



# First Sponsor Group Limited

## Acquisition of the Bilderberg Hotel Portfolio in the Netherlands

3 July 2017



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**Section 1**

**Executive Summary**

# Executive Summary – Brief Details of the Bilderberg Portfolio



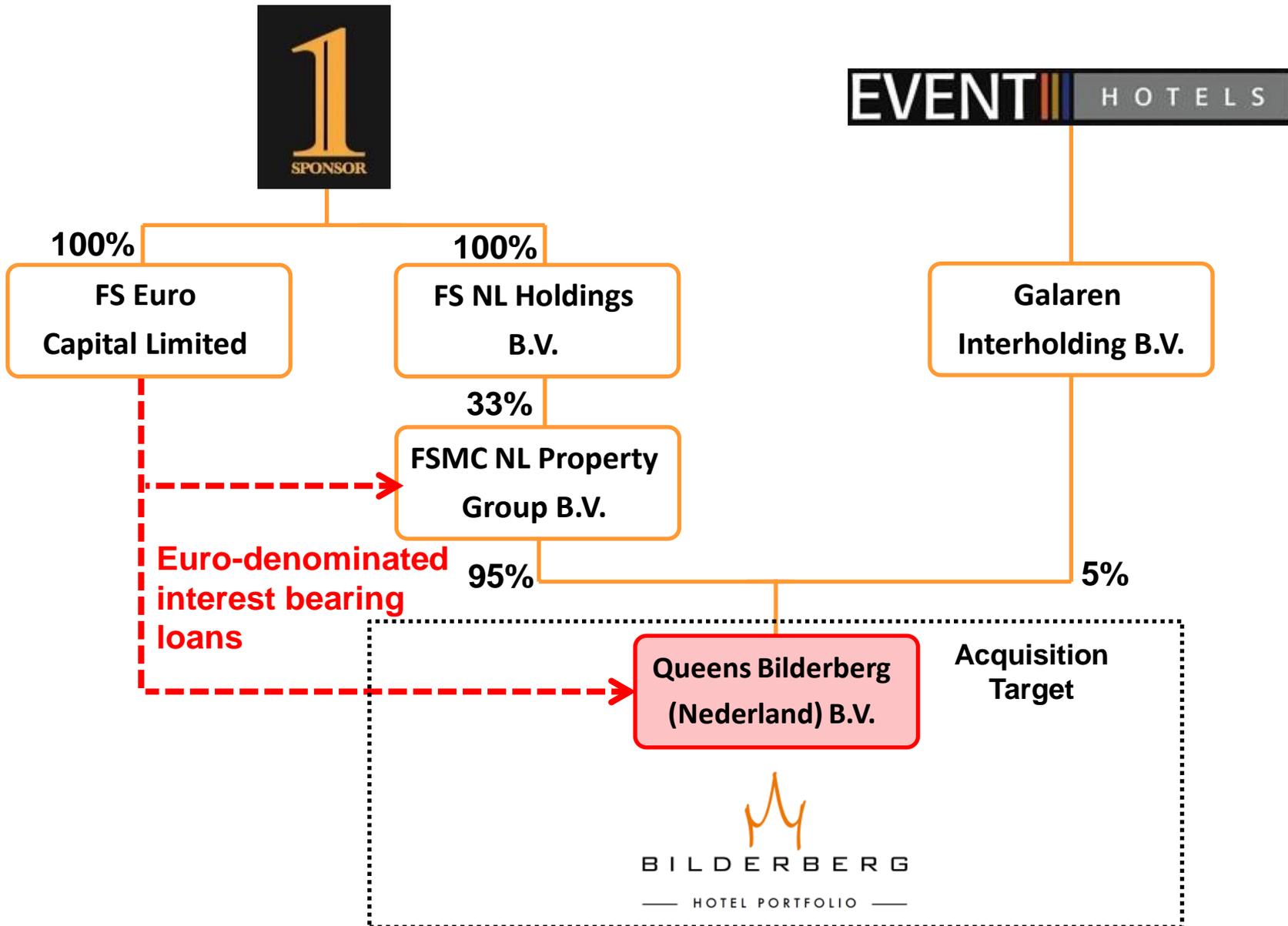
<b>Bilderberg Portfolio</b>	<ul style="list-style-type: none"> <li>• 16 owned hotels + 1 leased hotel</li> <li>• Geographically well spread across the Netherlands, including key gateway cities such as Amsterdam, Rotterdam and The Hague</li> <li>• Long-standing profit track record</li> <li>• Experienced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

<sup>1</sup> Perpetual right of ground lease

<sup>2</sup> Temporary right of ground lease

<sup>3</sup> Excluding rooms of leased hotel

# Executive Summary – Proposed Acquisition Structure





## 5 Crown Properties (“CP”) – 763 rooms

- Crown jewels of the Bilderberg Portfolio
- Constitutes 80% of the APV
- Mainly in the Randstad region

- APV: €163.8m
- Price per room: €214,700
- Occupancy: 67%
- FY2016 ARR: €102
- FY2016 RevPAR: €69
- FY2016 TRevPAR: €127
- FY2016 EBITDA: €7.8m
- FY2016 Net yield: 4.8%

## 11 Properties with Potential (“PP”) – 870 rooms

- With their unique qualities, these hotels are deemed to have potential earnings or value upside

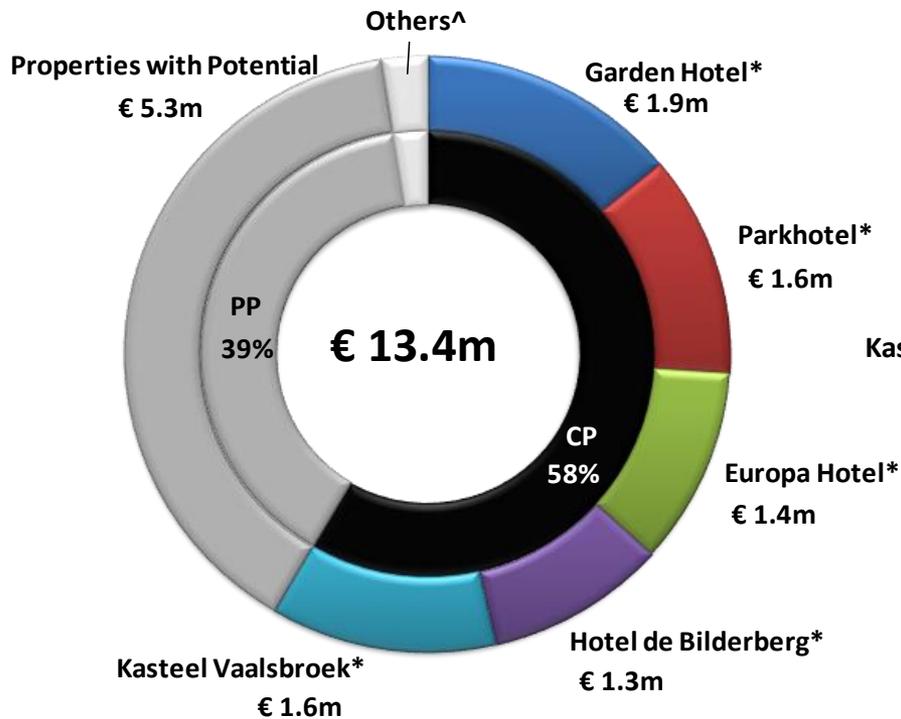
- APV: €41.2m
- Price per room: €47,400
- Occupancy: 57%
- FY2016 ARR: €82
- FY2016 RevPAR: €47
- FY2016 TRevPAR: €121
- FY2016 EBITDA: €5.3m\*
- FY2016 Net yield: 12.9%

\*Excluding Bilderberg Hotel Jan Luyken (operating lease)

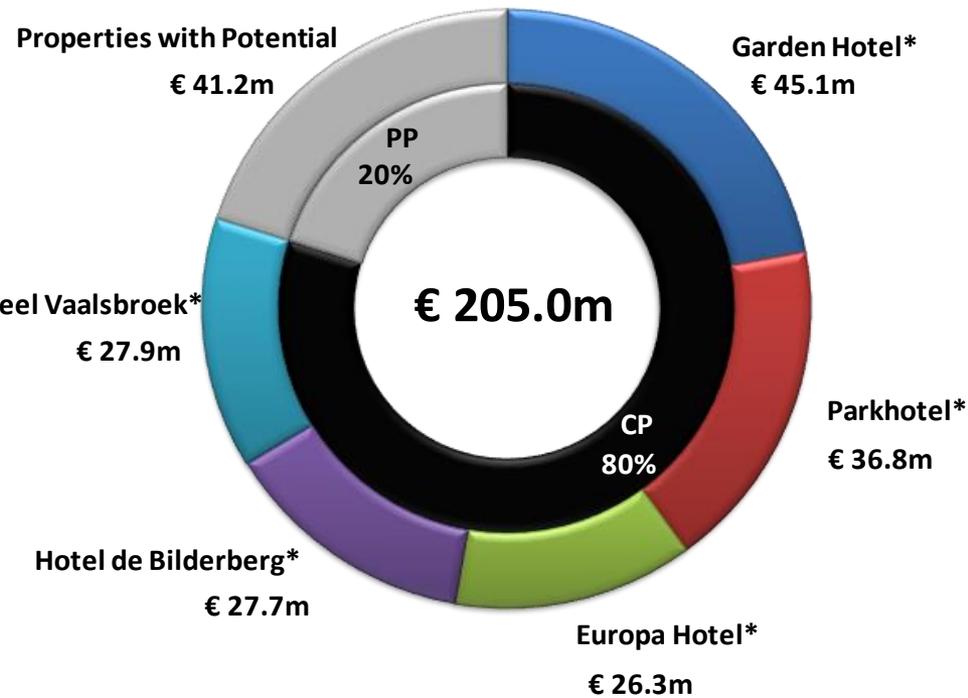
# Executive Summary – Portfolio Composition

## Bilderberg Portfolio split by Crown Properties and Properties with Potential

**FY2016 EBITDA**



**Acquisition Property Value**



\*Crown Properties

^Bilderberg Hotel Jan Luyken – with an EBITDA of €0.3m

# Executive Summary – Geographic spread of the Bilderberg Portfolio

## 5 Crown Properties

1. Garden Hotel – Amsterdam
2. Parkhotel – Rotterdam
3. Europa Hotel – Scheveningen
4. Hotel de Bilderberg – Oosterbeek
5. Kasteel Vaalsbroek – Vaals

## 11 Properties with Potential

6. Hotel 't Speulderbos – Garderen
7. Residence Groot Heideborgh – Garderen
8. Hotel De Keizerskroon – Apeldoorn
9. Hotel De Klepperman – Hoevelaken
10. Hotel Klein Zwitserland – Heelsum
11. Hotel Wolfheze – Wolfheze
12. Hotel De Buunderkamp – Wolfheze
13. Grand Hotel Wientjes – Zwolle
14. Landgoed Lauswolt – Beetsterzwaag
15. Chateau Holtmuhle – Tegelen
16. Hotel De Bovenste Molen – Venlo

## 1 Leased Property until 2020

17. Hotel Jan Luyken – Amsterdam (lease ends in September 2020)



## Henry A. Kissinger – “There cannot be a crisis next week. My schedule is already full” -an attendee of the *Bilderberg Conference*

- The Bilderberg story began in 1968 when a local Dutch family acquired its first Hotel, Klein Zwitserland. The name Bilderberg was only adopted later in 1975 with the acquisition of the Hotel de Bilderberg.
- The Bilderberg brand, although today known for its high quality hospitality offerings, is perhaps more widely recognized in its role for playing host to the inaugural “Bilderberg Group” conference.
- This conference was slated as an international gathering of some the most influential individuals from the United States and Western Europe at the time, and was aimed at developing closer ties, as well as fostering discussions on political, economic and defense issues between the allies.
- The event was initiated by several people, such as Józef Hieronim Retinger<sup>1</sup>, then a Polish political adviser, who would go on to lead the establishment of the European Union, and supported by Prince Bernhard<sup>2</sup> of the Netherlands, who in turn invited distinguished guest such as the then heads of Unilever and the American Central Intelligence Agency.



<sup>2</sup>Prince Bernhard



<sup>1</sup>Józef Hieronim Retinger

## Section 2

## Investment Rationale

# Investment Rationale

1

**Attractive Price**  
Quality portfolio (mainly freehold or perpetual leasehold properties) bought at 6.5% historical EBITDA yield

2

**Upside Potential 1:**  
Higher occupancy and room rate in view of the uptake in the Dutch hospitality market

3

**Upside Potential 2:**  
Boost in F&B revenue (a significant component) from an improving Dutch economy



6

**Diversification**

- Higher recurrent income contribution
- Increased exposure to the Randstad region in the Netherlands

5

**Long-standing Track Record**  
Profitable from as far back as FY2001, including throughout the 2008 Global Financial Crisis

4

**Upside Potential 3:**  
Unlocking redevelopment potential for some of the hotel properties

## Investment Rationale – Distinct and unique portfolio

The envisaged acquisition offers the opportunity for the Group to acquire multiple fine quality properties including properties with good redevelopment and capital appreciation potential in the Netherlands at an attractive price.



**EBITDA of € 13.4m**  
**APV of € 205.0m**

**= 6.5% Yield**



15 out of the 17 properties within the Bilderberg Portfolio include freehold and perpetual leasehold tenures. This aligns well with the Group's long term investment strategy for capital appreciation.

# Investment Rationale – Upside Potential 1

## Uptake in Dutch Hospitality Market

The increasing momentum in the Dutch hospitality market bodes well for the future trading performance of the Bilderberg Portfolio.



<sup>1</sup> Source: The Economist

<sup>2</sup> Source: iamsterdam

<sup>3</sup> Source: Hotel News Resource STR

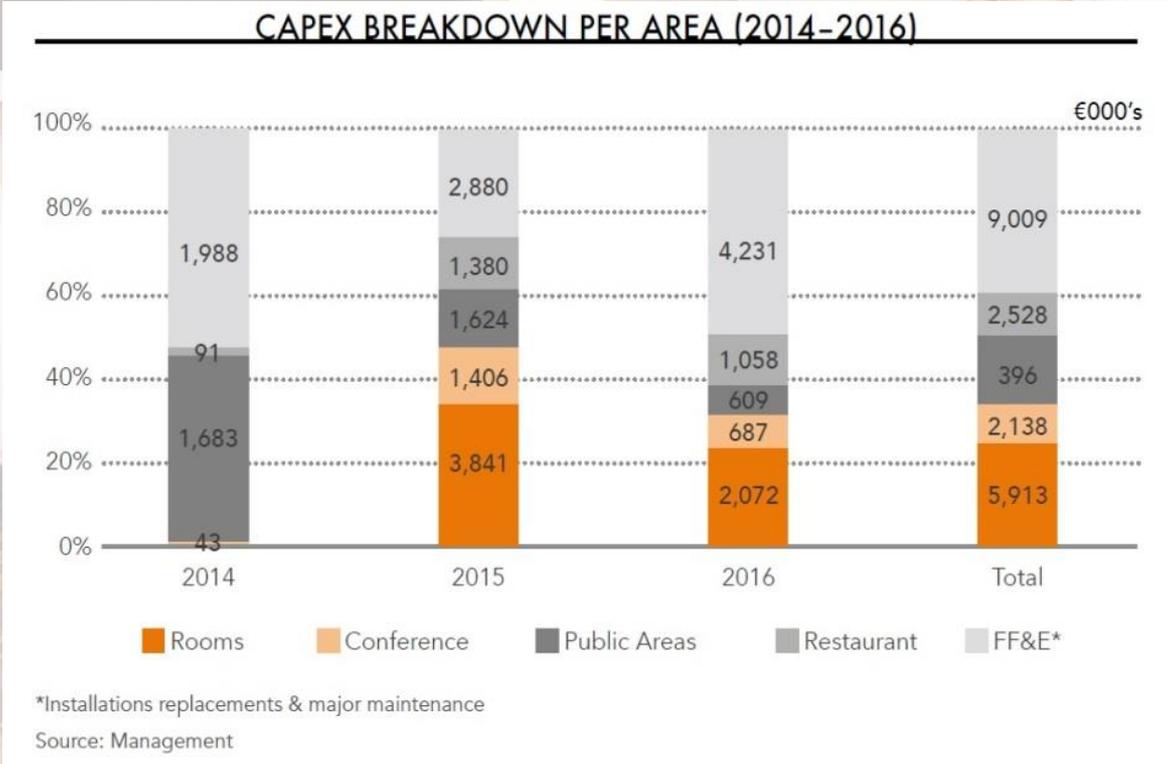
<sup>4</sup> Source: Statistics Netherlands (CBS)

<sup>5</sup> Source: RaboResearch

# Investment Rationale – Upside Potential 1

## Significant Capital Invested in the Bilderberg Portfolio in the Past 4 Years

The Bilderberg Portfolio has undergone capital expenditure of €36# million in total for the last 4 years which has positioned the portfolio advantageously to capture any potential upsides from the improving hospitality market conditions.

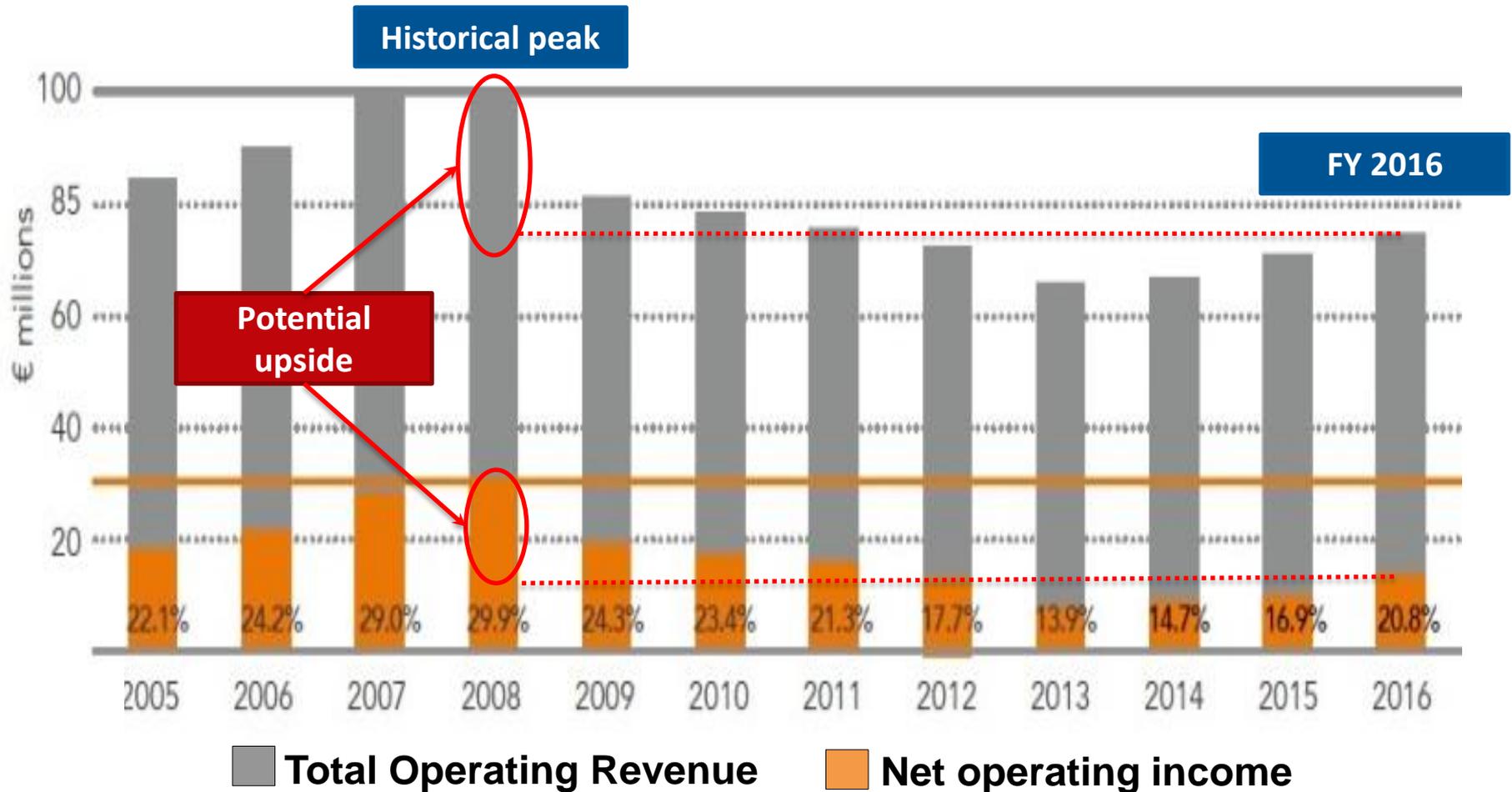


#Includes an additional €12 million in capex that was spent in 1H2017

Capex investments in FY2016 of approximately €9m with another €12m in 1H2017 has positioned the Bilderberg Portfolio to attract more customers, which will increase the occupancy, room rate and peripherally, the F&B segment.

# Investment Rationale – Upside Potential 1

The EBITDA for FY2016 is less than half of the historical peak in FY2008. This showcases the further earnings potential of the Bilderberg Portfolio





## Featured in the MICEdition Summer 2017 published by iamsterdam

*“ideally located in the museum district within walking distance of chic stores, restaurants and Museum Square”*

*“exceptional personal service”*

*“De Kersentuin has a famous history which spans more than 30 years”*

As almost half of FY2016 revenue is derived from the F&B and MICE segments, the Bilderberg Portfolio is expected to benefit greatly from the improving Dutch economy and improved performance in the MICE category in the international market.

## Expansion and Redevelopment Potential

The following properties in the Bilderberg Portfolio are identified to have redevelopment potential, including increasing room count.



**Garden Hotel Amsterdam**



**Kasteel Vaalsbroek**



**Parkhotel Rotterdam**

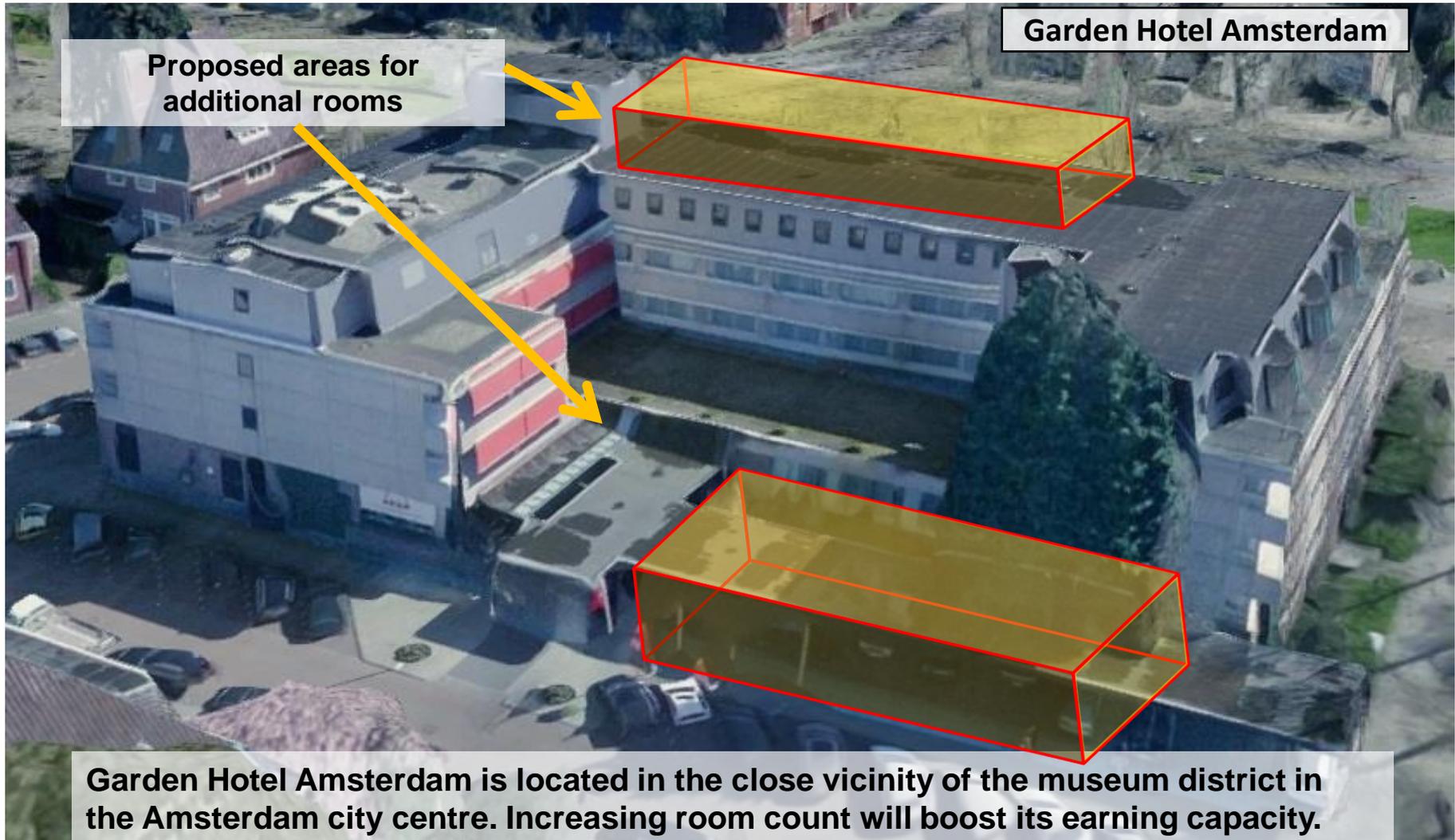


**Residence Groot Heideborgh**



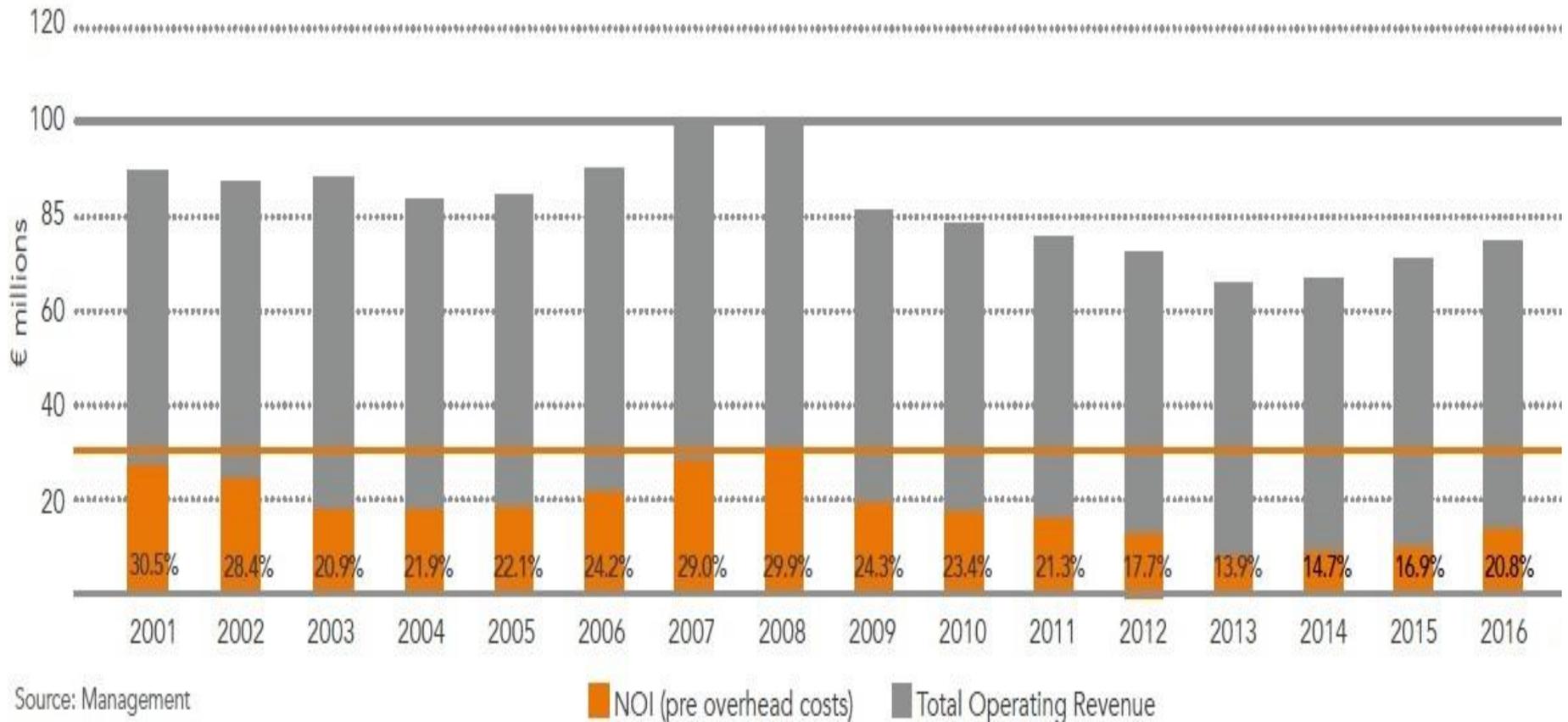
**Hotel De Buunderkamp**

## Example : Garden Hotel Amsterdam

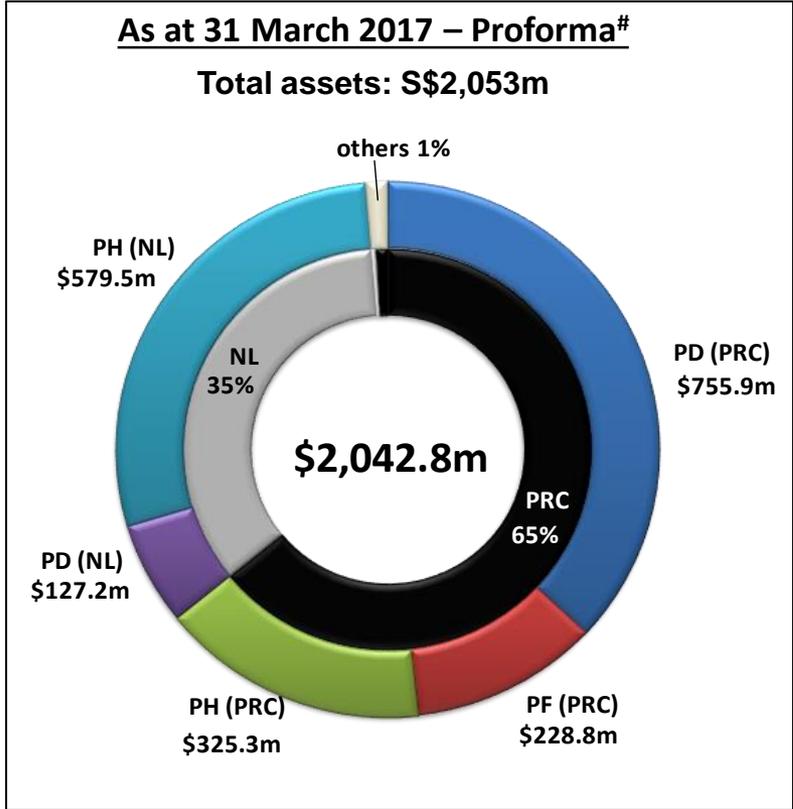
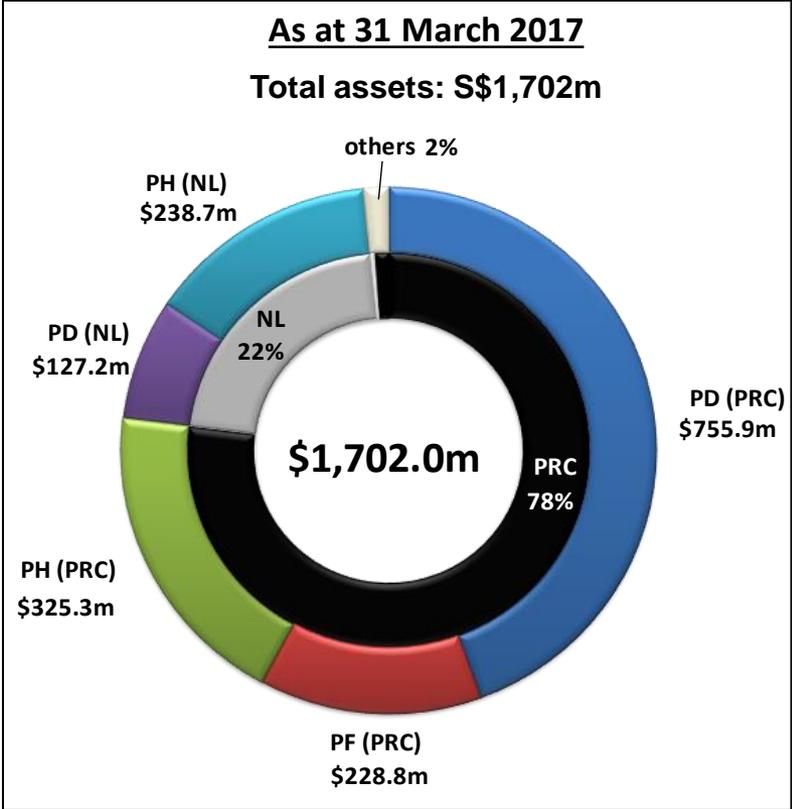


## Stable and resilient performance for the past 16 years – proven track record for profitability

TOTAL REVENUES AND NOI (PRE CORPORATE OVERHEAD COSTS)



# Investment Rationale : Business and Geographic Diversification



Assuming that the envisaged acquisition was completed on 31 March 2017:

- The Group’s assets in the property holding business segment will increase from 33% to 44% of total assets, and will in turn increase recurring income for the Group.
- The Group’s assets in the Netherlands will increase from 22% to 35% of total assets.

# includes the acquisitions relating to Poortgebouw Hoog Catharijne Utrecht as announced on 21 June 2017 and the Bilderberg Portfolio

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**Section 3**

**Crown Properties Overview**

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# Crown Properties Overview

## 1. Bilderberg Garden Hotel Amsterdam (Bilderberg's Top Performing 5\* Hotel)



<b>Land tenure</b>	Perpetual leasehold
<b>Location</b>	Dijsselhofplantsoen 7, 1077 BJ Amsterdam
<b>Year of construction</b>	1970
<b>Rooms</b>	124
<b>Meeting Rooms</b>	5 (211 sqm)
<b>Occupancy (FY2016)</b>	82.0%
<b>RevPAR (FY2016)</b>	€ 120.1
<b>TRevPAR (FY2016)</b>	€ 172.4
<b>FY2016 EBITDA</b>	€ 1.9m

- Located in the 'Oud Zuid' district within Apollobuurt; the city's wealthiest district and a neighbourhood renowned for its luxury mansions, residences and boutiques.
- Has benefited from over €2.3 million CAPEX spent in the last 4 years.
- Centrally located, easily accessible via public transport and is a short 30-minute commute to both Amsterdam Centraal Station and Schiphol Airport.
- Constitutes 7% of total room stock, 10% of total revenue and 14% of total EBITDA

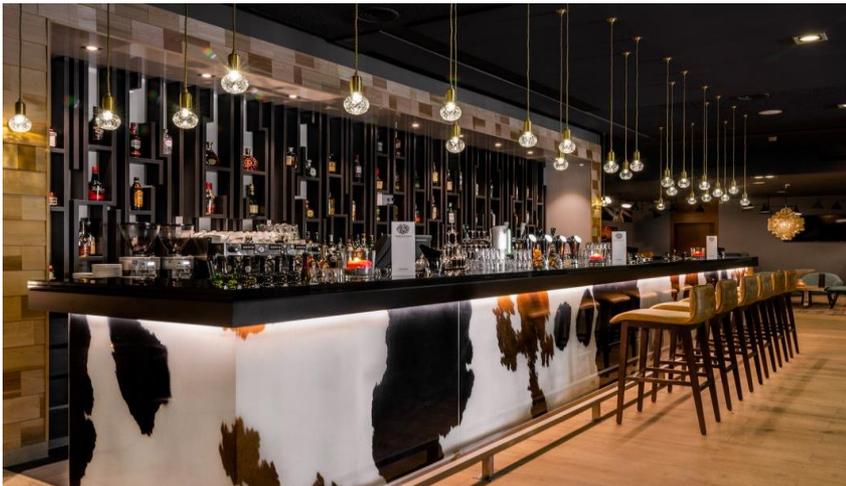
# Crown Properties Overview – Garden Hotel Amsterdam



Reception



Deluxe Room

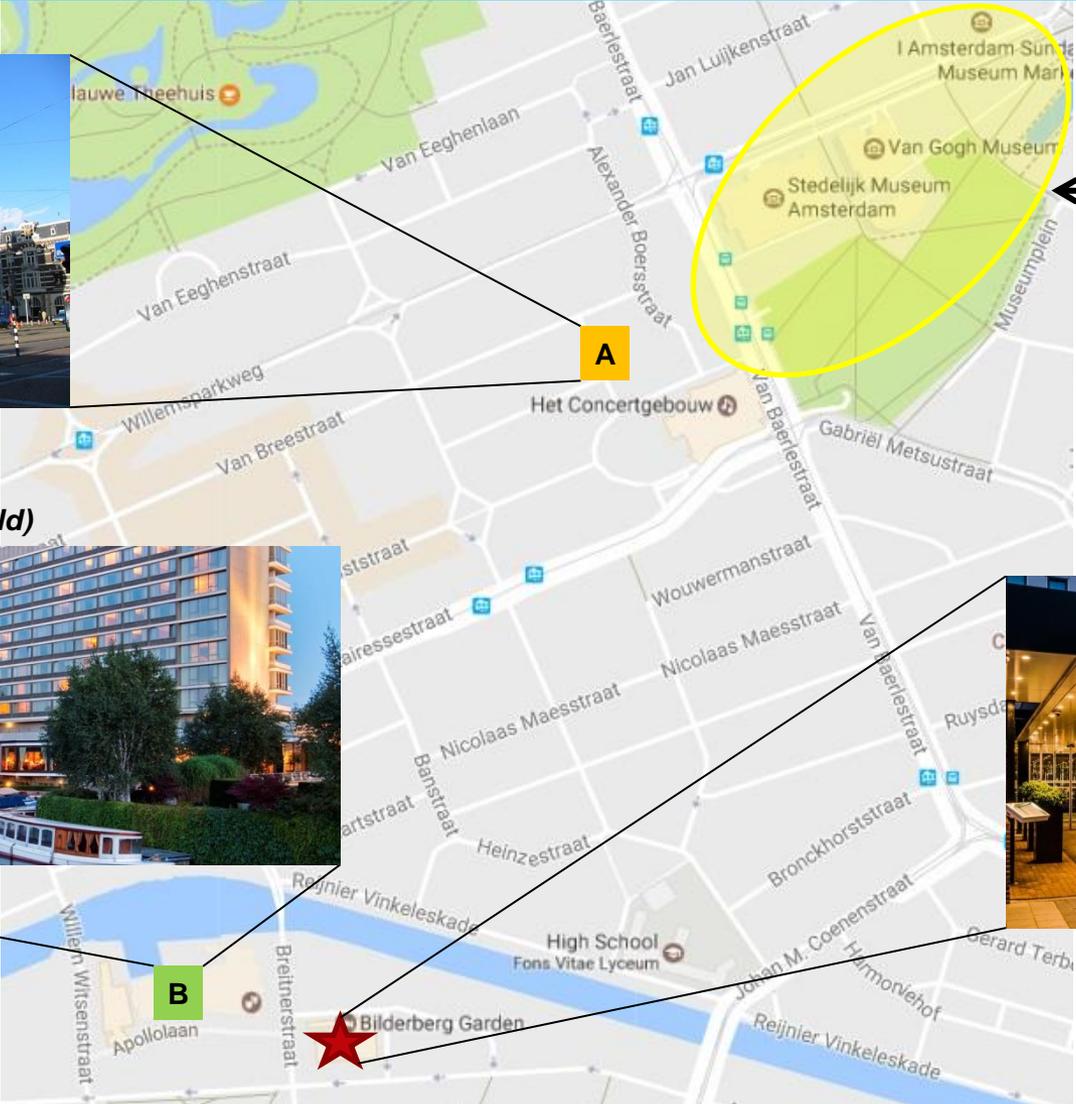


De Kersentuin Bar



Conference Room

## Garden Hotel Amsterdam Prime location with excellent accessibility to leisure and commercial activities



Museum District

  
Bilderberg Garden Hotel  
Amsterdam



**A** Royal Concert Hall  
*(One of most visited concert halls in the world)*



**B** Hilton Hotel  
Amsterdam



## 2. Bilderberg Parkhotel Rotterdam

*(Bilderberg's largest asset by room count and key value driver)*



<b>Land tenure</b>	Freehold
<b>Location</b>	Westersingel 70, 3015 LB Rotterdam
<b>Year of construction</b>	1920
<b>Rooms</b>	189
<b>Meeting Rooms</b>	10 (740 sqm)
<b>Occupancy (FY2016)</b>	73.7%
<b>RevPAR (FY2016)</b>	€ 71.4
<b>TRevPAR (FY2016)</b>	€ 113.8
<b>FY2016 EBITDA</b>	€1.6m

- Flagship asset of the Bilderberg Portfolio, also being its largest. Prominent towers provide attractive views of the Rotterdam skyline with excellent commercial and F&B facilities.
- Has benefitted from over €6.9 million CAPEX spent in the last 4 years.
- Parkhotel Rotterdam is located in the dynamic city centre of Rotterdam with the metro station beside the hotel and the central train station within a 10 minute walk.
- Constitutes 11% of total room stock, 10% of total revenue and 12% of total EBITDA.

# Crown Properties Overview – Parkhotel Rotterdam



**Deluxe Room with Cityscape Views**



**Executive Room**



**The Park Restaurant**



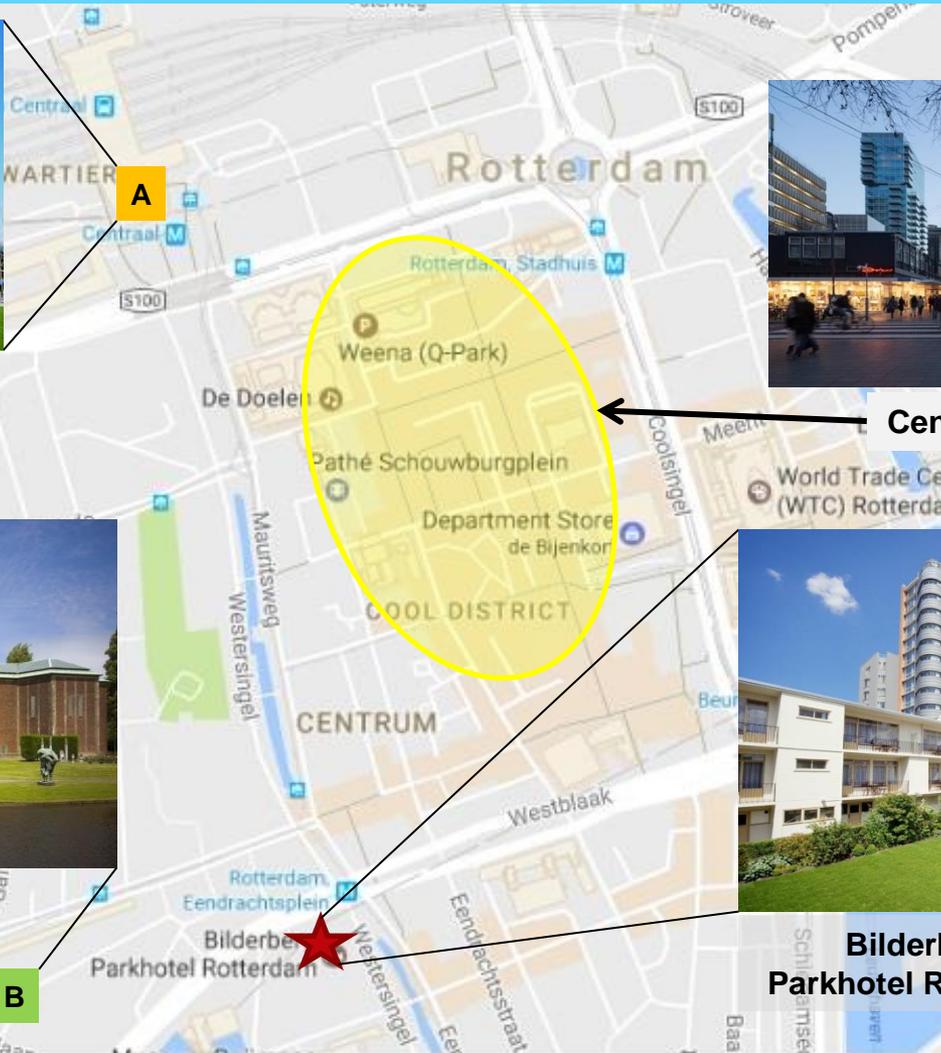
**Conference Room**

## Parkhotel Rotterdam

City centre location within close proximity to the city's dynamic activities



**A** Rotterdam Centraal Station  
(With Fast Train service to Amsterdam)



Central District



**B** Museum Boijmans Van Beuningen  
(Art Museum of Dutch and European Masterpieces)



Bilderberg  
Parkhotel Rotterdam



## 3. Bilderberg Europa Hotel Scheveningen, The Hague

*(Bilderberg's second largest property and located near to the famous beach in The Hague.)*



<b>Land tenure</b>	Temporary leasehold
<b>Location</b>	Zwolsestraat 2, 2587 VJ Scheveningen
<b>Year of construction</b>	1947
<b>Rooms</b>	174
<b>Meeting Rooms</b>	12 (680 sqm)
<b>Occupancy (FY2016)</b>	61.4%
<b>RevPAR (FY2016)</b>	€ 58.4
<b>TRevPAR (FY2016)</b>	€ 98.3
<b>FY2016 EBITDA</b>	€1.4m

- Located along the lively Scheveningen boulevard in The Hague and is only 198 steps away from the beach, with close access to a variety of shops and restaurants.
- Has benefited from over €3.6 million CAPEX spent in the last 4 years.

- The area benefits from multiple transport options that run along the coast and into The Hague which also has a direct rail link to Schiphol Airport.
- Constitutes 10% of total room stock, 8% of total revenue and 11% of total EBITDA.

# Crown Properties Overview – Europa Hotel Scheveningen



Comfort Room



Salt Restaurant & Bar



Swimming Pool

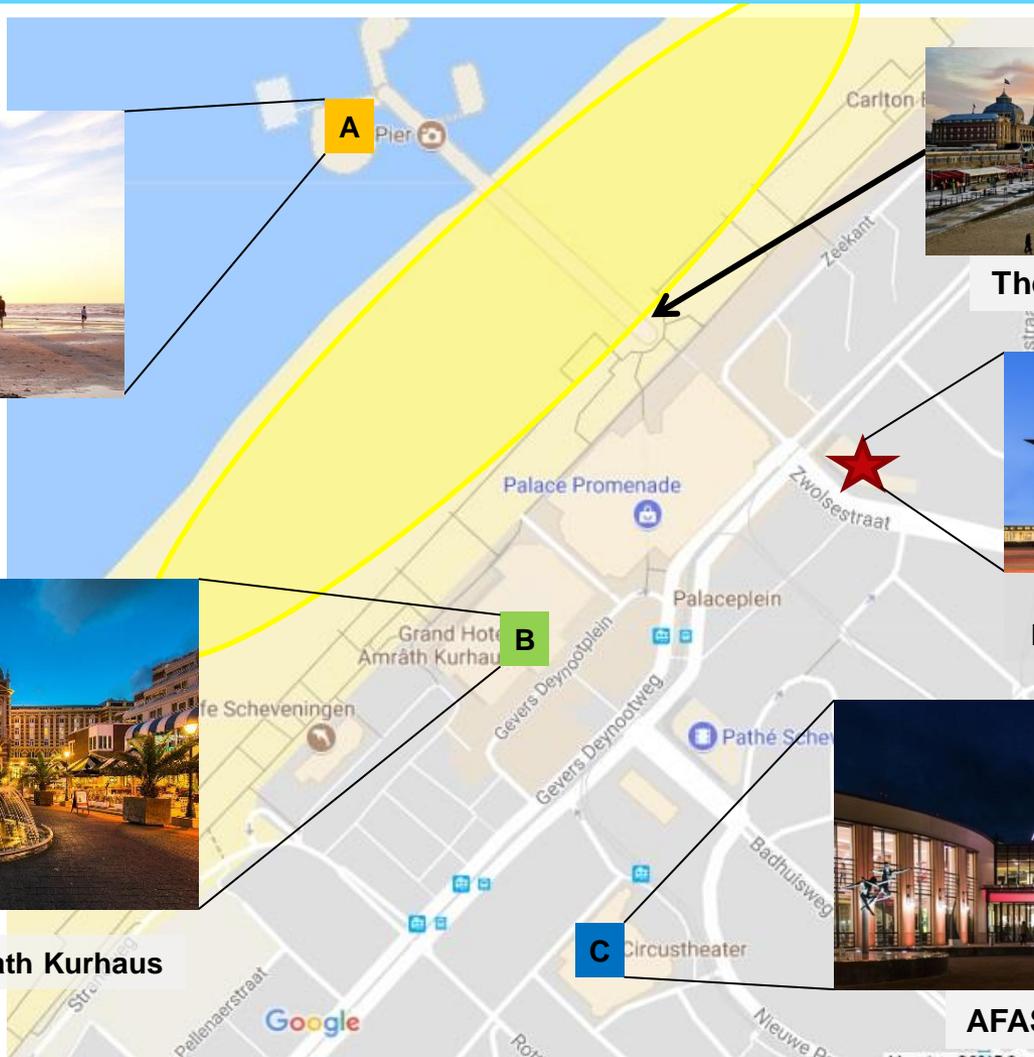


Conference Room

## Europa Hotel Scheveningen Beach front view amidst a lively boulevard



**A** The "Pier"



The Beach at The Hague



**Bilderberg Europa Hotel Scheveningen** ★



**B** Grand Hotel Amrath Kurhaus



**AFAS Circus Theater** **C**

## 4. Hotel de Bilderberg

*(Set amidst the spectacular forests of the Veluwe, with plenty of outdoor options)*



<b>Land tenure</b>	Freehold
<b>Location</b>	Utrechtseweg 261, 6862 AK Oosterbeek
<b>Year of construction</b>	1930
<b>Rooms</b>	146
<b>Meeting Rooms</b>	27 (1,482 sqm)
<b>Occupancy (FY2016)</b>	50.3%
<b>RevPAR (FY2016)</b>	€ 39.1
<b>TRevPAR (FY2016)</b>	€ 113.8
<b>FY2016 EBITDA</b>	€1.3m

- Hotel de Bilderberg is renowned for hosting the first Bilderberg Group Conference in 1954 and also became the target's namesake in 1975.
- Has benefited from over €3.8 million CAPEX spent in the last 4 years.
- Attractively located on the Veluwe just outside Oosterbeek and a short 10 minute drive to the tranquil Veluwe National Park.
- Constitutes 9% of total room stock, 8% of total revenue and 10% of total EBITDA

# Crown Properties Overview – Hotel de Bilderberg



**Junior Suite**



**Excellent Dining Facilities**



**Swimming Pool**



**Conference Room**

## Hotel de Bilderberg An escape into the lush and idyllic countryside

A

Edese Golf Club Papendal



C

De Hoge Veluwe National Park

C



A

Town of Arnhem  
(Famed for WWII's  
"Operation Market Garden")

B

Burger's Zoo



Hotel de Bilderberg



# Crown Properties Overview

## 5. Bilderberg Kasteel Vaalsbroek

*(One of the top performers in the Bilderberg Portfolio)*



<b>Land tenure</b>	Freehold
<b>Location</b>	Vaalsbroek 1, 6291 NH Vaals
<b>Year of construction</b>	1420
<b>Rooms</b>	130
<b>Meeting Rooms</b>	24 (1,252 sqm)
<b>Occupancy (FY2016)</b>	70.8%
<b>RevPAR (FY2016)</b>	€ 62.4
<b>TRevPAR (FY2016)</b>	€ 154.6
<b>FY2016 EBITDA</b>	€1.6m

- Strategically located in the town of Vaals where the Dutch, Belgian and German borders meet. Kasteel Vaalsbroek's pincer like location helps to capture traffic flowing from the neighbouring countries.
- Has benefited from over €3.4 million CAPEX spent in the last 4 years.
- Kasteel Vaalsbroek sits in a highly accessible location with flights available from the nearby towns of Eindhoven and Dusseldorf.
- Constitutes 8% of total room stock, 10% of total revenue and 12% of total EBITDA.

# Crown Properties Overview – Kasteel Vaalsbroek



**Junior Suite**



**Timeless Elegance**



**Serene Surroundings**



**Conference Room Facilities**

## Kasteel Vaalsbroek Hotel

Situated in the picturesque Limburg country-side with a multitude of outdoors activities

**A City of Maastricht**



**A Maas Ant**



**Bilderberg Kasteel Vaalsbroek**



The image features a large map of the Limburg region in Belgium, with a red star marking the location of Kasteel Vaalsbroek. A purple circle highlights the hotel's name and a photo of the building. Arrows point from the Maastricht photos to the map, from the cycling photo to the map, and from the German and Belgian flags to the map. A 'Germany' label with an arrow points to the German flag, and a 'Belgium' label with an arrow points to the Belgian flag.

Germany

Outdoors activities throughout the Limburg region

Belgium

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**Section 4**

**Proforma Financial Effects**

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# Proforma Financial Effects

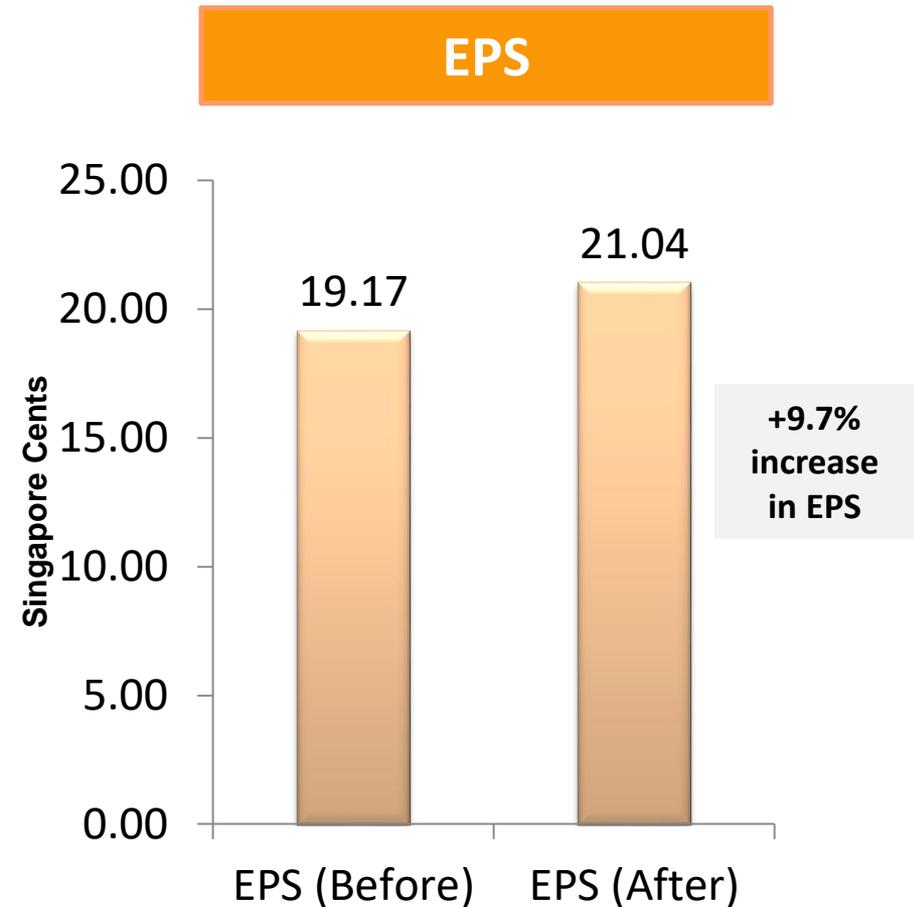
The expected financial effects assuming that the envisaged acquisition is treated as an asset acquisition, based on the applicable accounting principles and taking into account the full repayment of the bank debt in the Acquisition Target are set out below:

## 1. Accretive to Group's EPS

- If the envisaged acquisition had been completed on 1 January 2016, the Group's earnings per share would increase by 9.7% to 21.04 Singapore cents per ordinary share.

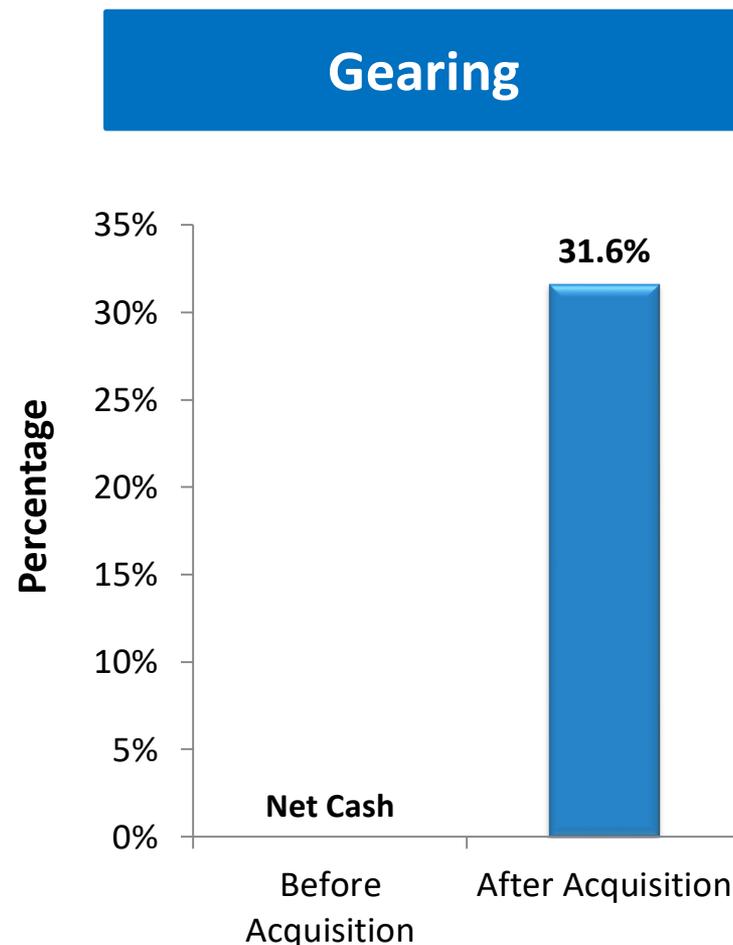
## 2. Net tangible assets

- If the envisaged acquisition had been completed on 31 December 2016, the Group's consolidated NTA per share will remain unchanged.



## 3. Manageable gearing

- The Company through its wholly owned subsidiary FS Euro Limited shall *inter alia* (a) lend to FSMC to finance its 95% pro rata share of the purchase consideration and related transaction costs; and (b) lend to the Acquisition Target for it to finance the repayment of its shareholder debt and at a later date after closing, the bank debt in the Acquisition Target.
- The Company will finance these loans using its existing cash resources and through the drawdown of its existing unsecured credit facilities.
- If the acquisition of the Bilderberg Portfolio and the acquisition of the property in Utrecht, the Netherlands (as described in the Company's announcement on 21 June 2017) had been completed on 31 March 2017, the gearing ratio of the Group will increase from a net cash position to net gearing of 31.6%.



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**Appendix**

**Property Summary**

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# Property Summary – Crown Properties



Hotel	Garden Hotel	Parkhotel	Europa Hotel	Hotel de Bilderberg	Kasteel Vaalsbroek
Star Rating (ECS*)	5 Star	4 Star Superior	4 Star Superior	4 Star Superior	4 Star Superior
Land Tenure	Perpetual leasehold	Freehold	Temporary leasehold	Freehold	Freehold
Region / City	Randstad / Amsterdam	Randstad / Rotterdam	Randstad / The Hague	Veluwe – Central / Oosterbeek	Limburg / Vaals
Address	Dijsselhofplantsoen 7, 1077 BJ Amsterdam	Westersingel 70, 3015 LB Rotterdam	Zwolsestraat 2, 2587 VJ Scheveningen	Utrechtseweg 261, 6862 AK Oosterbeek	Vaalsbroek 1, 6291 NH Vaals
Year Built	1970	1920	1947	1930	1420
Rooms	124	189	174	146	130
Meeting Rooms (Area)	5 (211 sqm)	10 (740 sqm)	12 (680 sqm)	27 (1,482 sqm)	24 (1,252 sqm)
F&B covers	135	190	220	297	870
Leisure	nil	Fitness, wellness	Swimming pool, wellness and fitness	Swimming pool, wellness and fitness	Swimming pool, beauty centre, wellness and fitness
Carparks lots	7	50	40	250	350

\*ECS – European Classification System

# Property Summary – Properties with Potential



Hotel	Hotel de Keizerskroon	Hotel 'T Speulderbos	Residence Groot Heideborgh	Hotel de Buunderkamp	Hotel de Klepperman	Hotel Wolfheze
Star Rating (ECS*)	4 Star Superior	4 Star Superior	4 Star Superior	4 Star	4 Star	4 Star
Land Tenure	Freehold	Freehold	Freehold	Freehold	Freehold	Freehold
Region / City	Veluwe - Central / Apeldoorn	Veluwe – Central / Garderen	Veluwe – Central / Garderen	Veluwe – Central / Wolfheze	Veluwe – Central / Hoevelaken	Veluwe – Central / Wolfheze
Address	Koningstraat 7, 7315 HR Apeldoorn	Speulderbosweg 54, 3886 AP Garderen	Hogesteeg 50, 3886 MA Garderen	Buunderkamp 8, 6874 NC Wolfheze	Oosterdorpsstraat 11, 3871 AA Hoevelaken	Wolfhezerweg 17, 6874 AA Wolfheze
Year Built	1976	1934	1993	1976	1981	1979
Rooms	93	102	84	101	79	70
Meeting Rooms (Area)	6 (443 sqm)	19 (1,806 sqm)	20 (1,920 sqm)	16 (1,365 sqm)	13 (887 sqm)	9 (508 sqm)
F&B outlet covers	157	494	335	390	85	222
Leisure	Swimming pool, wellness and fitness	Swimming pool, fitness, wellness and tennis /squash court	Swimming pool, wellness, fitness and tennis courts	Swimming pool, wellness and tennis court	Beauty centre, wellness and fitness	Swimming pool, wellness, tennis court and golf course
Carparks lots	125	300	250	112	150	120

\*ECS – European Classification System

# Property Summary – Properties with Potential (cont'd)



Hotel	Hotel Klein Zwitserland	Grand Hotel Wientjes	Landgoed Lauswolt	Hotel de Bovenste Molen	Chateau Holtmuhle	Hotel Jan Luyken
Star Rating (ECS*)	4 Star Superior	4 Star	5 Star	4 Star	4 Star Superior	4 Star
Land Tenure	Freehold	Freehold	Freehold	Freehold	Freehold	Operating lease (2020)
Region / City	Veluwe – Central / Heelsum	North / Zwolle	North / Beetsterzwaag	Limburg / Venlo	Limburg / Tegelen	Randstad / Amsterdam
Address	Klein Zwitserlandlaan 5, 6866 DS Heelsum	Stationsweg 7, 8011 CZ Zwolle	Van Harinxmaweg 10, 9244 CJ Beetsterzwaag	Bovenste Molenweg 12, 5912 TV Venlo	Kasteellaan 10, 5932 AG Tegelen	Jan Luykenstraat 58, 1071 CS Amsterdam
Year Built	1910	1920	1954	1935	14th Century	End of 19th Century
Rooms	71	57	65	82	66	62
Meeting Rooms (Area)	10 (788 sqm)	10 (737 sqm)	6 (294 sqm)	6 (240 sqm)	8 (308 sqm)	None
F&B outlet covers	200	215	274	230	230	64
Leisure	Swimming pool, beauty centre, wellness, fitness and tennis court	nil	Swimming pool, beauty centre, wellness and fitness	Swimming pool, beauty centre, wellness and fitness	Swimming pool, wellness, fitness and tennis court	Spa, sauna
Carparks lots	100	10	100	65	100	0

\*ECS – European Classification System

**Thank You**

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This document may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, customers and partners, expected levels of occupancy rate, property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.