

**ANNOUNCEMENT OF CHANGE IN SHAREHOLDING IN ASSOCIATED COMPANY PURSUANT TO RULE 704(17)(d) OF THE LISTING MANUAL**

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**1. INTRODUCTION**

Pursuant to Rule 704(17)(d) of the listing manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”), the Board of Directors of First Sponsor Group Limited (“**Company**”, and collectively with its subsidiaries, “**Group**”) wishes to announce that the Company’s shareholding interest in FSMCR Hilton Rotterdam B.V. (“**FSMCR**”) has increased from 24.7% to 33.0% following the acquisition (“**Acquisition**”) by the Company’s indirect wholly-owned subsidiary, FS NL Holdings B.V. (“**FSNL**”), of:

- (a) 605 issued shares in the capital of FSMCR (“**Shares**”), representing approximately 7.1% of the total issued share capital of FSMCR, from Cobb Netherlands B.V. (“**Seller 1**”); and
- (b) 100 Shares, representing approximately 1.2% of the total issued share capital of FSMCR, from a Dutch high net worth individual (“**Seller 2**”),

(collectively, “**Target Shares**”) for an estimated aggregate purchase price of €100,000 (equivalent to approximately S\$154,000<sup>1</sup>) based on the adjusted consolidated net asset value of FSMCR and its subsidiaries (“**FSMCR Group**”) as at 31 December 2018, subject to certain post-closing net debt and working capital adjustments (“**Purchase Price**”).

FSMCR’s wholly-owned subsidiary, RE Hilton Rotterdam B.V., holds the title to the 254-room five-star hotel at Rotterdam in the Netherlands operating under the name of “Hilton Rotterdam” (“**Hilton Rotterdam Hotel**”), which is leased by the Group.

None of Seller 1 and Seller 2 is an “interested person” of the Company for the purposes of Chapter 9 of the Listing Manual.

The changes in shareholdings in FSMCR are summarised as follows:

Shareholders	Before the Acquisition		After the Acquisition	
	Number of Shares held	% Ownership	Number of Shares held	% Ownership
FSNL	2,100	24.7	2,805	33.0
Seller 1	2,100	24.7	1,495	17.6
Maleny Netherlands B.V. (“ <b>Maleny</b> ”)	2,100	24.7	2,100	24.7
Robinvale Netherlands B.V.	2,100	24.7	2,100	24.7
Seller 2	100	1.2	0	0
Total	8,500	100	8,500	100

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<sup>1</sup> Unless otherwise stated, the exchange rate of €1.00 : S\$1.540 is used in this announcement.

## 2. PURCHASE PRICE AND FUNDING

The Purchase Price was arrived at after arm's length negotiations, on a willing-buyer, willing-seller basis, taking into account, among others, the most recent desktop market valuation of the Hilton Rotterdam Hotel, subject to the existing lease to the Group, at €49.8 million (equivalent to approximately S\$76.7 million) as at 31 December 2018 by CBRE B.V. ("Valuer"). The Valuer was commissioned by RE Hilton Rotterdam B.V. to conduct the valuation for its year-end accounting purpose.

Based on the unaudited consolidated financial statements of the FSMCR Group for the financial year ended 31 December 2018, the negative book value of, and negative net tangible asset value attributable to, the Target Shares was approximately €0.2 million (equivalent to approximately S\$0.31 million). As the Target Shares are not publicly listed and traded, the Company is not able to determine their available open market value.

The Acquisition was funded through existing cash resources and is not expected to have any material impact on the consolidated earnings per share and the consolidated net tangible assets per share of the Group for the current financial year.

## 3. CALL OPTION AGREEMENT DATED 4 FEBRUARY 2015

In February 2015, FSNL, together with Seller 1, Maleny and Siong Lim Private Limited ("SLPL"), completed the acquisition of the entire equity interest in NL Property 1 B.V. (formerly known as "Eurooffice 445 B.V.") ("NLP1") from certain institutional investors. Pursuant to the acquisition, FSNL acquired a 33.0% equity interest in NLP1, which holds the title to the office building at Jachthavenweg in Amsterdam named "Zuiderhof I".

Pursuant to a call option agreement dated 4 February 2015 between FSNL, Seller 1, Maleny and SLPL, FSNL has the right (but not the obligation) to acquire such number of new non-redeemable and non-convertible preference voting shares in the capital of NLP1 at €1.00 each, that would result in FSNL holding a simple majority of the voting rights in NLP1 (the "Call Option"). Further information on the Call Option is set out in the Company's announcement dated 5 February 2015 which is available on the SGXNET.

As of the date of this announcement, the Call Option has not been exercised. For accounting purposes, as a result of the Call Option, the Company was deemed to have control over NLP1 and NLP1 was therefore consolidated as a subsidiary.

As a condition to the sale by Seller 1 of its portion of the Target Shares to FSNL, FSNL has on 28 June 2019 entered into an agreement with Seller 1 pursuant to which FSNL has agreed to obtain Seller 1's approval prior to the exercise of the Call Option ("Cobb Agreement"). For accounting purposes, the Cobb Agreement will result in the deconsolidation of NLP1. The deconsolidation of NLP1 is not expected to have any material impact on the consolidated earnings per share and the consolidated net tangible assets per share of the Group for the current financial year.

BY ORDER OF THE BOARD  
FIRST SPONSOR GROUP LIMITED

Neo Teck Pheng  
Group Chief Executive Officer and Executive Director

28 June 2019