



CITY DEVELOPMENTS LIMITED



TAI TAK

Joint Press Release

FIRST SPONSOR PARTNERS WITH KEY SHAREHOLDERS CDL AND TAI TAK FOR THE ACQUISITION OF THE LE MERIDIEN FRANKFURT HOTEL IN GERMANY

Singapore, 7 December 2017 – Singapore Exchange (SGX) mainboard-listed First Sponsor Group Limited (“**First Sponsor**” or the “**Company**”, and together with its subsidiaries and associated companies, the “**Group**”), is pleased to announce that the Group, in partnership with its two key shareholders, City Developments Limited (“**CDL**”) and Tai Tak Estates Sendirian Berhad (“**Tai Tak**”), has through a joint venture partnership on 6 December 2017 entered into a sale and purchase agreement for the proposed acquisition of the Le Méridien Frankfurt Hotel in Germany (the “**Acquisition**”). The expected total consideration for this Acquisition is €85.0 million (S\$135.9 million) including transaction costs.

The Le Méridien Frankfurt Hotel is a freehold property that is located close to the main train station in the Frankfurt district of “Bahnhofsviertel” - the city centre of Frankfurt, and has an aggregate land size of approximately 4,405 square metres. The hotel comprises two buildings, a historic part with a monumental status built in 1905 that has 80 rooms and a modern part built in the 1970s with 220 rooms. The hotel also has 670 square metres of conference space with an extensive fitness and wellness area, and 48 parking spaces. The hotel is currently leased to MHP Parkhotel GmbH with a lease expiry date of 31 May 2040 and is operated under the “Le Méridien” brand on the basis of a franchise granted by Starwood.

Mr. Calvin Ho Han Leong (Chairman, First Sponsor) said, “First Sponsor is pleased to have the opportunity to directly co-invest with CDL and Tai Tak in the acquisition of Le Méridien Frankfurt. Their participation with First Sponsor in this acquisition is an endorsement of our Group’s expansion plan. First Sponsor has successfully diversified from a China centric real estate player to become a significant property player in the Netherlands since entering the Dutch market in 2015. As First Sponsor continues to build our property holding business segment’s recurrent income stream, our first foray into Germany together with Tai Tak and CDL marks another exciting chapter of our European growth story.”

Mr. Kwek Eik Sheng (Chief Strategy Officer and Head of Asset Management, CDL) said, “As a major hub for commerce, tourism and transportation, Frankfurt is a compelling destination for acquisitions in Germany which is the largest economy in Europe. Moreover, with Brexit, hotels in Frankfurt will see increasing demand as businesses including banks are shifting their operations and activities to this German city. More importantly, together with Tai Tak, CDL is pleased to support First Sponsor’s growth through this joint acquisition of a prime freehold hotel property in the city centre of Frankfurt. At the same time, it will also enable CDL to enhance our recurring income stream and enlarge our geographical footprint for

strategic diversification. Earlier in the year, the CDL Group entered Munich through CDL Hospitality Trusts' acquisition of Pullman Hotel Munich. With a strong balance sheet, CDL will continue to seek opportunities for new acquisitions and investments both locally and overseas."

Mr. Ho Han Khoo (Executive Director, Tai Tak) said, "Tai Tak has been very supportive of First Sponsor's European expansion plan. We are excited to have the opportunity to directly co-invest with First Sponsor and CDL in such a centrally located German hotel. This is our third business joint venture with Chairman Kwek following two successful cooperation with his Hong Leong Singapore Group of companies. Tai Tak believes this cooperation is well placed to make the most of the potential growth in Frankfurt. Tai Tak looks forward to seeing this investment grow and prosper for all parties in this joint venture."

Details of the Acquisition

Property	<ul style="list-style-type: none"> • Le Méridien Frankfurt Hotel, Germany
Number of keys	<ul style="list-style-type: none"> • 300 rooms (Modern Wing: 220, Classic Wing: 80)
Land tenure	<ul style="list-style-type: none"> • Freehold
Total consideration	<ul style="list-style-type: none"> • €85.0m (\$\$135.9m) or €283,000 (\$\$453,000) per Key
Lease term	<ul style="list-style-type: none"> • 25 years expiring on 31 May 2040 with tenant having an option to renew for another 5 years
Expected completion date	<ul style="list-style-type: none"> • Late December 2017 or early January 2018

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Please refer to the SGX announcement and related investor presentation dated 7 December 2017 for further details of the Acquisition.

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About First Sponsor Group Limited (www.1st-sponsor.com.sg)

First Sponsor Group Limited (“**First Sponsor**”, and together with its subsidiaries and associated companies, the “**Group**”), a mixed property developer and owner of commercial properties (including hotels), and a provider of property financing services in the People’s Republic of China and the Netherlands, was listed on the Mainboard of Singapore Exchange Securities Trading Limited on 22 July 2014. The Group is supported by both its established key controlling shareholders, the Hong Leong Singapore group of companies, through its shareholding interests in Millennium & Copthorne Hotels plc and Tai Tak Estates Sendirian Berhad, a private company with a long operating history, which was incorporated in Singapore in 1954.

About City Developments Limited (www.cdl.com.sg)

City Developments Limited (CDL) is a Singapore-listed international real estate operating company with a global presence spanning 97 locations in 26 countries. As one of Singapore’s largest companies by market capitalisation, its income-stable and geographically-diversified portfolio comprises residences, offices, hotels, serviced apartments, integrated developments and shopping malls, totalling over 18 million square feet of floor area globally. CDL has hotel assets in one of the world’s largest hotel groups – its London-listed subsidiary, Millennium & Copthorne Hotels plc (M&C), has over 130 hotels globally, many in key gateway cities. Globally, CDL has developed over 40,000 homes and is one of Singapore’s largest commercial landlords, with one of the biggest landbanks amongst Singapore private-sector developers. Building on its track record of over 50 years in real estate development, investment and management, CDL has developed growth platforms in five key international markets – UK, US, China, Japan and Australia. CDL is also leveraging its stable of prime assets and growing its real estate funds management business. It currently has over \$3.5 billion in funds under management.

About Tai Tak Group

Tai Tak Estates Sendirian Berhad is a private company which was incorporated in 1954. It has long operating history which began in rubber plantation ownership and management. Subsequently, Tai Tak diversified into the palm oil business, undertook logging and sawmilling operations. It currently invests in a wide range of businesses, including plantations, listed and private equities and property holding and development.
