n.a.

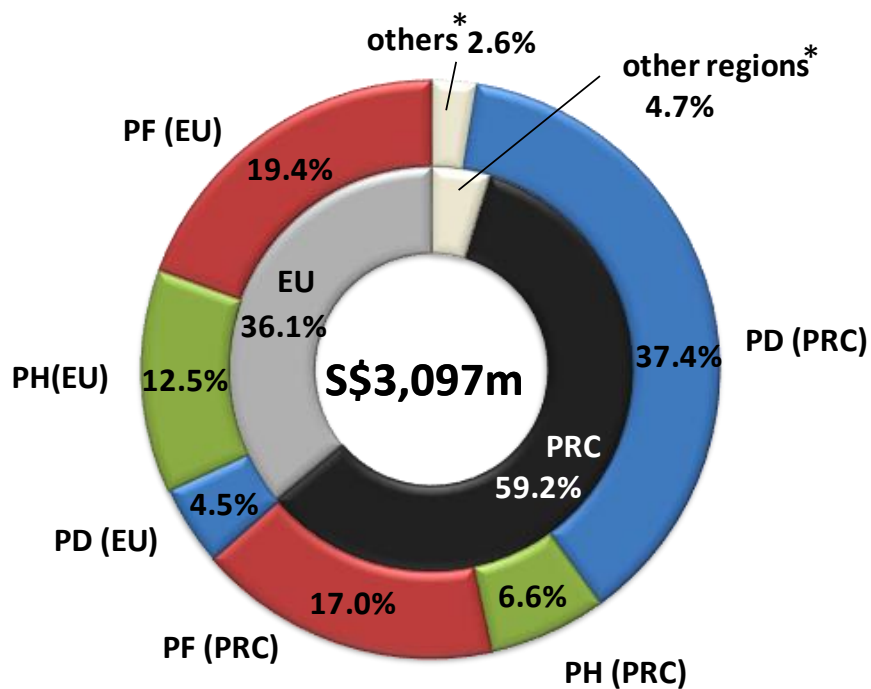
- (1) Relates to principal-guaranteed structured deposits placed with financial institutions classified as other investments (current).
- (2) Comprises gross borrowings of S\$739.2m net of unamortised upfront fee of S\$8.0m and S\$628.9m net of unamortised upfront fee of S\$7.8m as at 30 June 2020 and 31 December 2019 respectively.
- (3) NAV includes Series-2 perpetual convertible capital securities (“Series-2 PCCS”) of S\$146.5m and translation gain of S\$5.6m (Dec 2019: translation loss of S\$18.6m), and excludes non-controlling interests.
- (4) Represents NAV per share adjusted for the full conversion of Series-2 PCCS and exercise of all warrants to ordinary shares.
- (5) Computed as net debt ÷ total equity including non-controlling interests.
Net debt = gross borrowings – cash and structured deposits.

2.7 Statement of Financial Position - Total Assets

Total Assets – by business and geographic segments

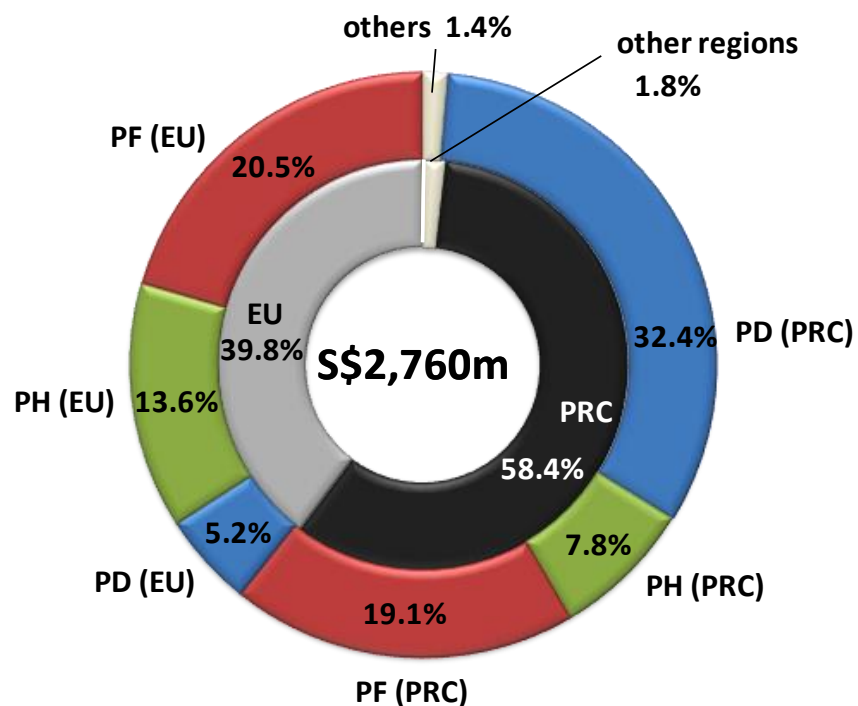
As at 30 June 2020

Total assets: S\$3,097m



As at 31 December 2019

Total assets: S\$2,760m

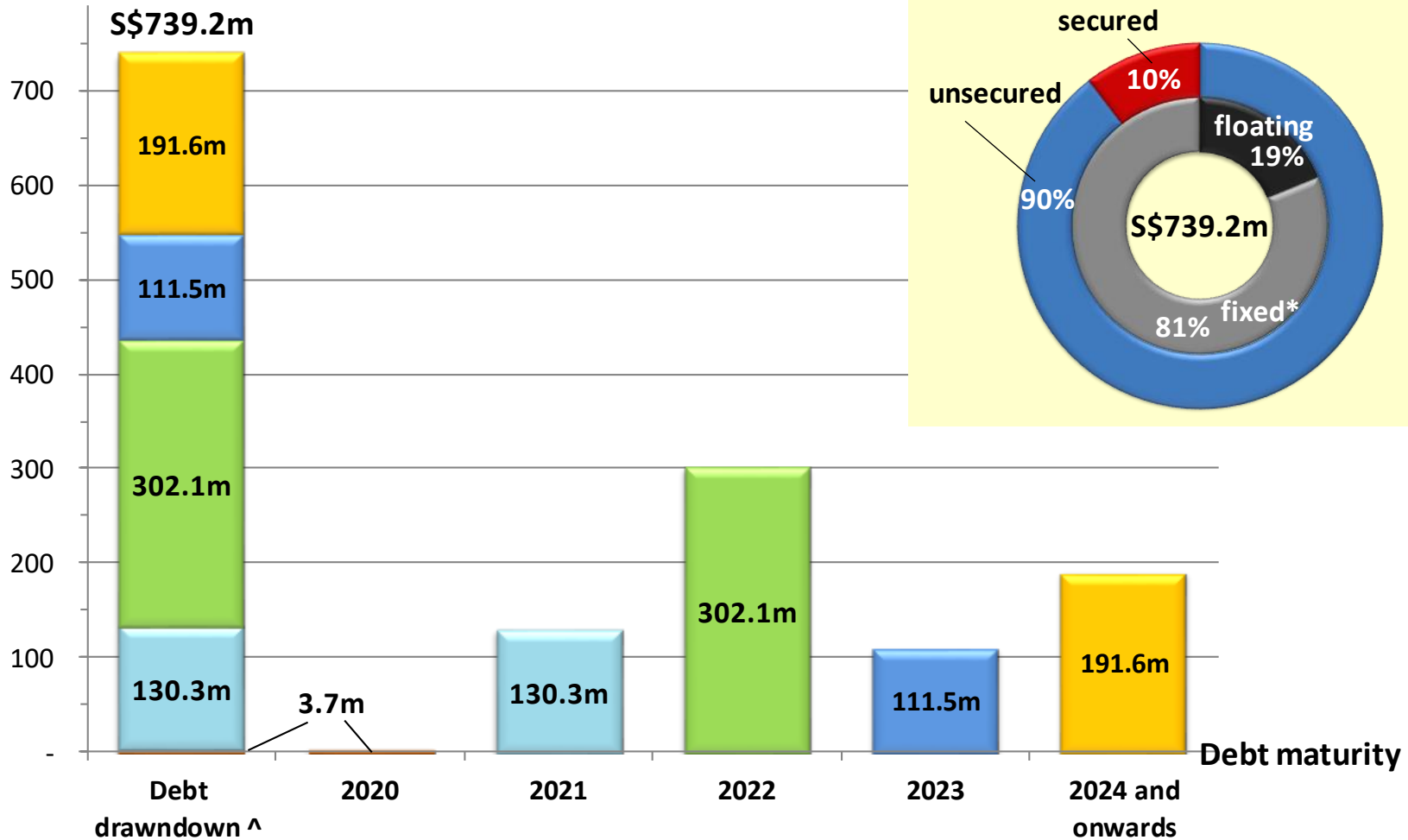


* Comprises 0.6% of PD in Australia

- EU = The Netherlands + Germany + Italy
- PRC = The People's Republic of China
- PD = Property Development
- PH = Property Holding
- PF = Property Financing

2.8 Debt Maturity and Composition as at 30 June 2020

S\$ Millions



* Mainly via cross currency swaps, medium term notes and a secured bank loan.

^ Remaining headroom of S\$520.1m comprises mainly committed credit facilities.

Section 3

Key Business Review 1H2020 – Property Development

3.1 Property Development – Star of East River Project, Dongguan

SOHO Blocks

- Two blocks of 2,328 SOHO units (75,000 sqm)
- All except one of the SOHO units have been sold³
- One block was handed over in March 2020, with the other block expected to be handed over in 2021

Office Block

- 250m high office tower block with 778 office units (102,000 sqm)
- Expected start of handover in late 2020/early 2021

Residential Blocks

- Six blocks of 1,221 residential units (132,000 sqm)
- 100% sold and largely handed over

89.7% SOLD³

**86.2% OF
27,385 SQM LAUNCHED
RETAIL LFA LEASED**

Commercial Podium

- approx. 31,000 sqm lettable floor area (“LFA”) of retail mall, of which 27,385 sqm has commenced operations since September 2019.
- Due to the impact of the Covid-19 pandemic, several tenants have made requests for concessions in relation to their rental obligations under the lease contracts.

Notes:

1. This diagram is not drawn to scale.
2. Based on artist’s impression which may not be fully representative of the actual development.
3. As at 30 June 2020 and includes sales under option agreements or sale and purchase agreements, as the case may be.

3.2 Property Development – Emerald of the Orient, Dongguan

Others

To be built for the municipal as per the land tender conditions

Saleable High-rise Residential Apartments

- All except two of the 854 saleable residential units (95,639 sqm) have been sold
- Sold apartments are expected to be handed over from late 2020/early 2021

Units with 5-year Holding Period

222 units (24,605 sqm) to be kept for a minimum holding period of 5 years as per land tender conditions of which 79 units have been reserved by interested buyers

Units with 5-year Holding Period

31 villas (4,452 sqm) to be kept for a minimum holding period of 5 years as per land tender conditions of which 5 villas have been reserved by interested buyers

Saleable Residential Villa Cluster

All 137 saleable villas are fully sold, and expected to be handed over from late 2020/early 2021



1. This diagram is not drawn to scale.
2. Based on artist's impression which may not be fully representative of the actual development.
3. As at 30 June 2020 and includes sales under option agreements or sale and purchase agreements, as the case may be. % sold excludes units to be kept for minimum holding period of 5 years after the housing title certificates have been obtained.

3.3 Property Development – The Pinnacle, Dongguan

Current stage of development



The project is expected to be handed over in phases from 2021.

Residential Blocks

- Eight blocks of approx. 607 residential units (63,500 sqm)
- Five blocks comprising 378 units have been launched for pre-sales in phases from April 2020 and 96.8% were sold³
- Subsequent to 30 June 2020, one block of 60 units has been launched for pre-sale on 14 July 2020 and has since sold more than 85%

96.2% SOLD³

89.3% SOLD³

100% SOLD³

100% SOLD³

100% SOLD³

SOHO Cluster

- Comprises 226 SOHO units (8,900 sqm)
- Expected to be launched for pre-sale in 4Q2020

Ground Level Retail:

- Approx. 3,000 sqm of retail space located at ground level of residential and SOHO blocks

1. This diagram is not drawn to scale.
2. Based on artist's impression which may not be fully representative of the actual development.
3. As at 30 June 2020 and includes sales under option agreements or sale and purchase agreements, as the case may be.



3.4 Property Development – Skyline Garden, Dongguan

Artist's impression

Residential Blocks

Five blocks of 1,163 residential units (134,000 sqm)

Development of the project is on track and pre-sale of the residential component is expected to commence in 4Q2020.

Current stage of development



SOHO Blocks

- Seven blocks of 1,715 SOHO units (71,300 sqm) and 4,400 sqm of commercial space
- All SOHO units and commercial space are to be kept for a minimum holding period of 2 years as per land tender conditions

SOHO Blocks

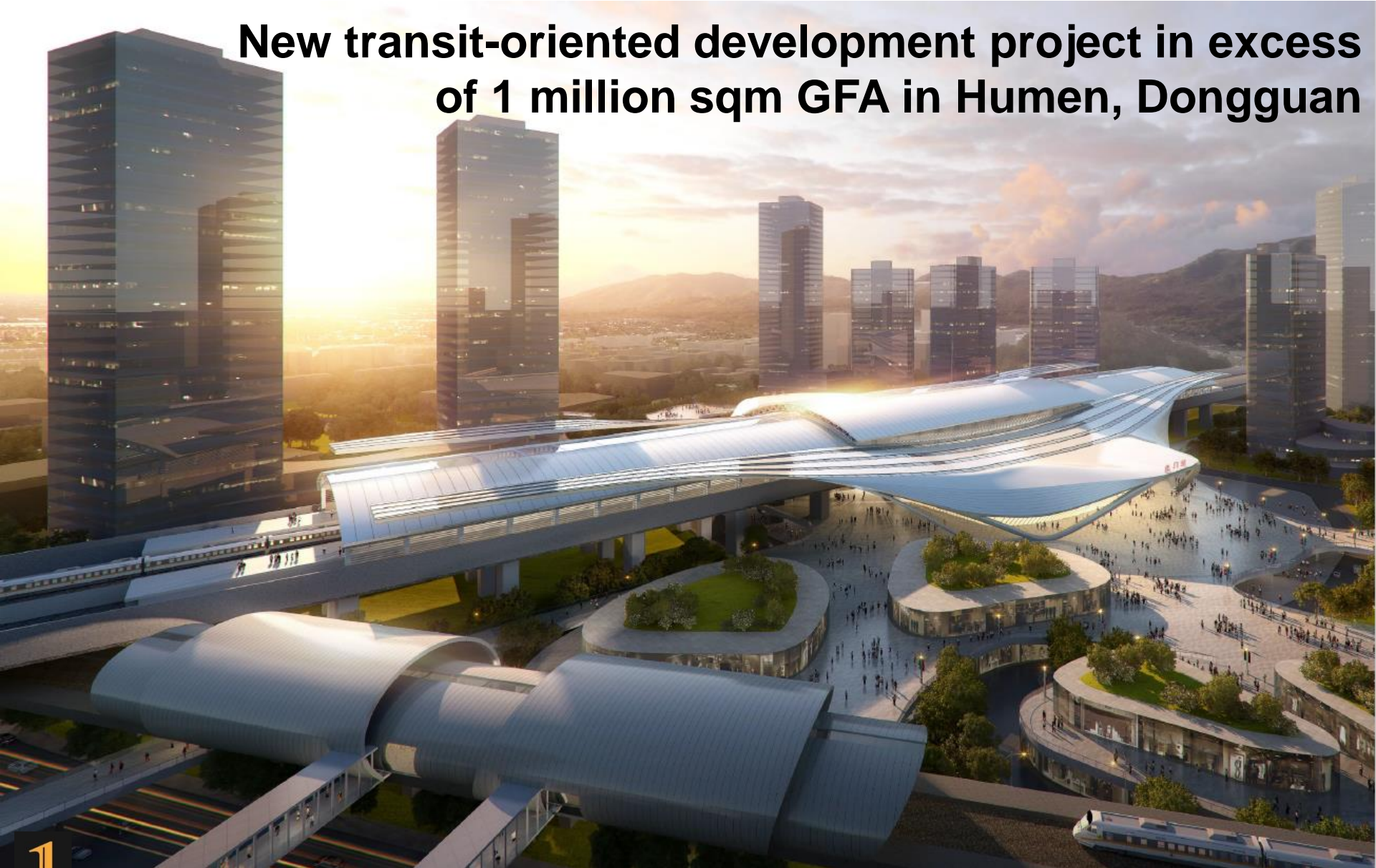
- A mixed use development site adjacent to the project was sold via a public land tender in October 2019 at the maximum tender price cap of approximately RMB18,500 psm ppr, a 28% premium over the project's land cost. In addition, the winning bidder has to build and return 5% of the residential GFA to the Dongguan municipal as part of the competitive bid terms.
- A similar development site in close proximity to the project was sold via a public tender in March 2020 at the maximum tender price cap of approximately RMB18,500 psm ppr, a 28% premium over the project's land cost. The winning bidder has to build and return 10% of the residential GFA to the Dongguan municipal.

3.5 Property Development – New Humen TOD Project, Dongguan

- The Group has teamed up with, *inter alia*, two reputable state-owned enterprises – China Poly Group (the JV partner for the Group’s Skyline Garden project) and China State Railway Group (collectively “Consortium”) to develop a transit-oriented development in excess of 1 million sqm GFA in Humen, Dongguan (“Humen TOD Project”). The Consortium won the bid for the development land in a public land tender exercise on 29 June 2020.
- The winning price of RMB6.6 billion translates to a land cost of approximately RMB14,760 psm ppr and RMB2,960 psm ppr for the residential (29%) and commercial (71%) components respectively, excluding a RMB2.3b development cost for auxiliary facilities to be returned to the local municipal and Dongguan Railway Bureau or their designated parties. In the same month, another consortium also successfully tendered for a Humen residential development at a land cost of approximately RMB21,500 psm ppr, including development cost for auxiliary facilities to be returned to the local municipal.
- The Humen TOD Project encompasses a major transport hub which includes the Guangzhou-Hong Kong High-speed Railway Humen Station, Guangzhou-Shenzhen Intercity Railway Humen Station, Dongguan Metro Line 2 Humen Station and Dongguan Humen Bus Interchange. The Guangzhou-Hong Kong High-speed Railway is directly linked to Beijing in the north via Guangzhou, and Kowloon, Hong Kong in the south via Shenzhen.

3.5 Property Development – New Humen TOD Project, Dongguan

New transit-oriented development project in excess of 1 million sqm GFA in Humen, Dongguan



3.5 Property Development – New Humen TOD Project, Dongguan

***17 minutes to Guangzhou South Station and
8.5 hours to Beijing***



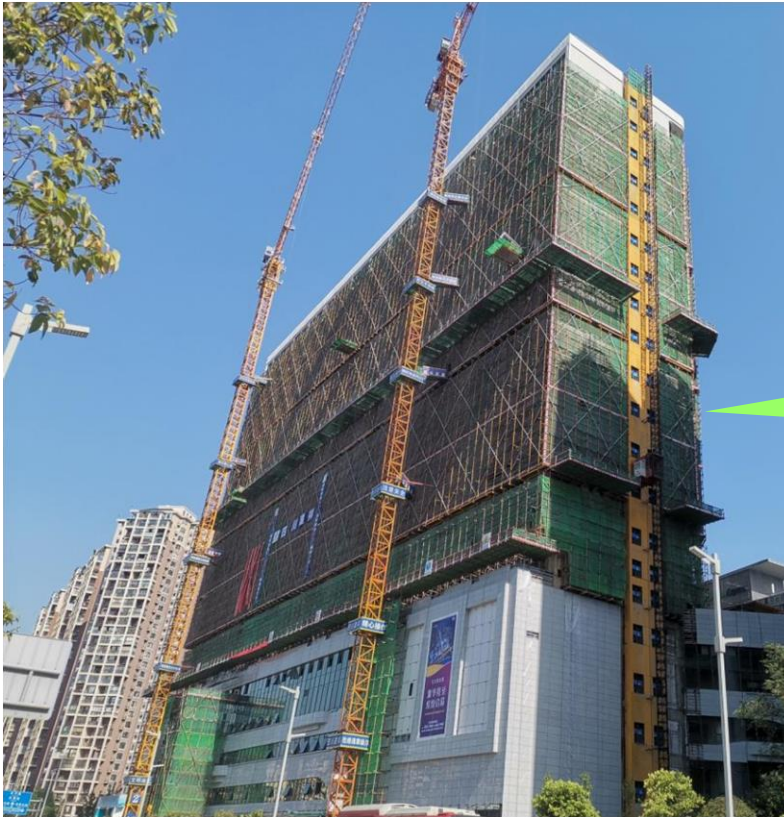
***17 minutes to Shenzhen North Station and
38 minutes to Hong Kong West Kowloon Station***

3.6 Property Development – Termination of Sunac Dongguan JV

- In December 2019, the Group signed a cooperation agreement with, among others, subsidiaries of the Hong Kong listed Sunac China Holdings Limited, in relation to a predominantly residential development project in Dongguan.
- The Group has subsequently agreed amicably with all parties to terminate the cooperation agreement in June 2020 as certain conditions precedent were not met.

3.7 Property Development – Plot F, Chengdu Millennium Waterfront

- The development is expected to be handed over in phases from early 2021.



- Comprises 15 floors of 807 SOHO loft units (49,350 sqm), 5 floors of over 25,000 sqm of saleable retail space
- % SOHO GFA sold¹: 84.2%*
- * includes 156 units or 17.9% which were sold to a bulk buyer in mid-January 2020 under instalment payment terms

¹As at 30 June 2020 and includes sales under option agreements or sale and purchase agreements, as the case may be.

- In June 2020, 883 carpark lots in Plot B, which were carried at nil cost on the Group's balance sheet, have been sold in a sale and leaseback arrangement. The Group is discussing with potential bulk buyers for the approximately 2,500 remaining unsold carpark lots in the other three residential plots of the Millennium Waterfront project.
- The Group continues to evaluate its options for Plot E, the last development plot of the project.

Section 4

Key Business Review 1H2020 – Property Holding

4.1 Property Holding – Chengdu Wenjiang hotels and Bilderberg Bellevue Hotel Dresden



Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring Hotel, PRC

- The hotels managed to achieve a combined GOP profit on the back of improved demand for overnight stays in 2Q2020 and an overall small GOP loss of RMB0.8m in 1H2020.
- The dual-hotel model gives the Group the flexibility to open the Holiday Inn Express hotel periodically on days where the adjacent Crowne Plaza hotel is unable to accommodate the demand for overnight stays.



Bilderberg Bellevue Hotel Dresden, Germany

- The hotel recorded a GOP loss of €0.5m for 1H2020 due to the temporary suspension of hotel operations from 23 March 2020 to 18 May 2020. Occupancy for 1H2020 was at 17.8%, a significant drop from 1H2019's 54.3%.
- However, demand for the hotel appears to be picking up as the hotel recorded occupancy of around 20% on weekdays and close to 50% on weekends for the first half of July 2020.

4.2 Property Holding – Hilton Rotterdam and Hampton by Hilton Utrecht Centraal Station



Hilton Rotterdam, the Netherlands

- The Hilton Rotterdam hotel recorded 32.4% occupancy (1H2019: 70.8%) and overall GOP breakeven in 1H2020. The hotel performance has been severely impacted by the cancellation of meetings and events as well as travel restrictions brought about by Covid-19.



Hampton by Hilton and Crowne Plaza Utrecht Centraal Station, the Netherlands

- The Hampton hotel achieved a GOP breakeven for 1H2020. With the opening of the Crowne Plaza hotel on 2 June 2020, the Group has managed to further optimise operating expenses by leveraging on cost synergies. The Group will continue to monitor market demand and may consider adopting a flexible business strategy to keep only one hotel in operation and to open the other when there is demand for it.

4.3 Property Holding – Bilderberg Hotel Portfolio in The Netherlands



<i>Bilderberg Hotel Portfolio</i> (1)	1H2020	1H2019	Change
Occupancy	28.6%	66.2%	(37.6%)
ADR	€ 93	€ 107	(12.7%)
RevPar	€ 27	€ 71	(62.3%)
TRevPar	€ 53	€ 132	(59.5%)

(1) The trading results of Bilderberg Hotel Portfolio comprises 11 owned hotels and one leased hotel.

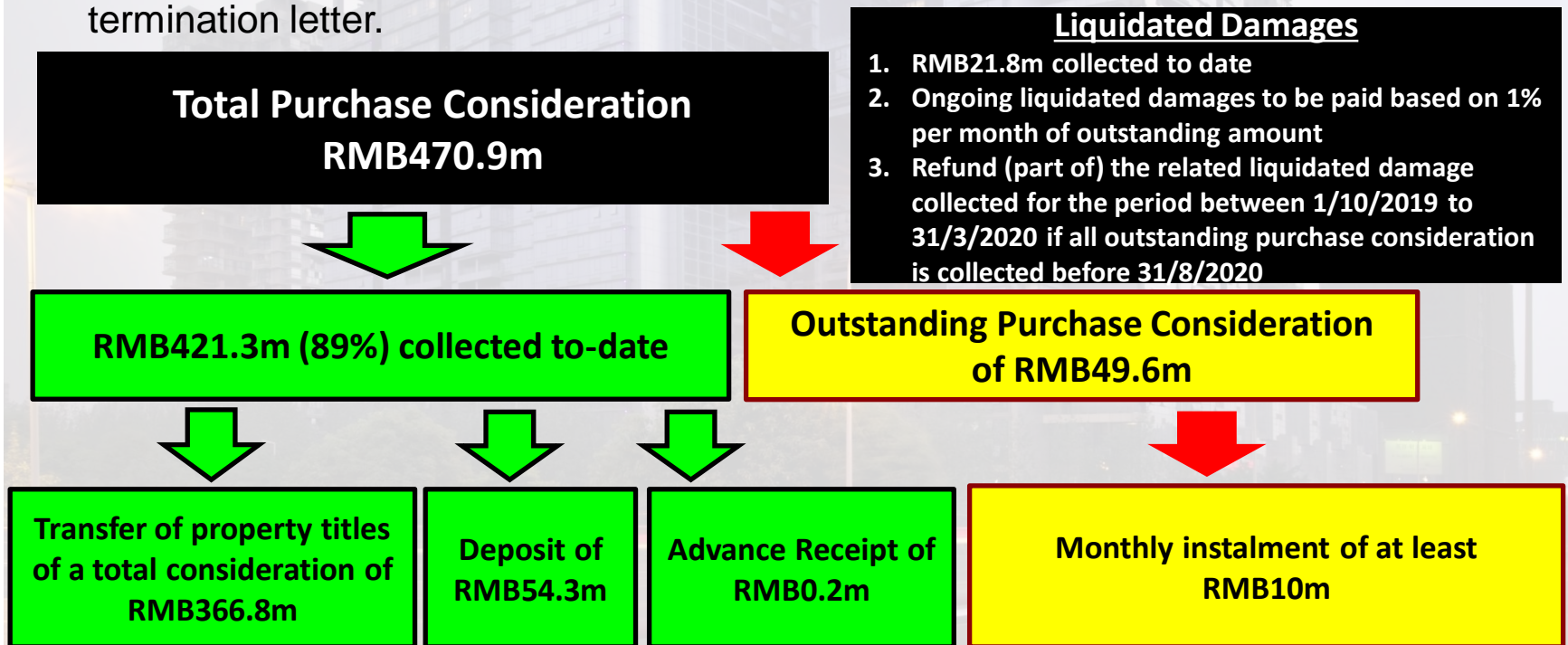
- All the hotels in the Bilderberg Hotel Portfolio were closed for the month of April 2020 and most of the hotels re-commenced operations in phases from mid May 2020 except for Bilderberg Garden Amsterdam which remains closed due to poor demand. Overall portfolio GOP is a loss of €2.9m.
- The Group and FSMC have received subsidies from the Dutch and German authorities under the relevant wage subsidy programs which have mitigated the operating losses of their Dutch and German hospitality operations arising from the Covid-19 pandemic. Further subsidies are expected to be received pursuant to the application of the wage subsidy programs in the Netherlands and Germany until 1 October 2020 and at least March 2021, respectively.

4.3 Property Holding – Le Méridien Frankfurt

- The Group, together with the subsidiaries of its key shareholders, City Developments Limited and Tai Tak Estates, acquired the Le Méridien Frankfurt hotel, which is leased to mhp Parkhotel GmbH (“MHP”), in January 2018.
- In 1H2020, MHP, despite obligations under the lease to operate and pay a monthly rent, closed the hotel in March 2020 without the permission of the landlord and did not pay rent for April 2020, alleging, among others, the negative impact of the Covid-19 pandemic on the hospitality sector and alleged technical defects of the property as grounds for such closure and non-payment.
- MHP also obtained a preliminary injunction to prevent the Group from drawing on a first demand guarantee for the overdue rental payment for April 2020. The landlord rejects the claims of MHP and has commenced legal proceedings to set aside the preliminary injunction. The court hearing is scheduled to be held in early August 2020.
- The Group is also seeking legal advice from its German lawyers as to, among others, its legal recourse against MHP for, among others, the non-payment of rent for May, June and half the rent for July 2020. As at 21 July 2020, the rental arrears amounted to €1.0 million, excluding VAT. The tenant re-opened the hotel on 15 May 2020.

4.4 Property Holding – Update on Sale of Certain Parts of Chengdu Cityspring

- In February 2020, the buyer wrote to the Group to terminate the sale and purchase agreement, alleging that the Covid-19 outbreak, which made it difficult for the buyer to sell the properties, constituted a “force majeure” event. In June 2020, the buyer entered into a supplemental agreement with the Group to obtain a discount of RMB3.5m (due to certain differences in the dimensions of some of the carpark spaces) on the purchase consideration for 292 car park spaces and to acquire another 268 additional car park spaces. The total purchase consideration (including the purchase consideration for the 268 additional car park spaces) was increased by RMB5.9m to RMB470.9m. The buyer has also withdrawn the abovementioned termination letter.



For details of this transaction, please refer to the announcements dated 30-May-18, 12-Jul-18, 25-Sept-18, 23-Nov-18, 28-Jan-19, 22-May-19, 26-Aug-19, 18-May-2020 and 23-Jun-2020.

4.5 Property Holding – Dongguan East Sun/Wanli Property Portfolio

- In March 2017, the Group acquired a 90% equity interest in Dongguan East Sun Limited (“East Sun”) which owns a number of outdated commercial and industrial properties in Dongguan (“East Sun Portfolio”). The East Sun Portfolio was acquired for RMB260m.
- In January 2018, East Sun acquired the entire equity interests in Dongguan Wan Li Group Limited and its subsidiary which owns four outdated commercial and two industrial properties (“Wanli Portfolio”) in Dongguan. The Wanli Portfolio was acquired for RMB206m.
- In October 2018, one of the industrial properties in the Wanli Portfolio was disposed at a premium of approximately 166% over its allocated cost of RMB48.0m.
- In January 2020, East Sun signed an agreement to divest a 51% controlling equity interest in Dongguan Wan Li Group Limited valuing the remaining Wanli Portfolio at RMB320m which is approximately 100% premium over its allocated cost. A RMB50m non-refundable deposit has been received and the remaining consideration will be paid by 2022. The new investor will take the lead in the re-zoning application for the Wanli Portfolio.
- The East Sun Portfolio and Wanli Portfolio are tenanted with a positive running yield. The positive outlook of the Dongguan property market augurs well for some of these properties which are located in certain districts with good redevelopment potential.

4.6 Property Holding – Disposal of Villa Nuova Office, Zeist, The Netherlands



- The Group's 33%-owned FSMC completed the sale of Villa Nuova (a 1,428 sqm office property in Zeist, the Netherlands) on 31 January 2020. The property was 100% leased with a lease term expiring on 1 June 2022.
- The sale was completed, before the Covid-19 pandemic hit the Netherlands, at a premium of approximately 8% over its allocated cost. FSMC had enjoyed an annual net rental yield of more than 10% since its purchase in November 2015.
- The sale of Villa Nuova allows FSMC to focus its attention on its other more significant property assets and to recycle capital for other opportunities.

Section 5

Key Business Review 1H2020 – Property Financing

5.1 Property Financing - Overview of Financial Performance

In S\$'000	1H2020	1H2019	Change %
Secured PRC PF loans to third parties	25,798	20,173	27.9%
PF loans to the Group's members			
- European associates and JV ⁽¹⁾	34,048	16,727	103.6%
- Star of East River Project Co ⁽²⁾	-	3,096	n.m.
- Australian associate ⁽³⁾	3,403	-	n.m.
Unsecured PF loan to third party	479	-	n.m.
Others	1,205	1,675	(28.1%)
Total Revenue from PF	64,933	41,671	55.8%
Share of interest income from secured Australian PF loan to third party ^{(1),(4)}	573	595	(3.7%)

(1) Relates to non-PRC PF businesses. Includes one-off loan restructuring income of S\$15.5m.

(2) Repaid in March 2019.

(3) Relates to the establishment fee earned in respect of the future debt funding of the redevelopment of the City Tattersalls Club in Sydney in which the Group has a 39.9% equity interest.

(4) Income recognised through share of joint venture's profit.

5.2 Property Financing – PRC Loan Book

	Average PRC PF loan book for half year ended	PRC PF loan book as at
30 June 2020	RMB2,632.6m (S\$522.6m)	RMB2,295.4m (S\$453.3m)
31 December 2019	RMB2,211.4m (S\$437.0m)	RMB2,360.0m (S\$456.7m)

- In connection with the economic difficulties resulting from the Covid-19 pandemic, the Group consented to the short term deferral of interest payments to a borrower with a RMB580m loan and another borrower group with two cross collateralized loans amounting to RMB330m.
- The RMB580m loan is secured on a Guangzhou city hotel with a 44% LTV. The borrower was allowed to defer 50% of the monthly interest payments for a few months from 2Q2020 on the condition that the borrower contributes additional equity to a bank account jointly controlled by the borrower and the Group.
- The RMB330m loans are secured on a residential villa (RMB50m @ 46% LTV) and a 5-floor retail mall (RMB280m @ 55% LTV) in Shanghai. The related borrower group was given consent to defer interest payment for one month.

5.3 Property Financing – European Loan Book and Growth

- For the European PF loans, the Group has restructured all loans extended to the 33%-owned FSMC group. Interest obligations have been duly met up to 30 June 2020.
- The Group will closely monitor the performance of its PF loan portfolio, especially with regard to the two PRC loans, while seeking to grow its loan book prudently.

Thank You

For enquiries, please contact:

Mr Zhang Jiarong

Senior Vice President – Financial Planning & Analysis

First Sponsor Group Limited

Email: ir@1st-sponsor.com.sg

Disclaimer

This document may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, customers and partners, expected levels of occupancy rate, property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.