

General Announcement::Announcement by First Sponsor Group Limited, an associate of Millennium & Copthorne Hotels plc

Issuer & Securities

| | |
|-------------------------|--|
| Issuer/ Manager | CITY DEVELOPMENTS LIMITED |
| Securities | CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09 |
| Stapled Security | No |

Announcement Details

| | |
|--|---|
| Announcement Title | General Announcement |
| Date & Time of Broadcast | 07-Dec-2017 07:20:39 |
| Status | New |
| Announcement Sub Title | Announcement by First Sponsor Group Limited, an associate of Millennium & Copthorne Hotels plc |
| Announcement Reference | SG171207OTHRZE70 |
| Submitted By (Co./ Ind. Name) | Shufen Loh @ Catherine Shufen Loh |
| Designation | Company Secretary |
| Description (Please provide a detailed description of the event in the box below) | First Sponsor Group Limited ("FSGL") has on 7 December 2017 released an announcement relating to the Acquisition of the Le Meridien Frankfurt Hotel in Germany together with a Joint Press Release of FSGL, City Developments Limited and Tai Tak Estates Sendirian Berhad on the Acquisition accompanied by a set of investor presentation slides. |
| Attachments | <p>FSGL Announcement - Le Meridien Frankfurt Acquisition.pdf</p> <p>Total size =3123K</p> |

Asset Acquisitions and Disposals::ANNOUNCEMENT OF ACQUISITION

Issuer & Securities

| | |
|-------------------------|--|
| Issuer/ Manager | FIRST SPONSOR GROUP LIMITED |
| Securities | FIRST SPONSOR GROUP LIMITED - KYG3488W1078 - ADN |
| Stapled Security | No |

Announcement Details

| | |
|--|----------------------------------|
| Announcement Title | Asset Acquisitions and Disposals |
| Date & Time of Broadcast | 07-Dec-2017 06:56:54 |
| Status | New |
| Announcement Sub Title | ANNOUNCEMENT OF ACQUISITION |
| Announcement Reference | SG171207OTHRR3JP |
| Submitted By (Co./ Ind. Name) | Neo Teck Pheng |
| Designation | Group Chief Executive Officer |
| Description (Please provide a detailed description of the event in the box below) | Please see attached. |

| | |
|--------------------|---|
| Attachments | FSG - Announcement - Le Meridien Frankfurt Acquisition.pdf FSG - Investor Presentation - Le Meridien Frankfurt Acquisition.pdf FSG - Press Release - Le Meridien Frankfurt Acquisition.pdf Total size =2935K |
|--------------------|---|

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ANNOUNCEMENT OF ACQUISITION

1. INTRODUCTION

- 1.1 The Board of Directors (the "**Board**") of First Sponsor Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce that FSCT DE Property 1 GmbH & Co. KG (the "**Purchaser**") has entered into a sale and purchase agreement (the "**SPA**") on 6 December 2017 with Art-Invest Real Estate Funds GmbH (the "**Seller**") in connection with the acquisition by the Purchaser of the Property (as defined herein) which is situated in Frankfurt, Germany (the "**Acquisition**"). The Board is of the view that the Acquisition is in, or in connection with, the ordinary course of the Company's business.
- 1.2 Completion of the Acquisition ("**Completion**") is subject to the receipt of all official approvals and permits necessary for the execution of the SPA. Completion is expected to take place in late December 2017 or early January 2018.

Information on the Purchaser

- 1.3 The Purchaser, which is a limited partnership established under the laws of Germany for the purpose of the Acquisition, has (a) three limited partners, namely, (i) FS NL Property 18 B.V. ("**FS Entity**"), a wholly-owned subsidiary of the Company; (ii) CDL Properties B.V. ("**CDL Entity**") (a wholly-owned subsidiary within the City Developments Limited group (the "**CDL Group**")); and (iii) Tai Tak Frankfurt B.V. ("**Tai Tak Entity**") (a wholly-owned subsidiary within the Tai Tak Estates Sendirian Berhad group (the "**Tai Tak Group**")); and (b) one general partner, SCUR-Alpha 940 GmbH (to be renamed as: FSCT DE Property 1 GmbH), a limited liability corporation incorporated under the laws of Germany for the purpose of the Acquisition. The Tai Tak Group and CDL Group have a deemed interest of 45.0% and 35.9% respectively in the Company as reflected in the Company's Register of Substantial Shareholders.
- 1.4 The limited partners have injected or have committed to inject, a total equity capital of €10.0 million (equivalent to approximately S\$16.0 million based on the Illustrative Exchange Rate¹) into the Purchaser. The Company (through its wholly-owned subsidiary, FS Euro Capital Limited ("**FS FinCo**")), the CDL Group (through its wholly-owned subsidiary, Wideachieve Holdings Limited ("**CDL FinCo**")) and the Tai Tak Group (through its wholly-owned subsidiary, Chengdu Tianfu Properties Limited ("**Tai Tak FinCo**")) have committed to provide an aggregate of €75.0 million (equivalent to approximately S\$119.9 million based on the Illustrative Exchange Rate) by way of loan financing to the Purchaser. Please refer to paragraph 1.5 for further details. The issued and outstanding share capital of the general partner comprises 25,000 ordinary shares with a nominal value of €1.00 each. The Company,

¹ The "**Illustrative Exchange Rate**" used in this announcement is €1:S\$1.599. The Illustrative Exchange Rate is solely for illustrative purposes and should not be construed as a representation that the relevant amounts have been or could be converted at this rate or any other rate.

through FS Entity, holds 50% of the shares in the general partner while each of CDL Entity and Tai Tak Entity holds 25% of the shares in the general partner. Unlike the limited partners, the general partner will not participate in the capital or profits of the Purchaser.

- 1.5 FS Entity, CDL Entity and Tai Tak Entity have also entered into a partnership arrangement for the purposes of jointly undertaking the Acquisition through the Purchaser (the "**Partnership**"). Under the terms of the Partnership:
- (a) FS Entity has contributed or has committed to contribute, equity in the amount of €5.0 million (being its proportionate 50% interest in the Purchaser), and each of CDL Entity and Tai Tak Entity has contributed or has committed to contribute, equity in the amount of €2.5 million (being their respective proportionate 25% interest in the Purchaser) (the "**Equity Contribution**"). Each of the three limited partners shall participate in the capital and profits of the Purchaser, and their respective voting rights shall be, in proportion to their Equity Contribution;
 - (b) FS FinCo, CDL FinCo and Tai Tak FinCo have also committed to extend junior loans in proportion of their Equity Contribution, in the amounts of €12.5 million (from FS FinCo) and €6.25 million (from each of CDL Fin Co and Tai Tak FinCo). The junior loans that will be extended to the Purchaser shall carry an interest rate of 7.5% per annum for a term of seven years; and
 - (c) CDL FinCo and Tai Tak FinCo have committed to extend senior loans to the Purchaser in the amount of €25.0 million each which carry an interest rate of 1.38% per annum for a term of three years.

Chapter 9 of the Listing Manual

- 1.6 For the avoidance of doubt, the Seller is a third party which is not an "interested person" of the Company and the Acquisition itself is therefore not an "interested person transaction" for the purposes of Chapter 9 of the Listing Manual of Singapore Exchange Securities Trading Limited (the "**Listing Manual**"). However, the Group's participation in the Partnership is an "interested person transaction" for the purposes of Chapter 9 of the Listing Manual as City Developments Limited and Tai Tak Estates Sendirian Berhad are controlling shareholders of the Company, and thus, each of the CDL Group subsidiaries (i.e. CDL Entity and CDL FinCo) and the Tai Tak Group subsidiaries (i.e. Tai Tak Entity and Tai Tak FinCo) is regarded as an "interested person". For completeness, the CDL Group and the Tai Tak Group are not part of the "same interested person" group for the purposes of Rule 908 of the Listing Manual.
- 1.7 There were no interested person transactions (whether involving the CDL Group, the Tai Tak Group, or any other interested persons) during FY2017 up to the date of this announcement (excluding transactions which need not be aggregated pursuant to Rule 915 of the Listing Manual) of S\$100,000 or more in value.
- 1.8 The Company is required to announce the Partnership as the "amount at risk" which is attributable to the Partnership exceeds 3% (but is less than 5%) of the Group's net tangible assets ("**NTA**") based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2016 ("**FY2016**") as set out in the Company's 2016 Annual Report. Mr Ho Han Leong Calvin and Mr Ho Han Khoon (alternate Director to Mr Ho Han Leong Calvin) have an interest in the Partnership due to their relationship with the Tai Tak Group and have therefore abstained from participating in the deliberations of the Audit Committee in respect of the Partnership. The remaining members of the Audit Committee, namely, Mr Yee Chia Hsing and Ms Ting Ping Ee, Joan Maria, have reviewed the terms of the

Partnership, and are of the view that the Partnership is on normal commercial terms, and is not prejudicial to the interests of the Company and its minority shareholders.

2. INFORMATION ON THE SELLER AND THE PROPERTY

- 2.1 The Seller is a capital management company incorporated under the laws of Germany and manages a fund structure under the name of "*Hotel-Managed Core-Fonds*" (which has ownership of the Property).
- 2.2 The freehold property which is the subject of the Acquisition (the "**Property**") is located at Wiesenhüttenplatz 28, 30, 32, and Wiesenhüttenstraße 36-38 Frankfurt am Main, 60329, Germany, which is close to the main train station in the Frankfurt district of "Bahnhofsviertel" – the city centre of Frankfurt, and has an aggregate land size of approximately 4,405 square metres. The Property comprises an existing hotel currently operated under the "*Le Méridien Frankfurt*" name (the "**Hotel**") (including the underlying land parcels and the buildings thereon), all inventory and equipment (including certain fixtures, furniture and equipment as well as small operating equipment) and operating facilities which are owned by the Seller. The Hotel comprises two buildings: a historic part with a monumental status built in 1905 that has 80 rooms and a modern part built in the 1970s with 220 rooms. The Hotel also has 670 square metres of conference space with an extensive fitness and wellness area, and 48 parking spaces.
- 2.3 The Hotel is currently leased to MHP Parkhotel GmbH (the "**Tenant**") for 25 years expiring on 31 May 2040, with a renewal option of 5 years (exercisable at the option of the Tenant) and operated by the Tenant under the "*Le Méridien*" brand on the basis of a franchise granted by Starwood.

3. RATIONALE FOR AND BENEFITS OF THE ACQUISITION

- 3.1 The Acquisition offers the opportunity for the Group to build-up a larger recurrent income stream from the Group's property-holding business segment, and also helps to diversify the Group's geographic exposure.
- 3.2 The participation in the Acquisition by the Tai Tak Group and the CDL Group together with the Company is an endorsement of the Group's expansion plan.

4. CONSIDERATION PAYABLE BY THE PURCHASER FOR THE ACQUISITION

- 4.1 The aggregate cash consideration payable by the Purchaser for the Acquisition is €79.4 million (equivalent to approximately S\$126.9 million based on the Illustrative Exchange Rate) (the "**Consideration**"). The Purchaser is also responsible for paying certain transaction-related expenses (including but not limited to real estate transfer tax) which are currently estimated to be approximately €5.6 million (equivalent to approximately S\$9.0 million based on the Illustrative Exchange Rate).
- 4.2 The aggregate contribution by the Group to the Purchaser for the Acquisition is approximately €17.5 million (equivalent to approximately S\$28.0 million based on the Illustrative Exchange Rate) comprising (a) €5.0 million by way of Equity Contribution in the Purchaser by FS Entity; and (b) €12.5 million by way of the junior loan to the Purchaser by FS FinCo. The aggregate contribution by each of the CDL Group and the Tai Tak Group to the Purchaser for the Acquisition is €33.75 million each, comprising (a) €2.5 million by way of Equity Contribution in the Purchaser by each of CDL Entity and Tai Tak Entity; (b) €6.25 million by way of junior

loans to the Purchaser by each of CDL FinCo and Tai Tak FinCo; and (c) €25.0 million by way of senior loans to the Purchaser by each of CDL FinCo and Tai Tak FinCo.

- 4.3 The Consideration was the result of arm's length, commercial negotiations between the Purchaser and the Seller on a willing-buyer, willing-seller basis, taking into consideration relevant factors such as the current property market conditions in Germany, the historical and expected rental yield from the Property, the physical condition of the Property, the location of the Property, as well as the commercial analysis provided by JLL Hotels & Hospitality Group, the appointed commercial advisor in relation to the Acquisition.
- 4.4 The Purchaser had paid an advance payment of approximately €7.9 million which is held by a notary in escrow, pending release to the Seller upon Completion. The remainder of approximately €71.5 million (being the Consideration less the advance payment) shall be paid by the Purchaser within ten bank working days from the Purchaser's receipt of notification from the Seller of certain pre-Completion information as stipulated in the SPA, and the transfer of the Property to the Purchaser will be completed on the calendar day after full payment has been made. As mentioned in paragraph 1.2, this is expected to take place in late December 2017 or early January 2018.
- 4.5 The Company does not have information on the book value or the NTA value of the Property. The Property does not have an available open market value and the Company has not commissioned a third-party valuation of the Property.

5. FINANCING OF THE ACQUISITION

The Group will finance its contribution for the Acquisition using its existing internal cash resources and credit facilities.

6. ILLUSTRATIVE FINANCIAL EFFECTS OF THE ACQUISITION

6.1 **For illustrative purposes only**, the financial effects of the Acquisition as set out below are prepared based on the latest audited consolidated financial statements of the Group for FY2016 as set out in the Company's 2016 Annual Report and subject to the following key assumptions:

- (a) the effect of the Acquisition on the Group's consolidated NTA per ordinary share in the capital of the Company ("**Share**") is based on the assumption that the Acquisition had been effected at the end of FY2016; and
- (b) the effect of the Acquisition on the Group's consolidated earnings per Share ("**EPS**") is based on the assumption that the Acquisition had been effected at the beginning of FY2016.

6.2 The illustrative financial effects as set out below are theoretical in nature and for illustrative purposes only, and are therefore not indicative of the actual or potential financial performance, financial position or earnings of the Group after the completion of the Acquisition:

- (a) NTA per Share

Based on the assumptions in paragraph 6.1 above, the Group's consolidated NTA per Share will remain unchanged as a result of the Acquisition.

(b) EPS

Based on the assumptions in paragraph 6.1 above, the EPS of the Group is expected to increase by 1.4% from 19.17 Singapore cents to 19.44 Singapore cents as a result of the Acquisition.

BY ORDER OF THE BOARD

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
7 December 2017



CITY DEVELOPMENTS LIMITED



TAI TAK

Joint Press Release

FIRST SPONSOR PARTNERS WITH KEY SHAREHOLDERS CDL AND TAI TAK FOR THE ACQUISITION OF THE LE MERIDIEN FRANKFURT HOTEL IN GERMANY

Singapore, 7 December 2017 – Singapore Exchange (SGX) mainboard-listed First Sponsor Group Limited (“**First Sponsor**” or the “**Company**”, and together with its subsidiaries and associated companies, the “**Group**”), is pleased to announce that the Group, in partnership with its two key shareholders, City Developments Limited (“**CDL**”) and Tai Tak Estates Sendirian Berhad (“**Tai Tak**”), has through a joint venture partnership on 6 December 2017 entered into a sale and purchase agreement for the proposed acquisition of the Le Méridien Frankfurt Hotel in Germany (the “**Acquisition**”). The expected total consideration for this Acquisition is €85.0 million (S\$135.9 million) including transaction costs.

The Le Méridien Frankfurt Hotel is a freehold property that is located close to the main train station in the Frankfurt district of “Bahnhofsviertel” - the city centre of Frankfurt, and has an aggregate land size of approximately 4,405 square metres. The hotel comprises two buildings, a historic part with a monumental status built in 1905 that has 80 rooms and a modern part built in the 1970s with 220 rooms. The hotel also has 670 square metres of conference space with an extensive fitness and wellness area, and 48 parking spaces. The hotel is currently leased to MHP Parkhotel GmbH with a lease expiry date of 31 May 2040 and is operated under the “Le Méridien” brand on the basis of a franchise granted by Starwood.

Mr. Calvin Ho Han Leong (Chairman, First Sponsor) said, “First Sponsor is pleased to have the opportunity to directly co-invest with CDL and Tai Tak in the acquisition of Le Méridien Frankfurt. Their participation with First Sponsor in this acquisition is an endorsement of our Group’s expansion plan. First Sponsor has successfully diversified from a China centric real estate player to become a significant property player in the Netherlands since entering the Dutch market in 2015. As First Sponsor continues to build our property holding business segment’s recurrent income stream, our first foray into Germany together with Tai Tak and CDL marks another exciting chapter of our European growth story.”

Mr. Kwek Eik Sheng (Chief Strategy Officer and Head of Asset Management, CDL) said, “As a major hub for commerce, tourism and transportation, Frankfurt is a compelling destination for acquisitions in Germany which is the largest economy in Europe. Moreover, with Brexit, hotels in Frankfurt will see increasing demand as businesses including banks are shifting their operations and activities to this German city. More importantly, together with Tai Tak, CDL is pleased to support First Sponsor’s growth through this joint acquisition of a prime freehold hotel property in the city centre of Frankfurt. At the same time, it will also enable CDL to enhance our recurring income stream and enlarge our geographical footprint for

strategic diversification. Earlier in the year, the CDL Group entered Munich through CDL Hospitality Trusts' acquisition of Pullman Hotel Munich. With a strong balance sheet, CDL will continue to seek opportunities for new acquisitions and investments both locally and overseas."

Mr. Ho Han Khoo (Executive Director, Tai Tak) said, "Tai Tak has been very supportive of First Sponsor's European expansion plan. We are excited to have the opportunity to directly co-invest with First Sponsor and CDL in such a centrally located German hotel. This is our third business joint venture with Chairman Kwek following two successful cooperation with his Hong Leong Singapore Group of companies. Tai Tak believes this cooperation is well placed to make the most of the potential growth in Frankfurt. Tai Tak looks forward to seeing this investment grow and prosper for all parties in this joint venture."

Details of the Acquisition

| | |
|---------------------------------|---|
| Property | <ul style="list-style-type: none"> • Le Méridien Frankfurt Hotel, Germany |
| Number of keys | <ul style="list-style-type: none"> • 300 rooms (Modern Wing: 220, Classic Wing: 80) |
| Land tenure | <ul style="list-style-type: none"> • Freehold |
| Total consideration | <ul style="list-style-type: none"> • €85.0m (\$\$135.9m) or €283,000 (\$\$453,000) per Key |
| Lease term | <ul style="list-style-type: none"> • 25 years expiring on 31 May 2040 with tenant having an option to renew for another 5 years |
| Expected completion date | <ul style="list-style-type: none"> • Late December 2017 or early January 2018 |

- End -

Please refer to the SGX announcement and related investor presentation dated 7 December 2017 for further details of the Acquisition.

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About First Sponsor Group Limited (www.1st-sponsor.com.sg)

First Sponsor Group Limited (“**First Sponsor**”, and together with its subsidiaries and associated companies, the “**Group**”), a mixed property developer and owner of commercial properties (including hotels), and a provider of property financing services in the People’s Republic of China and the Netherlands, 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 Singapore group of companies, through its shareholding interests in Millennium & Copthorne Hotels plc and Tai Tak Estates Sendirian Berhad, a private company with a long operating history, which was incorporated in Singapore in 1954.

About City Developments Limited (www.cdl.com.sg)

City Developments Limited (CDL) is a Singapore-listed international real estate operating company with a global presence spanning 97 locations in 26 countries. As one of Singapore’s largest companies by market capitalisation, its income-stable and geographically-diversified portfolio comprises residences, offices, hotels, serviced apartments, integrated developments and shopping malls, totalling over 18 million square feet of floor area globally. CDL has hotel assets in one of the world’s largest hotel groups – its London-listed subsidiary, Millennium & Copthorne Hotels plc (M&C), has over 130 hotels globally, many in key gateway cities. Globally, CDL has developed over 40,000 homes and is one of Singapore’s largest commercial landlords, with one of the biggest landbanks amongst Singapore private-sector developers. Building on its track record of over 50 years in real estate development, investment and management, CDL has developed growth platforms in five key international markets – UK, US, China, Japan and Australia. CDL is also leveraging its stable of prime assets and growing its real estate funds management business. It currently has over \$3.5 billion in funds under management.

About Tai Tak Group

Tai Tak Estates Sendirian Berhad is a private company which was incorporated in 1954. It has long operating history which began in rubber plantation ownership and management. Subsequently, Tai Tak diversified into the palm oil business, undertook logging and sawmilling operations. It currently invests in a wide range of businesses, including plantations, listed and private equities and property holding and development.



First Sponsor Group Limited

Acquisition of the
Le Méridien Frankfurt Hotel

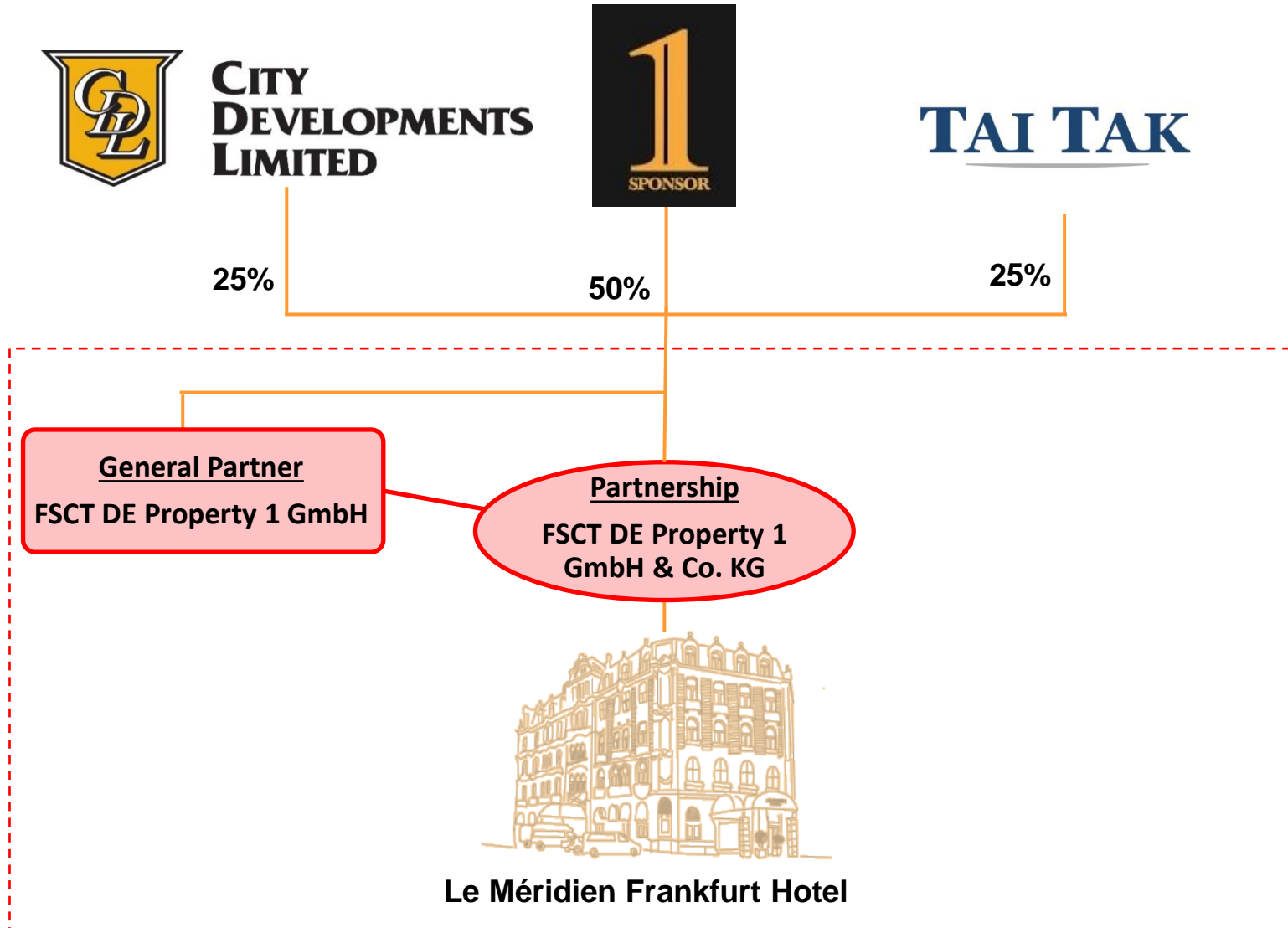
7 December 2017



Executive Summary

- **The Group, in partnership with its two key shareholders, City Developments Limited (“CDL”) and Tai Tak Estates Sendirian Berhad (“Tai Tak”), has through a joint venture partnership on 6 December 2017 entered into a sale and purchase agreement for the proposed acquisition of the Le Méridien Frankfurt Hotel in Germany. The expected total consideration for this acquisition is €85.0 million (\$135.9 million), including transaction costs.**
- **The participation in the acquisition by CDL and Tai Tak together with the Group is an endorsement of the Group’s expansion plan.**
- **The Le Méridien Frankfurt Hotel is a freehold property that is located close to the main train station in the Frankfurt district of “Bahnhofsviertel” - the city centre of Frankfurt, and has an aggregate land size of approximately 4,405 sqm. The hotel comprises two buildings, a historic part with a monumental status built in 1905 that has 80 rooms and a modern part built in the 1970s with 220 rooms. In addition, the hotel offers 670 sqm of conference space with an extensive fitness and wellness area, plus 48 parking spaces. The hotel is currently leased to MHP Parkhotel GmbH with a lease expiry date of 31 May 2040 and is operated under the “Le Méridien” brand on the basis of a franchise granted by Starwood.**
- **The acquisition offers the 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.**

Acquisition Structure



Le Méridien Frankfurt Hotel Frankfurt, Germany



Le Méridien Frankfurt Hotel Frankfurt, Germany



Le Méridien Frankfurt Hotel



- Freehold asset in the city center of Frankfurt, Germany's most important financial centre. Located in the well-known district of "Bahnhofsviertel", a neighbourhood that has been earmarked for significant redevelopment.
- The hotel is a stone's throw away from Frankfurt's main train station and is in close proximity to the banks of river Main where many famous museums and theatres are located. Frankfurt's Messe (trade fair grounds) and Frankfurt Airport are only 12 and 15 minutes' drive away from the hotel respectively.
- The hotel has been recently refurbished with €11.5 million spent between 2016 and 2017.

| | |
|---------------------------------|--|
| Land tenure | Freehold |
| Location | Wiesenhüttenplatz 28, 30, 32, and Wiesenhüttenstraße 36-38 Frankfurt am Main, 60329, Germany |
| Year of construction | Modern Wing: 1970s, Classic Wing: 1905 |
| Rooms | 300 (Modern Wing: 220, Classic Wing: 80) |
| Meeting Rooms | 10 (670 sqm) |
| Total Consideration | €85.0m (\$\$135.9m) or €283,000 (\$\$453,000) per key |
| Lease Term | 25 years expiring on 31 May 2040 with tenant having an option to renew for another 5 years |
| Expected Completion Date | Late December 2017 or early January 2018 |

- The hotel is currently leased to MHP Parkhotel GmbH for 25 years expiring on 31 May 2040, with a renewal option of 5 years (exercisable by the tenant) and operated under the "Le Méridien" brand on the basis of a franchise granted by Starwood.

Prime Location - excellent accessibility to leisure and commercial activities



Proforma Financial Effects

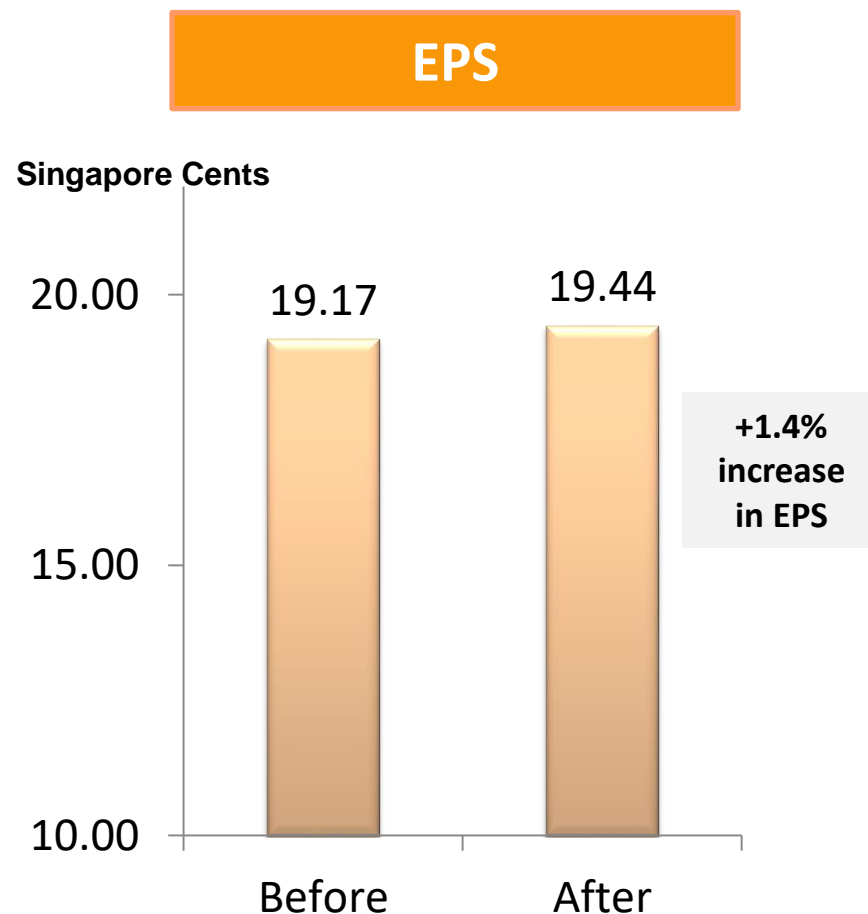
The expected financial effects are set out below:

1. Group's earnings per share ("EPS")

- If the envisaged acquisition had been completed on 1 January 2016, the Group's earnings per share would increase by 1.4% to 19.44 Singapore cents per ordinary share.

2. Net tangible assets ("NTA")

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



Thank You



Disclaimer

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.