

PROPOSED ACQUISITION OF SHARES IN CONCORD FOCUS DEVELOPMENT LIMITED

1. INTRODUCTION

- 1.1 The Board of Directors (“**Board**”) of First Sponsor Group Limited (“**Company**”) refers to the announcement dated 4 March 2019 (“**4 March Announcement**”) in relation to the binding framework agreement dated 2 March 2019 (“**Framework Agreement**”) entered into between (a) FS Dongguan No. 9 Investment Consultancy Co., Ltd. (东莞市首铸九号投资咨询有限公司) (“**FS No. 9**”), an indirect wholly-owned subsidiary of the Company incorporated under the laws of the People’s Republic of China, (b) Mr Chung Kwok Keung (钟国强), Mr Poon Sau Tin (潘寿田) and Mr Poon Sum (潘森) (collectively, “**Vendors**”), (c) Concord Focus Development Limited (康和发展有限公司) (“**Target**”) and (d) Dongguan Kanghe Property Management Consulting Services Co., Ltd. (东莞康和物业管理咨询服务服务有限公司) (“**Project Company**”) in relation to the proposed acquisition (“**Acquisition**”) by FS No. 9 and/or such other party or parties as may be nominated by FS No. 9 from the Vendors of 100% of the issued shares in Target.
- 1.2 Unless otherwise defined herein or the context otherwise requires, all capitalised terms used herein shall bear the same meanings ascribed to them in the 4 March Announcement.

2. EXECUTION OF DEFINITIVE SPA

- 2.1 The Board is pleased to announce that FS No. 9 and Wenjiang (BVI) Limited (“**Purchaser**”), a wholly-owned subsidiary of the Company incorporated under the laws of the British Virgin Islands, have entered into a definitive conditional SPA with the Vendors, Target and Project Company on 25 April 2019.
- 2.2 Pursuant to the SPA, the parties have agreed as follows:
- (a) Loan owed to FS No. 9. The Deposit, which was paid by FS No. 9 to Project Company on 6 March 2019, shall be treated as a loan owed by Project Company to FS No. 9 and taken into account in the adjusted consolidated net asset value of the Target Group for the purposes of determining the Consideration.
- (b) Preliminary Consideration. On the Completion Date, the Purchaser and/or any party designated by the Purchaser to purchase any of the Target Shares on the Completion Date (“**Purchaser’s Designated Party**”) shall pay the preliminary Consideration of RMB404.0 million (approximately S\$81.6 million¹), which is equal to the adjusted consolidated net asset value of the Target Group based on the management accounts of the Target Group as at 31 March 2019. Accordingly, the cashier’s order referred to in paragraph 3.3(i)(aa) of the 4 March Announcement shall be for an amount of RMB354.0 million (approximately S\$71.5 million).

¹ Unless otherwise stated, the exchange rate of RMB1:S\$0.202 is used in this announcement.

- (c) Post-Completion Adjustment. Post-completion, the actual Consideration shall be computed based on the management accounts of the Target Group as at the Completion Date. Any difference between the actual Consideration and the preliminary Consideration (“**Adjustment Amount**”) shall be settled accordingly within 5 business days after the actual Consideration has been conclusively determined.
 - (d) Release of Escrow Money. The RMB50.0 million (approximately S\$10.1 million) referred to in paragraph 3.3(ii) of the 4 March Announcement to be held in escrow by the Purchasers’ lawyers (“**Escrow Money**”) shall be released as follows:
 - (i) on the date falling on the fifth business day from the first anniversary of the Completion Date, an amount equal to RMB40.0 million (approximately S\$8.1 million) less the Adjustment Amount and/or any claims under the SPA (if any) which the Purchaser and/or the Purchaser’s Designated Party may have against the Vendors (collectively “**Unresolved Claims Amount**”), shall be released to the Vendors; and
 - (ii) on the date falling on the fifth business day from the second anniversary of the Completion Date, the remaining amount of the Escrow Money less any Unresolved Claims Amount shall be released to the Vendors.
- 2.3 Save as stated herein, the principal terms of the SPA reflect those in the Framework Agreement as stated in the 4 March Announcement. Please refer to the 4 March Announcement for further information required by Rules 1010(3) and 1010(5) of the Listing Manual.
- 2.4 As stated in paragraph 4.2 of the 4 March Announcement, the Group intends to designate a third party to be one of the Purchasers, subject to the Group retaining a controlling stake in the Target Group upon completion of the Acquisition.

3. **DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the Acquisition.

BY ORDER OF THE BOARD

Neo Teck Pheng
Group Chief Executive Officer and Executive Director

25 April 2019