

FIRST SPONSOR GROUP LIMITED

(Incorporated in the Cayman Islands)
(Company Registration No. : AT-195714)

HOLDING ANNOUNCEMENT

The board of directors of First Sponsor Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the Company is currently in negotiations with several parties in relation to the acquisition of a hospitality asset in Germany as well as its operations *via* a share deal ("**Potential Transaction**"). The consideration for such acquisition is expected to be in the region of €50 million (approximately S\$76.7 million¹).

Since 2015, the Group has embarked on initiatives to accelerate its growth through selective developments and acquisitions in Europe. Since its entry into the Netherlands in February 2015 and subsequent disposal of various non-core properties, the Group has built up a portfolio of 26 property holding (including hotels) and development assets in the Netherlands, Italy and Germany.

The Potential Transaction (if it materialises) offers a good opportunity for the Group to build up a larger recurrent income stream for its property holding business segment and to further improve its geographical diversification.

The discussions are on-going and no definitive terms or formal legal documentation have been agreed upon or entered into between the parties. Further, there is no certainty or assurance whatsoever that the Potential Transaction will materialise or that any definitive or binding agreement will result from such discussions. The Company will make the appropriate announcements if there is further material development regarding the Potential Transaction, in compliance with the applicable rules.

Shareholders and potential investors are advised to exercise caution when dealing or trading in the shares of the Company as there is no assurance that the Potential Transaction or any similar transaction will materialise. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
14 February 2019

¹ Unless otherwise stated, the exchange rate of €1 : S\$1.5335 is used in this announcement.