

FIRST SPONSOR GROUP LIMITED

(Incorporated in the Cayman Islands)
(Company Registration No. AT-195714)

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

The board of directors (the "**Board**") of First Sponsor Group Limited (the "**Company**") refers to the Company's announcements on 8 February 2018, 21 February 2018, 15 March 2018, 23 March 2018, 16 April 2018 and 20 April 2018 in relation to the renounceable and non-underwritten rights issue of up to S\$162,199,110.70 in aggregate principal amount of 3.98 per cent. perpetual convertible capital securities (the "**Convertible Securities**") in the denomination of S\$1.10 for each Convertible Security to Entitled Shareholders (the "**Rights Issue**") and its offer information statement dated 23 March 2018 (the "**Offer Information Statement**") in relation to the Rights Issue. Unless otherwise defined herein or the context otherwise requires, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the Offer Information Statement.

It was stated in the Offer Information Statement that an advance tax ruling will be requested from the Inland Revenue Authority of Singapore ("**IRAS**") to confirm the classification of the Convertible Securities for Singapore income tax purposes and the Singapore tax treatment of the payment of the Distributions.

The Company wishes to announce that the abovementioned tax ruling has been obtained from the IRAS. In particular, the IRAS has stated in the tax ruling that it is prepared to regard the Convertible Securities as "debt securities" for the purpose of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore ("**ITA**") and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations ("**QDS Regulations**"). Accordingly, the Distributions (including Arrears of Distributions) arising from the Convertible Securities will be regarded by the IRAS as debt interest. Subject to the satisfaction of the conditions in respect of the qualifying debt securities ("**QDS**") scheme under the QDS Regulations, Section 43N and Section 13(16) of the ITA, the Convertible Securities will be regarded by the IRAS as QDS and the Securityholders will be entitled to the tax concessions and exemptions under Section 43N and Section 13(1)(a) of the ITA respectively. Should the Convertible Securities (some or all) be subsequently converted into ordinary shares, any payments received by the Securityholders on the Conversion Shares will not be regarded as interest but as dividends.

BY ORDER OF THE BOARD

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
13 November 2018