



# FIRST SPONSOR GROUP LIMITED

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## Press Release

### FIRST SPONSOR ACHIEVED THE SIXTH CONSECUTIVE QUARTER OF YEAR ON YEAR PROFIT GROWTH SINCE IPO

THE DUTCH OPERATIONS OF THE GROUP CONTRIBUTED A RECURRENT INCOME OF S\$6.7 MILLION IN 1Q2016 WHICH TRANSLATES TO AN ANNUALISED INCOME CONTRIBUTION IN EXCESS OF S\$26 MILLION

*Singapore, 27 April 2016* – Singapore Exchange (SGX) Mainboard-listed First Sponsor Group Limited (“**First Sponsor**” or the “**Company**”, and together with its subsidiaries and associated companies, the “**Group**”), a mixed property developer and owner of commercial properties in the People’s Republic of China (the “**PRC**”) and the Netherlands, and provider of property financing services in the PRC, today announced the Group’s unaudited financial results for 1Q2016.

<b>Financial Highlights (In S\$000)</b>	<b>1Q2016</b>	<b>1Q2015</b>	<b>Change %</b>
Revenue	45,557	12,650	260.1%
Profit before tax	15,866	14,901	6.5%
Profit attributable to equity holders of the Company	12,233	10,730	14.0%

- For 1Q2016, the Group recorded a 260.1% increase in revenue and 6.5% increase in profit before tax underpinned by (i) revenue recognition from the handover of Plot C residential blocks of the Millennium Waterfront project; and (ii) share of gain from the disposal of non-core properties in the Netherlands during the period.
- In addition, the Dutch operations of the Group contributed a recurrent income of S\$6.7m in 1Q2016. This translates to an annualised income contribution in excess of S\$26 million (approximately €17 million).
- The Group has entered into long term hotel management contracts with InterContinental Hotels Group (Shanghai) Ltd on 22 April 2016 to operate the two hotels of the Millennium Waterfront project in Wenjiang, Chengdu. The hotels are set to be branded as Crowne Plaza and Holiday Inn Express.

*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.*

- As at 31 March 2016, the Group maintains a strong balance sheet with total shareholders' funds of S\$949.8 million, low net gearing ratio of 0.27x and S\$539.7 million of cash, monetary loan receivables<sup>1</sup>, and unutilised committed credit facilities. The Group is eager to expand its footprint in the property market of the Netherlands and other regions when the right opportunity arises. In this connection, the Group may tap on the debt and equity capital markets to fund this expansion plan.

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**Mr Neo Teck Pheng, Group Chief Executive Officer, said**

“Amidst the current backdrop of uncertain global economic conditions, we are pleased to report that the Group has nevertheless achieved the sixth consecutive quarter of year on year profit growth since IPO.

Although the sales for the Millennium Waterfront project was sluggish in the first 2 months of the year, we are encouraged by the upturn in sales momentum from March with April set to be the best performing month for the year thus far based on the current month to date results. We also look forward to the commencement of Plot D construction in the course of 2016. With the Dongguan residential market continuing to exhibit strong demand, the Group hopes to capitalise on this positive outlook for its Star of East River project which is expected to launch its pre-sale in early 2017. The Group, via its 33% owned associated company, is also currently redeveloping the Boompjes property in Rotterdam. This marks the Group's foray into the property development business in the Netherlands.

On the property holding front, with the successful expansion and geographic diversification exercise into the Netherlands in 2015, the Group has established a Dutch property portfolio generating an annual income contribution in excess of S\$26 million (approx. €17 million). This new recurrent income base complements well with the more lumpy nature of the property development operations. In addition, most of the non-core properties identified in the DL Portfolio have been disposed with the Group recognising its 33% share of disposal profit of S\$6.6 million in 1Q2016.

Since the inception of the property financing business slightly more than 4 years ago, the Group has for the first time encountered two problematic loans with an aggregate loan principal of RMB640 million (S\$134.6 million) in December 2015 and January 2016 respectively. There have been some encouraging developments since then. The Group has obtained more security for these loans via the judiciary process of placing first preservation orders over the assets of the guarantors of the loans, bringing the LTV for the RMB170 million loan down to 48.0% and the LTV for the RMB470 million loan down to no more than

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<sup>1</sup> Includes non-current receivables and secured property financing loans in default

25%. The borrowers for the RMB470 million loan are pro-actively engaging the Group to work out an amicable commercial solution to repay the outstanding loans, penalty interest and expenses via a combination of property sale and loan refinancing. Various court hearing dates for both cases have been set in April and May 2016.

Besides the current property development plan in the Rotterdam residential market, the Group is open to further expand its footprint in the property market of the Netherlands and other regions when the right opportunity arises. In this connection, the Group may tap on the debt and equity capital markets to fund this expansion plan.

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Please refer to the Group's unaudited financial results announcement for 1Q2016 and the investor presentation slides dated 27 April 2016 for a detailed review of the Group's performance and prospects.

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

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 in the People's Republic of China (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.