



# FIRST SPONSOR GROUP LIMITED

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## Press Release

### **FIRST SPONSOR LEADS CONSORTIUM IN ACQUIRING ITS FIRST OFFICE PORTFOLIO IN THE NETHERLANDS FOR €205.6 MILLION (\$\$313.8 MILLION)**

*Singapore, 14 November 2015* – Singapore Exchange (SGX) Mainboard-listed First Sponsor Group Limited (“First Sponsor” or the “Company”, and together with its subsidiaries, the “Group”), is pleased to announce that the Company and 3 other co-investors (“Consortium”) have entered into a sale and purchase agreement for the proposed acquisition (“Acquisition”) of all of the issued shares in the capital of Delta Lloyd Vastgoed Kantoren B.V. (the “Target”) for a consideration of €205.6 million (\$\$313.8 million), which is after various price adjustments<sup>1</sup> and including estimated working capital and transaction costs. The Target holds a portfolio of 16 office properties with over 90 tenants, geographically spread across the Netherlands, including key business cities such as Amsterdam, Rotterdam, The Hague, and prime residential areas in Zeist and Bilthoven, and a 50% interest in VOF De Omval which holds retail spaces near the Mondriaan Tower, the crown jewel of the portfolio (collectively the “DL Portfolio”).

Mr Neo Teck Pheng, Group Chief Executive Officer, said, “This Acquisition is expected to generate a net property income yield of 6.1% after transaction costs. It will further boost the Group’s recurrent income base in the Netherlands from the addition of quality core properties with a strong tenancy profile, including the Mondriaan Tower, the second tallest building in Amsterdam which houses *inter alia* the headquarters of Delta Lloyd N.V. and Rabobank Amsterdam. The DL Portfolio also has a number of interesting properties with good redevelopment potential, including the Berg & Bosch in Bilthoven, a high end residential area where notable Dutch royalty and CEOs reside nearby, which has a lettable floor area of 34,024 sqm amidst a richly landscaped 415,799 sqm site, and the Boompjes in Rotterdam to name a few. This Acquisition will serve as a means for the Group to diversify into property development in the Netherlands through strategic cooperation arrangements with local Dutch developers and/or property consultants.

The core properties as well as those with redevelopment potential constitute more than 80% of the purchase consideration and contribute approximately 75% to the overall net property income. This illustrates the fine quality of the portfolio which we are acquiring. The 34% average vacancy of the DL Portfolio provides a further potential trading upside.

<sup>1</sup> Include *inter alia* deferred tax adjustments and rental incentives.

*The initial public offering of the Company's shares was sponsored by DBS Bank Ltd, who assumes no responsibility for the contents of this announcement.*

The business and geographic diversification from the Acquisition will serve to enhance the Group’s overall risk profile and strengthen its business resilience.”

### **Details of the Acquisition**

Acquisition portfolio	<ul style="list-style-type: none"> <li>• 16 office properties geographically spread across the Netherlands, including key business cities such as Amsterdam, Rotterdam, The Hague, and prime residential areas in Zeist and Bilthoven, and 50% interest in VOF De Omval which holds retail spaces near the Mondriaan Tower (“Retail Space”), collectively the “DL Portfolio”</li> <li>• Crown jewel: Mondriaan Tower, Amsterdam</li> <li>• In the form of a share acquisition by First Sponsor (33%) and 3 other parties</li> </ul>
Lettable floor area (“LFA”)	Approximately 164,000 sqm
Land tenure	14 freehold + 2 effective freehold <sup>2</sup>
Proforma Property Value (“PPV”) <sup>3</sup>	€205.3m (S\$313.3m) or €1,250 psm (S\$1,907 psm) of LFA
Weighted average lease term (“WALT”) <sup>4</sup>	4.5 years
Average occupancy <sup>4</sup>	66%
Estimated net property income	€12.6m or 6.1% of PPV
Pro-forma EPS impact for FY2014	↑0.41 Singapore cents per share (↑9.5%)
Expected completion date	30 November 2015

Please refer to the SGX announcement and related investor presentation dated 14 November 2015 for further details of the Acquisition.

<sup>2</sup> Refers to perpetual leasehold with all ground rent paid in advance.

<sup>3</sup> Based on agreed property value of the DL Portfolio of €226.6m and after adjusting for various price adjustments, including deferred tax adjustments, rental incentives and estimated transaction costs.

<sup>4</sup> All WALT and occupancy computation are computed as at November 2015.

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### **About First Sponsor Group Limited**

First Sponsor Group Limited ("**First Sponsor**", and together with its subsidiaries, the "**Group**"), a property developer in the People's Republic of China (the "PRC"), owner of commercial properties in the PRC and the Netherlands, and a provider of property financing services in the PRC, was listed on the Mainboard of Singapore Exchange Securities Trading Limited on 22 July 2014. The Group is supported by both its established key controlling shareholders, the Hong Leong group of companies, through its shareholding interests in Millennium & Copthorne Hotels plc ("M&C UK"), and Tai Tak Estates Sendirian Berhad, a private company with a long operating history, which was incorporated in Singapore in 1954.