

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

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No

Announcement Details

Announcement Title

General Announcement

Date & Time of Broadcast

17-Jun-2019 12:17:07

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Announcement Sub Title

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

Announcement Reference

SG190617OTHRZQQB

Submitted By (Co./ Ind. Name)

Enid Ling Peek Fong

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

First Sponsor Group Limited ("FSGL"), an associate of Millennium & Copthorne Hotels plc, has on 17 June 2019 released an announcement relating to the entry into Joint Venture Agreement with Poly Bay Area Investment Development Co., Ltd. and Shoucheng (Dongguan) Real Estate Co., Ltd. to jointly develop Wanjiang Victory Land in Dongguan for residential and commercial use.

For details, please refer to the announcement released by FSGL on the SGX website www.sgx.com.

ASSET ACQUISITIONS AND DISPOSALS::ENTRY INTO JV AGREEMENT WITH POLY BAY AREA INVESTMENT DEVELOPMENT CO., LTD.

Issuer & Securities

Issuer/ Manager

FIRST SPONSOR GROUP LIMITED

Securities

FIRST SPONSOR GROUP LIMITED - KYG3488W1078 - ADN

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No

Announcement Details

Announcement Title

Asset Acquisitions and Disposals

Date & Time of Broadcast

17-Jun-2019 06:57:38

Status

New

Announcement Sub Title

ENTRY INTO JV AGREEMENT WITH POLY BAY AREA INVESTMENT DEVELOPMENT CO., LTD.

Announcement Reference

SG190617OTHRND2B

Submitted By (Co./ Ind. Name)

Neo Teck Pheng

Designation

Group Chief Executive Officer and Executive Director

Description (Please provide a detailed description of the event in the box below)

Please see attached.

Attachments

[FSGL - Entry into JV Agreement to Develop Dongguan Wanjiang Victory Land.pdf](#)

Total size =335K MB

FIRST SPONSOR GROUP LIMITED
(Incorporated in the Cayman Islands)
(Company Registration No.: AT-195714)

ENTRY INTO JOINT VENTURE AGREEMENT WITH POLY BAY AREA INVESTMENT DEVELOPMENT CO., LTD.

1. INTRODUCTION

Pursuant to Rule 704(17)(c) of the listing manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”), the Board of Directors (“**Board**”) of First Sponsor Group Limited (“**Company**”, together with its subsidiaries, “**Group**”) is pleased to announce that the Company’s indirect wholly-owned subsidiary incorporated under the laws of the People’s Republic of China (“**PRC**”), First Sponsor (Guangdong) Group Limited (首铸(广东)集团有限公司) (“**FS Guangdong**”), has on 14 June 2019 entered into a joint venture agreement (“**JVA**”) with Poly Bay Area Investment Development Co., Ltd. (保利湾区投资发展有限公司) (“**Poly Bay Area**”) and Shoucheng (Dongguan) Real Estate Co., Ltd. (首诚(东莞)房地产有限公司) (“**SDRE**”) in relation to Dongguan Baozhu Industrial Investment Co., Ltd. (东莞市保铸实业投资有限公司) (“**JVCo**”), to jointly develop Wanjiang Victory Land (as described below) for residential and commercial use.

2. INFORMATION ON POLY BAY AREA, POLY DEVELOPMENTS AND HOLDINGS AND SDRE

Poly Bay Area is a wholly-owned subsidiary of Poly Developments and Holdings Group Co., Ltd. (保利发展控股集团股份有限公司) (“**Poly Developments and Holdings**”), a PRC-based company listed on the Shanghai Stock Exchange. Poly Developments and Holdings develops, invests in and operates real estate properties in the PRC and internationally. Poly Developments and Holdings is a subsidiary of China Poly Group Corporation Limited (中国保利集团有限公司), a state-owned enterprise in the PRC. As at 14 June 2019, Poly Developments and Holdings had a market capitalisation of approximately RMB153.2 billion (approximately S\$30.2 billion¹).

SDRE, a PRC-incorporated company, is a wholly-owned subsidiary of Regent Land Investment Holdings Limited (“**RLIHL**”), which is 100%-owned by Mr. Shu Zhen, the Chief Executive Officer of the Group’s Guangdong operations.

None of Poly Bay Area, Poly Developments and Holdings, SDRE, RLIHL and Mr. Shu Zhen is an “interested person” of the Company for the purposes of Chapter 9 of the Listing Manual.

3. INFORMATION ON WANJIANG VICTORY LAND

Wanjiang Victory Land comprises three adjacent plots of mixed used development land situated in the southeast of Wanjiang District, Victory Community in Dongguan, Guangdong province, the PRC. It has a total site area (including underground usable space) of approximately 42,343.4 square metres and a total gross floor area (“**GFA**”) of approximately 214,739 square metres (which comprises approximately 133,764 square metres of residential GFA and approximately 80,975 square metres of commercial GFA), of which 3,037 square

¹ Unless otherwise stated, the exchange rate of RMB1: S\$0.197349 is used in this announcement.

metres are for public amenities. The residential component has a leasehold tenure of 70 years and the commercial component has a leasehold tenure of 40 years.

Wanjiang Victory Land is held by JVCo and was acquired for a purchase price of RMB3.0 billion (approximately S\$592.0 million) ("**Land Acquisition Price**").

4. SALIENT TERMS OF THE JVA

Pursuant to the JVA:

- (a) **Capital Contributions.** Poly Bay Area, FS Guangdong and SDRE have, on 14 June 2019, contributed the following cash amounts to the registered capital of JVCo, in proportion to the equity interests which they have respectively agreed to subscribe for under the JVA:

Parties	Capital Contribution	Equity interest in JVCo
Poly Bay Area	RMB1.05 billion (approximately S\$207.2 million)	70%
FS Guangdong	RMB405.0 million (approximately S\$79.9 million)	27%
SDRE	RMB45.0 million (approximately S\$8.9 million)	3%

The subscription consideration was arrived at on a willing-buyer willing-seller basis, taking into account, among other things, the Land Acquisition Price.

Following the capital contributions, JVCo has become an associated company of the Group.

- (b) **Shareholders' Loans.** The parties have agreed to extend shareholders' loans to JVCo in proportion to their respective equity interests, of which FS Guangdong has extended an aggregate amount of approximately RMB405.0 million (approximately S\$79.9 million) on 14 June 2019 and has undertaken to further extend approximately RMB24.7 million (approximately S\$4.9 million) before 19 June 2019.
- (c) **Board Composition.** The board of directors of JVCo shall comprise 5 directors, with 3 directors nominated by Poly Bay Area and 2 directors nominated by FS Guangdong. 1 of the 3 directors nominated by Poly Bay Area shall be the chairman as well as the legal representative of JVCo.
- (d) **Supervisors and General Manager.** JVCo shall have 2 supervisors. Poly Bay Area and FS Guangdong shall each be entitled to appoint 1 supervisor. The general manager shall be appointed by Poly Bay Area.

5. RATIONALE FOR THE JOINT VENTURE

The investment in Wanjiang Victory Land through the joint venture is in the ordinary course of the Group's business and is in line with the Group's strategy to expand its footprint in Dongguan to leverage on the potential of the Greater Bay Area.

The joint venture will also enable the Group to leverage on the expertise and experience of Poly Developments and Holdings in the development and management of a large scale mixed used development.

6. FUNDING AND FINANCIAL EFFECTS

The Group's investment in JVCo is funded through its existing cash resources.

The transactions contemplated under the JVA are not expected to have any material impact on the consolidated earnings per share and the consolidated net tangible assets per share of the Group for the current financial year.

7. DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the JVA.

BY ORDER OF THE BOARD

Neo Teck Pheng
Group Chief Executive Officer and Executive Director

17 June 2019