

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	15-Jan-2016 17:22:09
Status	New
Announcement Sub Title	Announcement by First Sponsor Group Limited, an associate of Millennium & Copthorne Hotels plc
Announcement Reference	SG160115OTHRBME7
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)	<p>First Sponsor Group Limited ("FSG"), an associate of Millennium & Copthorne Hotels plc, has on 15 January 2016 issued an announcement relating to the Disposal of non-core properties in the Netherlands.</p> <p>For further details, please refer to the announcement posted by FSG on the SGX website www.sgx.com.</p>

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Asset Acquisitions and Disposals::ANNOUNCEMENT OF DISPOSAL OF NON-CORE PROPERTIES

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	15-Jan-2016 07:18:34
Status	New
Announcement Sub Title	ANNOUNCEMENT OF DISPOSAL OF NON-CORE PROPERTIES
Announcement Reference	SG160115OTHRURAJ
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	 First Sponsor - Disposal of Dutch non-core properties.pdf Total size =91K
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FIRST SPONSOR GROUP LIMITED

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

ANNOUNCEMENT OF DISPOSAL OF NON-CORE PROPERTIES IN THE NETHERLANDS

1. INTRODUCTION

1.1 The Board of Directors (the "**Board**") of First Sponsor Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") refers to the announcements made by the Company dated 14 November 2015 ("**14 November Announcement**") and 1 December 2015 ("**1 December Announcement**"). *Unless otherwise expressly specified, capitalised terms used in this Announcement shall bear the same meanings as defined in the 1 December Announcement.*

1.2 As mentioned in the 1 December Announcement, following completion of the acquisition of the DL Portfolio and as part of the ongoing Capital Restructuring of the DL Portfolio, the Target has incorporated NL D&P Property 10 B.V. (the "**Seller**"), a property-trading SPV incorporated in the Netherlands, for the purpose of holding various "non-core" properties comprised in the DL Portfolio (as described in paragraph 2.3 of the 14 November Announcement) to facilitate the eventual divestment of the said "non-core" properties. As explained in paragraph 3.2(c) of the 14 November Announcement and paragraph 2.3 of the 1 December Announcement, the Purchasers had intended to seek opportunities to dispose off these "non-core" properties at the appropriate time.

1.3 In connection with the foregoing, the Board is pleased to announce that the Seller (a 33% indirectly-owned associated company of the Company) has on 14 January 2016 entered into a sale and purchase agreement ("**SPA**") with Union Street Pluto B.V. and Union Street Zulu B.V. (collectively, the "**Purchaser**"), and with the Target (now known as FSMC NL Property Group B.V.) acting as the Seller's guarantor, in connection with the sale of the following "non-core" properties held by the Seller to the Purchaser (the "**Disposal**"):

- (a) Marathon 4, 4A – 4M, 5, 5A – 5K, 6, 6A – 6M, 7, 7A – 7M and Colosseum (*unnumbered*) (Hilversum);
- (b) Gemini, Siriusdreef 22 (Hoofddorp);
- (c) HS Building, J.Westerdijkplein 1, 40 and 50 and Waldorpstraat 120 (The Hague);
- (d) Le Carre, Randstad 20 4 and 20 6 – 20 22 (Almere);
- (e) Asserring 188 (Amstelveen);
- (f) Mr B.M. Teldersstraat 15 (Arnhem);
- (g) The Boxx, Spicalaan 10 (Hoofddorp); and
- (h) Montaubanstraat 14, 16 and 18 (Zeist),

(collectively, the "**Properties Sold**").

<p><i>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.</i></p>

2. RATIONALE FOR AND BENEFIT OF THE DISPOSAL

As mentioned above in paragraph 1.2, the Disposal is in line with the strategy to dispose off the "non-core" properties of the DL Portfolio, which was previously explained in the 14 November Announcement and 1 December Announcement. The Disposal enables the Seller to realise cash proceeds from the sale of the said "non-core" properties, which will be used for the partial repayment of loan financing extended to the Seller by FS Euro Capital Limited, a wholly-owned subsidiary of the Company (as described in paragraph 2.2 of the 1 December Announcement).

3. CONSIDERATION AND COMPLETION

- 3.1 As stated in the SPA, the aggregate purchase price of the Properties Sold is approximately €45.5 million (equivalent to approximately S\$71.1¹ million) ("**Purchase Price**"), which is exclusive of (a) any applicable turnover tax or real estate transfer tax that may be due and payable in connection with the Disposal under the laws of the Netherlands and which will be borne by the Purchaser, and (b) any amounts payable by the Purchaser to the Seller on completion of the Disposal ("**Completion**") as compensation for any amounts payable and/or actually paid by the Seller between the date of the SPA and Completion (if any) in relation to, *inter alia*, certain tenant contributions, discounts, capex and/or works, which amounts are to be borne by the Purchaser. In accordance with the terms of the SPA, the Seller shall be responsible for the settlement of applicable taxes, charges, duties, land consolidation interests, ground rent and other similar or periodic charges and costs relating to the Properties Sold, only up to the completion date of the Disposal; the Purchaser shall be responsible for such payments following completion.
- 3.2 The Purchase Price was arrived at as a result of arm's length, commercial negotiations between the Seller and the Purchaser on a willing-buyer, willing-seller basis, taking into consideration factors such as the current property market conditions in the Netherlands, the historical and expected rental yield from the Properties Sold, and the physical condition of the Properties Sold. CBRE is the appointed commercial advisors in relation to the Disposal. The open market value of the Properties Sold is not available as the Seller did not commission an independent valuation for the purposes of the Disposal.
- 3.3 From the perspective of the Group and the co-investors of the DL Portfolio, the carrying value of the Properties Sold is approximately €32.2 million (equivalent to approximately S\$50.3 million based on the Illustrative Exchange Rate). The Group is entitled to its 33% attributable share of the gain on disposal of the Properties Sold, which is expected to be approximately €4.3 million (equivalent to approximately S\$6.7 million based on the Illustrative Exchange Rate).
- 3.4 Under the SPA, Completion is scheduled to take place on 29 February 2016.

¹ The "**Illustrative Exchange Rate**" used in this Announcement is €1: S\$1.5622. 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 at any other rate.

4. FINANCIAL EFFECTS OF THE DISPOSAL

4.1 **For illustrative purposes only**, the financial effects of the Company in connection with the Disposal set out below are prepared based on the audited consolidated financial statements of the Group for the year ended 31 December 2014 ("**FY2014**") as set out in the Company's 2014 Annual Report and subject to the following key assumptions:

- (a) the effect of the Disposal on the Group's consolidated net tangible assets ("**NTA**") per ordinary share in the capital of the Company ("**Share**") is based on the assumption that the Disposal had been effected at the end of FY2014; and
- (b) the effect of the Disposal on the Group's consolidated earnings per Share ("**EPS**") is based on the assumption that the Disposal had been effected at the beginning of FY2014.

4.2 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 Completion:

(a) NTA per Share

Based on the assumptions in paragraph 4.1 above, the Group's consolidated NTA per Share would increase by 0.8% from S\$1.52 to S\$1.53 (based on the Illustrative Exchange Rate) as a result of the Disposal.

(b) EPS

Based on the assumptions in paragraph 4.1 above, the Group's consolidated EPS would increase by 30.9% from 4.33 Singapore cents to 5.67 Singapore cents (based on the Illustrative Exchange Rate) as a result of the Disposal.

5. DIRECTORS AND CONTROLLING SHAREHOLDERS

5.1 None of the Directors or (to the best of the knowledge of the Directors) controlling shareholders of the Company has any interest, direct or indirect, in the Disposal.

5.2 No person is proposed to be appointed to the board of the Company in connection with the Disposal, and no Director's service contract is proposed to be entered into by the Company with any person in connection with the Disposal.

6. DOCUMENTS FOR INSPECTION

A copy of the SPA will be available for inspection at the office of the Company in Singapore at 63 Market Street, #06-03, Bank of Singapore Centre, Singapore 048942, during normal business hours for a period of three (3) months from the date of this Announcement.

BY ORDER OF THE BOARD

Neo Teck Pheng
Group Chief Executive Officer
15 January 2016