



## PRESIDENT & CEO'S REPORT

2017 was a year of significant growth for Supreme Ventures, with the Group achieving record revenues of approximately \$56 billion, representing a 25% increase over 2016. This, combined with an effective cost management programme, resulted in a 44% increase in "Profit from operations", which surpassed the \$2 billion mark.

The 2017 net profit of approximately \$1.2 billion represents a minimal (1.6%) increase over 2016, due to the impact of just over \$471 million in non-cash and non-routine one-off impairment adjustments in order to reflect realistic valuations for our VLT licences and investment properties.

## SEGMENT RESULTS

The first quarter of 2017 started with the acquisition of the operations of Caymanas Park, which saw the Group effectively investing some \$1.2 billion in assets into the Caymanas operations. Revenues from all components of the Group's Horse Racing business are showing an upward trend, and the Group has a strategic plan aimed at capitalising on the growth and synergistic opportunities within the business. We are confident about the future viability of the Caymanas operations.

Overall results from the Group's non-Horse Racing segment were strong, with year-over-year revenues and segment results growing by approximately 15% and 18% respectively. The Group remains committed to rewarding shareholders' confidence with sustained business growth and strong returns on their investments. Accordingly, on February 26, 2018, the Board of Directors approved an ordinary dividend distribution of \$0.12 per share payable on March 23, 2018 to shareholders on record as at March 9, 2018. The Board of Directors also approved on February 26, 2018, a special dividend of \$0.08 per share to be paid out of retained earnings as at December 31, 2018. This special dividend is payable on March 23, 2018 to shareholders on record as at March 9, 2018. The Group is pleased to have paid out 71 cents to its shareholders in 2017, which almost doubled the 37 cents it paid out in 2016.

The SVL Group is proud of our continued contribution to social development, with our 2017 contributions to the CHASE fund totalling over \$1.4 billion, adding to the over \$10 billion we have contributed in the 10 years up to 2016.

Our strong performance could not have taken place without our hardworking and dedicated team members, who remained focused on the overarching goal of building the business. They went above and beyond in working assiduously in the acquisition and incorporation of SVREL into the SVL Group, as well as in carrying out the other projects and initiatives throughout the year. I thank them sincerely for the commitment, which enabled SVL to achieve its 2017 performance.

I must also express gratitude to our shareholders, in whose interest we continue to tirelessly work. We appreciate your continued confidence in SVL, and commit to keep working to give you returns on your investment.

To our stakeholders, especially our vast agent network, your contribution to SVL has been invaluable. Our promise is to play our part in maintaining mutual success.

As a proud compliant entity, we thank our Regulators for their continued oversight and guidance. I am also grateful to our Board of Directors for their expertise as we forge ahead.

#### FUTURE OUTLOOK

We are energised about our strategic development plans, which include dynamic engagement of our customers through new and exciting interactive gaming solutions and continued innovation in our current product offerings. We are confident in the capabilities of our people and the effectiveness of our strategies, which will enable us to sustain our offering of superior products to our customers and maximise shareholder value.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ann-Dawn Young Sang', with a long horizontal flourish extending to the right.

Ann-Dawn Young Sang  
President & CEO