



FIRST SPONSOR GROUP LIMITED

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Press Release

FIRST SPONSOR TO ACQUIRE A DUTCH HERITAGE BRANDED HOTEL PORTFOLIO THROUGH ITS 33% OWNED ASSOCIATED COMPANY FOR €205.0 MILLION (\$\$323.3 MILLION)

Singapore, 3 July 2017 – Singapore Exchange (SGX) Mainboard-listed First Sponsor Group Limited (“First Sponsor” or the “Company”, and together with its subsidiaries, the “Group”), is pleased to announce the envisaged acquisition of Queens Bilderberg (Nederland) B.V. (“QBN”) by its 33% owned FSMC NL Property Group B.V. as to approximately 95% and the EVENT Hotel Group as to approximately 5%. QBN owns a portfolio of 17 hotels (“Bilderberg Portfolio”) with 1,695 rooms and 13,661 sqm of conference space and is geographically spread across the Netherlands, including key gateway cities such as Amsterdam, Rotterdam and The Hague. The Bilderberg Portfolio is an exceptional mix of leading conference hotels and distinctive trophy assets, attracting a balanced mix of leisure and commercial demand. Bilderberg is a well-known brand in the Netherlands and has an excellent reputation for providing high-quality service, great meeting and conference facilities and high standard food offerings in its many restaurants and banqueting venues.

Mr Neo Teck Pheng, Group Chief Executive Officer, said, “This envisaged acquisition will catapult the Group to become one of the largest hotel owners in the Netherlands. The Bilderberg Portfolio has an established profit track record from as far back as 2001 which would provide further diversification to our recurrent income base thereby strengthening our business resilience.

The Bilderberg Portfolio will be acquired at a historical 2016 net yield of 6.5% after transaction costs. It has undergone capital expenditure of €36 million in total for the last 4 years which has positioned the portfolio advantageously to capture any potential upside from the improving Dutch economy and uptake in the hospitality market. In addition, certain hotels have been identified to have redevelopment potential including increasing room count to optimise their earnings capacity. 15 out of the 17 hotels are freehold and perpetual leasehold in tenure and this aligns well with the Group’s long term investment strategy for capital appreciation. “

Details of the Acquisition

Bilderberg Portfolio	<ul style="list-style-type: none">• 16 owned hotels + 1 leased hotel• Geographically well spread across the Netherlands, including key gateway cities such as Amsterdam, Rotterdam and The Hague• Long-standing profit track record• Experienced and long-serving management team• Strong Dutch heritage brand
Key property statistics	<ul style="list-style-type: none">• 1,633 rooms (owned) + 62 rooms (leased)• 13,661 sqm of conference space• 49 F&B outlets (including 2 Michelin starred restaurants)
Land tenure (owned)	14 freehold + 1 perpetual leasehold + 1 temporary leasehold
Acquisition Property Value	€205.0m (S\$323.3m) or €125,500 per room {including estimated transaction costs of €2.2m (S\$3.4m)}
FY2016 trading statistics	<ul style="list-style-type: none">• Average occupancy: 62.5%• ARR: €95.1• RevPAR: €59.5• TRevPAR: €124.2
FY2016 EBITDA / Net yield	€13.4m / 6.5%
Expected completion date	3Q2017

Please refer to the SGX announcement and related investor presentation dated 3 July 2017 for further details of the envisaged acquisition.

For media enquiries, please contact:

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Please visit us on our Company's website (www.1st-sponsor.com.sg) and let us know of any comments, suggestions or enquiries.

About First Sponsor Group Limited

First Sponsor Group Limited ("**First Sponsor**", and together with its subsidiaries, the "**Group**"), a property developer in the People's Republic of China (the "PRC"), owner of commercial properties in the PRC and the Netherlands, and a provider of property financing services in the PRC, 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 group of companies, through its shareholding interests in Millennium & Copthorne Hotels plc ("M&C UK"), and Tai Tak Estates Sendirian Berhad, a private company with a long operating history, which was incorporated in Singapore in 1954.

About EVENT Hotel Group

EVENT Hotel Group is based in Cologne, Germany and is primarily engaged in the business of hotel investments and management. It has various ownership interests in 59 hotels across Europe which it manages, including 11 hotels in the Netherlands which it co-owns with a private equity fund. Event has an established track record of over 20 years in the European hospitality industry and has partnered with reputable institutions and private equity groups.