



FIRST SPONSOR GROUP LIMITED

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MEDIA RELEASE

FIRST SPONSOR GROUP LIMITED LAUNCHES MAIN BOARD IPO OF 34.05 MILLION SHARES AT S\$1.50 PER SHARE

- *Market capitalisation immediately after listing expected to be approximately S\$884.7 million⁽¹⁾*

SINGAPORE, 10 July 2014 – First Sponsor Group Limited (首铸集团有限公司) (“**FSGL**” or the “**Group**”), a developer and owner of residential and commercial properties in the People’s Republic of China (the “**PRC**”), and also a provider of property financing services with particular focus in Shanghai, has today launched its Initial Public Offering (“**IPO**”) at S\$1.50 per share (“**Invitation Price**”), in connection with its proposed listing on the Main Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). FSGL is expected to have a market capitalisation of approximately S\$884.7 million when listed.

Mr. Neo Teck Pheng (梁德平), Group Chief Executive Officer of FSGL, said, “The support from both our established key controlling shareholders **Hong Leong Group Singapore** through its shareholding interests in Millennium & Copthorne Hotels plc (“**M&C UK**”), and Tai Tak Estates Sendirian Berhad (“**Tai Tak**”), and the efforts of our management team have enabled us to grow our business in the PRC property market. The proposed listing of the Group on the SGX-ST is timely, as we embark on our next phase of growth and are ready to further enhance our visibility and profile.”

¹ Based on the Invitation Price of S\$1.50 per share and the post-Invitation share capital of 589,814,949 Shares.

“We have set our eyes on tier-two cities, namely Chengdu and Dongguan and the mass market segment in the PRC. Chengdu and Dongguan enjoy urbanisation rates that are higher than the national average. The local governments are also encouraging investments in higher-value industries and investments from major local and foreign corporations. With a clear pipeline of residential and commercial projects in Chengdu and Dongguan, we are positioned to leverage on the favourable macro economic and population trends in the PRC.”

“In addition, there is a scarcity of bank credit extended to PRC property developers and owners and this has resulted in an increasing demand for property financing. With the lengthy approval processes for loan applications and rigorous credit approval policies implemented by PRC-licensed banks, we believe that there will be demand by borrowers seeking alternative sources of liquidity to fund their capital requirements, including property purchases. With our healthy financial position and property market knowledge, this augurs well for us to expand our property financing business,” added Mr. Neo.

Mr. Kwek Leng Beng (郭令明), Executive Chairman of Hong Leong Group Singapore and Chairman of M&C UK said, “Our investment in FSGL is one of several engines of our strategy in China. Besides building M&C UK’s brand proposition in this key market, it enables us to own and manage hotels developed by this platform through mixed development.” Hong Leong’s other ‘engines’ include - Hong Leong Holdings Limited, Hong Leong International (Hong Kong) Ltd and CDL China.

Mr. Kwek added, “We remain optimistic about the medium to long-term prospects of the PRC property sector. The mass market segment in particular is exciting for us. We are delighted to continue to partner Tai Tak through FSGL as we further expand our operations in China. Tai Tak has been our long-term partner in Australia. We have great respect for each other.”

Mr. Ho Han Leong Calvin (何汉龙), Chief Executive Officer of Tai Tak, said, "We are pleased to have built a strategic partnership with the Executive Chairman of Hong Leong Group Singapore, Mr. Kwek Leng Beng. Our collaboration dates back to the early 1990's through a successful joint property investment in Australia, which thereafter culminated in the establishment of FSGL as our shared real estate vehicle for the PRC.

"The proposed listing of FSGL bears testimony to the continuing success of our long-term partnership and relationship with Mr. Kwek."

Mr. Ho added, "Under the capable hands of its management team and a focused strategy on the mass market segment in tier-two PRC cities, we are confident that FSGL will soar to greater heights."

The Invitation

The Invitation of 34,050,000 Invitation Shares of S\$1.50 each represents approximately 5.8% of the Group's enlarged share capital. The Invitation is structured as follows:

- 3,800,000 Offer Shares at S\$1.50 for each Offer Share by way of public offer; and
- 30,250,000 Placement Shares at S\$1.50 for each Placement Share by way of placement,

payable in full on application.

Concurrent but separate from the Invitation, each of Mellford Pte Ltd (a member of the Tecity Group) and Mr. Yip Siu Ching (collectively, the "**Cornerstone Investors**") has entered into cornerstone subscription agreements with FSGL to subscribe for an aggregate of 9,750,000 new shares at the Invitation Price.

Based on the Invitation Price of S\$1.50 per share and the Group's post-Invitation share capital of 589,814,949 shares, the Invitation Shares are priced at a 24.8% discount to its adjusted appraised net asset value per share of 199.57 Singapore cents as at 31 December 2013.

The public offer will open on 11 July 2014, and will close at noon on 17 July 2014. Listing and trading of FSGL's shares on the Main Board of the SGX-ST is expected to commence at 9.00 a.m. on 22 July 2014.

The estimated net proceeds of approximately S\$59.7 million will be used to fund the Group's future property development projects including acquisition of land use rights, future development or acquisition of properties held for income (if any) and general corporate and working capital purposes.

DBS Bank Ltd. is the Sole Financial Adviser, Issue Manager, Placement Agent and Underwriter for FSGL's IPO, while United Overseas Bank Limited is the Co-Manager and Sub-underwriter for the IPO.

Corporate Profile

Established in late 2007, FSGL has three key operating segments in the PRC, namely (i) property development, (ii) property holding and (iii) property financing.

The Group develops residential and commercial developments in tier-two cities in the PRC, namely, Chengdu and Dongguan. Its property holding business consists of hotel ownership and operations as well as investment properties held for rental income. The Group plans to build its portfolio to generate a stable stream of recurrent income and future capital gain. As at 31 December 2013, the total property value of the properties in FSGL's portfolio amounted to approximately RMB4,226.3 million⁽²⁾⁽³⁾.

² The total property value excludes the Chengdu Wenjiang Factory Land and Chengdu Wenjiang Factory. The Group had on 25 March 2014 entered into a relinquishment agreement with the Chengdu Wenjiang Land Reserve Centre, which is a public institution under the Chengdu Wenjiang Government, agreeing to relinquish, among others, its interest in the Chengdu Wenjiang Factory Land and Chengdu Wenjiang Factory.

³ Excludes the valuation of East River Plot One of RMB1,124.0 million. Although FSGL has not obtained the Land Use Right Certificate for East River Plot One, the Land Use Rights of East River Plot One was contracted to be acquired on 29 April 2014 and constitutes 75% of the site area (or 86% of the total above ground GFA) of the Star of East River Project in Dongguan City, Guangdong Province.

Its property financing business is conducted primarily through secured entrusted loan arrangements, with particular focus in Shanghai though the Group may selectively expand into Chengdu, Dongguan and certain tier-one cities. As at 11 May 2014, the total amount of outstanding secured loans given to third parties is RMB575.0 million.

The Group has completed the Chengdu Cityspring project, a mixed-use residential and commercial development, including the M Hotel Chengdu, which had its soft opening in September 2013 in the Gaoxin District, Chengdu, Sichuan province. It is currently developing Millennium Waterfront, a mixed-use residential and commercial development which will include the proposed Millennium Waterfront Chengdu Hotel, in Chengdu's Wenjiang District.

For its future growth, the Group plans to develop a number of projects in Dongguan, Guangdong province. It had on 29 April 2014 entered into a land grant contract to acquire Land Use Rights to a plot of land with a site area of 37,104 square metres in Dongguan's Wanjiang District, which will form part of a proposed development – the Star of East River Project. When fully developed, this project will comprise primarily offices, a retail mall and residential units with ancillary retail units. The project is situated within the new city centre of Dongguan in which a number of financial institutions are located and an international business zone will be developed. This development is pursuant to a framework agreement signed on 18 April 2014 which also covers a plot of land adjacent to this site and another land site of 120,000 square metres. A Memorandum of Understanding ("MOU") and a framework agreement were also signed on 21 November 2013 for the proposed development of a mixed-use project in Zhongtang Town, Dongguan.

Separately, the Group entered into a MOU with the Chengdu Wenjiang government on 25 March 2014 to cooperate in the proposed development of the Wenjiang Lake Project, proposed to comprise primarily residential units. The Group's immediate controlling shareholder First Sponsor Capital Limited had also signed a MOU on 2 July 2013 with a view to the Group being the tender party in the acquiring process for the land use rights to two plots of land within the Singapore-Sichuan Hi-Tech Innovation Park, which are intended for development into residential units, SOHO units, a shopping mall, and potentially a hospitality element.

The Group is supported by both its established key controlling shareholders Hong Leong Group Singapore, through its shareholding interests in M&C UK, and Tai Tak.

Hong Leong Group Singapore's core businesses include investment holding, property holding and development, hotel ownership and management, hospitality, real estate management, financial services, manufacturing and trading and distribution. Tai Tak is a private company with a long operating history, which was incorporated in Singapore in 1954. It has interests in a wide range of businesses, including plantations, listed and private equities and property holding and development.

Strategies and Future Plans

Outlining FSGL's future plans, Mr. Neo said, "Going forward, we intend to focus on growing our property development business in Chengdu and Dongguan, with selective expansion into other high growth markets. We will continue to focus on developing mass market residential property developments. We will also develop our portfolio of long-term properties held for income and grow our strategic affiliation with M&C UK. With a disciplined business strategy, we will also prudently expand our property financing business in the PRC."

Financials

The Group achieved a 3-year revenue compounded annual growth rate of approximately 305.0%, from S\$9.6 million for the financial year ended 31 December 2011 to S\$157.5 million for the financial year ended 31 December 2013. For the financial year ended 31 December 2013, the Group achieved a net profit⁽⁴⁾ of S\$48.0 million, and net profit margin⁽⁵⁾ of 30.5%.

IMPORTANT NOTICE

*This press release is presented in reliance on Section 251(8) of the Securities and Futures Act, Chapter 289 of Singapore and does not constitute an offer, invitation, or solicitation, to purchase and/or subscribe for ordinary shares in the capital of First Sponsor Group Limited (the "**Invitation Shares**"), nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. The information in this press release is qualified in its entirety by, and is subject to, the more detailed information set out in the prospectus of First Sponsor Group Limited registered by the Monetary Authority of Singapore on 10 July 2014 (the "**Prospectus**"). Any decision to subscribe for the Invitation Shares should be made solely on the basis of information contained in the Prospectus and no reliance should be placed on any information other than that contained in the Prospectus. Anyone wishing to acquire the Invitation Shares will need to make an application in the manner set out in the Prospectus.*

A printed copy of the Prospectus and the application forms in respect of the invitation to subscribe for the Invitation Shares, may be obtained upon request, subject to availability, from DBS Bank Ltd. at 12 Marina Boulevard, Level 46 Marina Bay Financial Centre Tower 3, Singapore 018982 and from members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore during normal office hours.

⁴ Net profit attributable to equity holders

⁵ Derived by dividing net profit attributable to equity holders over revenue

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