

FIRST SPONSOR GROUP LIMITED

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

DISPOSAL OF PROPERTY – SECOND SUPPLEMENTAL AGREEMENT

1. INTRODUCTION

- 1.1 The board of directors (“**Board**”) of First Sponsor Group Limited (“**Company**”) refers to the Company’s announcements dated 30 May 2018 (“**30 May Announcement**”) and 12 July 2018 (“**12 July Announcement**”) in relation to the proposed disposal of certain parts of Chengdu Cityspring.
- 1.2 The Board wishes to announce that the Vendor and the Purchaser have today entered into a second supplemental agreement to the S&P Agreement (“**Second Supplemental Agreement**”) with Chengdu Cityspring Hotel Management Co., Ltd. (成都城市春天酒店管理有限公司) (“**M Hotel Designated Purchaser**”) and Chengdu Longfor Xicheng Real Estate Co., Ltd. (成都龙湖西城置业有限公司) (“**New M Hotel Guarantor**”), to amend certain terms of the S&P Agreement (as supplemented by the Supplemental Agreement).
- 1.3 Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings ascribed to them in the 30 May Announcement and the 12 July Announcement (“**Previous Announcements**”).

2. BRIEF INFORMATION ON THE M HOTEL DESIGNATED PURCHASER AND THE NEW M HOTEL GUARANTOR

- 2.1 The M Hotel Designated Purchaser is a special purpose vehicle incorporated in the PRC and is a wholly-owned subsidiary of the Purchaser.
- 2.2 The Purchaser is expected to transfer the entire issued share capital of the M Hotel Designated Purchaser to Chengdu Shouyu Business Management Co., Ltd. (成都首寓商业管理有限公司) (“**CSBM**”) within 20 business days after the execution of the Second Supplemental Agreement and, in any event, before the due date for payment of the RMB20.0 million referred to in paragraph 3.2(a)(i) below.
- 2.3 CSBM and the New M Hotel Guarantor are wholly-owned subsidiaries of Longfor Group Holdings Limited (龙湖集团控股有限公司) (“**Longfor**”). Longfor is an investment holding company listed on The Stock Exchange of Hong Kong Limited which is principally engaged in property business in the PRC. None of CSBM, the New M Hotel Guarantor and Longfor is related to the Purchaser.

3. SECOND SUPPLEMENTAL AGREEMENT

- 3.1 Under the S&P Agreement (as amended by the Supplemental Agreement):
 - (a) the Purchaser and/or its designated entity(ies) shall pay to the Vendor RMB90.0 million¹ (approximately S\$17.9 million) and the liquidated damages referred to in paragraphs 2.2(a) and 2.2(c) of the 12 July Announcement by 24 November 2018; and

¹ Unless otherwise stated, the exchange rate of RMB1: S\$0.199315 is used in this announcement.

- (b) upon receipt by the Vendor of the RMB90.0 million and the liquidated damages referred to above, the Vendor shall co-operate to transfer to the Purchaser or its designated entity(ies) the 20th to 29th floors of Block 9 of Chengdu Cityspring which constitute a substantial portion of M Hotel Chengdu (“**20th to 29th Floors**”).

3.2 Pursuant to the Second Supplemental Agreement, the Vendor, the Purchaser, the M Hotel Designated Purchaser and the New M Hotel Guarantor have agreed as follows:

- (a) The M Hotel Designated Purchaser shall pay to the Vendor approximately RMB101.9 million (approximately S\$20.3 million) (“**M Hotel Purchase Price**”) in consideration for the purchase of the 20th to 29th Floors, out of which:
- (i) RMB20.0 million (approximately S\$4.0 million) shall be paid to the Vendor (aa) within 7 business days after the effective date² of the Second Supplemental Agreement or (bb) on the second business day after the sale permit in respect of the 20th to 29th Floors is obtained by the Vendor, whichever is the later; and
- (ii) approximately RMB81.9 million (approximately S\$16.3 million) shall be paid to a bank account jointly supervised by the Vendor and the M Hotel Designated Purchaser (“**Joint Supervisory Account**”) before 7 January 2019.

The M Hotel Purchase Price is equivalent to the consideration for the 20th to 29th Floors which forms part of the Consideration of RMB465.0 million (approximately S\$92.7 million) under the S&P Agreement.

Within two business days of the receipt by the M Hotel Designated Purchaser of the certificate(s) of title to the 20th to 29th Floors and associated tax invoices addressed to the M Hotel Designated Purchaser as owner, the RMB81.9 million shall be released to the Vendor from the Joint Supervisory Account.

- (b) In the event that the M Hotel Designated Purchaser fails to pay the M Hotel Purchase Price in accordance with paragraph 3.2(a) above, the M Hotel Designated Purchaser shall be liable to pay liquidated damages in accordance with the Second Supplemental Agreement and if any amount remains unpaid for more than 30 days after the expiry of the relevant time-frame, the Vendor shall be entitled to terminate the Second Supplemental Agreement and the commercial housing sales contract (including the supplemental to such contract) in respect of the 20th to 29th Floors entered into between the Vendor and the M Hotel Designated Purchaser (“**Commercial Housing Sales Contract**”) on the same day as the Supplemental Agreement. In the event of such termination, unless the failure to pay the M Hotel Purchase Price is due to reasons not attributable to the M Hotel Designated Purchaser, the M Hotel Designated Purchaser shall be liable to pay to the Vendor liquidated damages amounting to RMB20.0 million.
- (c) The New M Hotel Guarantor and the Purchaser shall jointly guarantee the payment obligations of the M Hotel Designated Purchaser under the Second Supplemental Agreement for a period of two years from the due date of the last payment to be made by the M Hotel Designated Purchaser under the Second Supplemental Agreement (“**Guarantee**”). However, the New M Hotel Guarantor shall be discharged from its obligations under the Guarantee with effect from the first business day after the release of the RMB81.9 million to the Vendor from the Joint Supervisory Account.
- (d) The Purchaser shall remain liable to pay the liquidated damages referred to in paragraph 3.1(a) above except that, upon receipt by the Vendor of the RMB20.0 million referred to in paragraph 3.2(a)(i) above, such liquidated damages shall be payable in respect of an unpaid amount of RMB70.0 million (approximately S\$13.9 million). The Purchaser shall cease to be liable to pay such liquidated damages upon receipt by the Vendor (including in the Joint Supervisory Account) of at least

² Please refer to paragraph 3.3 of this announcement.

RMB90.0 million from the M Hotel Designated Purchaser. Upon receipt by the Vendor (including in the Joint Supervisory Account) of at least RMB90.0 million from the M Hotel Designated Purchaser, the Purchaser shall also be released from its obligation to pay the RMB90.0 million referred to in paragraph 3.1(a) above.

- (e) Upon receipt by the Vendor of the M Hotel Purchase Price:
- (i) the Vendor shall co-operate to transfer title to the 20th to 29th Floors to the M Hotel Designated Purchaser;
 - (ii) the amount of approximately RMB11.9 million (approximately S\$2.4 million) (which is the excess of the M Hotel Purchase Price over RMB90.0 million) ("**Relevant Amount**"):
 - (aa) shall be treated as advance payment of part of the Final Instalment if the Second Instalment is paid in full by the Purchaser by 24 November 2018; and
 - (bb) shall be used to set off the Second Instalment or any outstanding amount under the Second Instalment if the Second Instalment is not paid in full by the Purchaser by 24 November 2018 and any Relevant Amount remaining after the set off shall be treated as advance payment of part of the Final Instalment.

If the Second Instalment is paid in full by 24 November 2018 or no amount under the Second Instalment remains outstanding after the set off, a discount shall apply to the Final Instalment less the amount treated as advance payment. The discount shall be calculated as follows:

$$0.05\% \times A \times B$$

where:

A is the amount treated as advance payment; and

B is the number of days between the date of the advance payment and 27 May 2019 (which is the due date for payment of the Final Instalment).

- (f) In the event that the New M Hotel Guarantor's written notification of the completion of the transfer by the Purchaser to CSBM of the entire issued share capital of the M Hotel Designated Purchaser is not received by the Vendor by (i) the 20th business day of the execution of the Second Supplemental Agreement and the Commercial Housing Sales Contract or (ii) the seventh business day after the sale permit referred to in paragraph 3.2(a)(i) is obtained, whichever is the later, the Second Supplemental Agreement and the Commercial Housing Sales Contract shall automatically terminate and all obligations and liabilities of the parties under the Second Supplemental Agreement and the Commercial Housing Sales Contract shall cease.
- (g) If the Second Supplemental Agreement is terminated due to no fault of the Vendor, the Purchaser shall remain liable to perform its obligations under the S&P Agreement (as amended by the Supplemental Agreement).

Save as announced above, there are no other changes to the terms and conditions of the S&P Agreement (as amended by the Supplemental Agreement).

- 3.3 Each of the Second Supplemental Agreement, the Commercial Housing Sales Contract and the Guarantee (which was executed by the New M Hotel Guarantor, the Purchaser, the M Hotel Designated Purchaser and the Vendor on the same day as the Supplemental Agreement) shall take effect upon the receipt by the Vendor of the New M Hotel Guarantor's written notification of the completion of the transfer by the Purchaser to CSBM of the entire issued share capital of the M Hotel Designated Purchaser.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in the Previous Announcements, none of the directors or, to the best of the knowledge of the directors, none of the controlling shareholders of the Company, has any interest, direct or indirect (other than through their shareholdings in the Company, if any), in the Second Supplemental Agreement.

5. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Second Supplemental Agreement is available for inspection during normal business hours at the Company's business address at 63 Market Street, #06-03, Bank of Singapore Centre, Singapore 048942 for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD
FIRST SPONSOR GROUP LIMITED

Neo Teck Pheng
Group Chief Executive Officer and
Executive Director

25 September 2018