



# FIRST SPONSOR GROUP LIMITED

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## Press Release

**FOR 3Q2016, FIRST SPONSOR ACHIEVED A 11.5% AND 13.1% GROWTH IN REVENUE AND NET PROFIT RESPECTIVELY, THE EIGHTH STRAIGHT QUARTERLY PROFIT GROWTH SINCE IPO**

**THE GROUP HAS COMPLETED THE JOINT VENTURE WITH VANKE AND REGENT LAND IN RELATION TO THE STAR OF EAST RIVER PROJECT ON 12 OCTOBER 2016**

*Singapore, 26 October 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 3Q2016.

### Financial Highlights

<u>In S\$000</u>	<u>3Q2016</u>	<u>3Q2015</u>	<u>Change %</u>	<u>YTD Sep 2016</u>	<u>YTD Sep 2015</u>	<u>Change %</u>
Revenue	80,350	72,038	11.5%	168,119	114,666	46.6%
Profit attributable to equity holders of the Company	19,333	17,094	13.1%	40,174	35,448	13.3%

- For 3Q2016, the Group achieved a 11.5% and 13.1% growth in revenue and net profit respectively, the eighth straight quarterly profit growth since IPO in spite of the current uncertain global economic conditions.
- The joint venture with Vanke and Regent Land in relation to the Star of East River project has been set up on 12 October 2016. With Vanke taking over control of the project, the development plan and hence construction time line will be reviewed and modified where necessary. As such, construction is likely to only commence in 2017. In connection with the above transaction, the Group will receive approximately RMB1.2 billion of net proceeds of which the majority has been collected to-date.

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

“We are pleased to achieve our eighth consecutive quarter of profit growth since IPO in spite of the current uncertain global economic conditions.

The Millennium Waterfront project has achieved its best quarter for the year so far with 373 residential units sold, a 12% increase as compared to the previous quarter. Capitalising on this strong buying sentiment, the Group increased selling price by a few percentage points during September 2016 and made two further rounds of price increase in early October 2016. Pre-sales have continued to be encouraging with 352 residential units sold during the first 3 weeks of October 2016. The Group is cautious of the current buying interest and plans to launch Plot D, the last and best residential plot in the Millennium Waterfront project, for sale as soon as possible to ride on this exceptional market demand.

The Group looks forward to the cooperation with Vanke on the Star of East River project in Dongguan, and is confident that by tapping on Vanke’s extensive experience and expertise, the full potential of the project will be realised for the benefit of all investors.

On the Netherlands front, the Group has successfully acquired two commercial properties (known as the Dreeftoren and Blue Wings) located in Amsterdam Southeast via a court auction held in September 2016 relating to a bank foreclosure exercise. What is of particular interest is the Dreeftoren, which is strategically located next to the Arena Towers, possesses redevelopment potential and will also further strengthen the property holding portfolio of the Group in due course. Through the 33% owned FSMC, the Group is working towards signing a sales and purchase agreement with an established consortium of investors for the Boompjes redevelopment project in Rotterdam, thereby securing sales and forward funding way before the commencement of the project construction.

With regard to the property financing business segment, the court ruling for the first problematic loan of RMB170 million was deemed to be effective with no appeal application from the defendant. However, the Group would have to obtain the cooperation of the public security bureau which has placed an administrative restriction on the property collaterals, or wait for the court and public security bureau to reach a disposal consensus before the court auction process for the foreclosure can commence. For the second case which comprises eight inter-related loans with an aggregate loan principal of RMB470 million, the Group has obtained favourable effective ruling for one of the eight loans amounting to RMB70 million. For this particular loan, the court has commenced the foreclosure process starting with the valuation of the property collateral for the purpose of fixing the auction price. Favourable court rulings on four of the remaining loans amounting to RMB254 million are currently under appeal by the borrower. There are no rulings issued yet for the remaining three loans amounting to RMB146 million. The Group remains optimistic of the recovery of the loan principal sums and the associated penalty interest in view of the positive court rulings and low loan to value ratios, but will continue to adopt a conservative approach of not recognising penalty interest income from these defaulted loans.

The Group continues to be on a disciplined quest for investment opportunities in the Netherlands, PRC and other regions. In this connection, the Group may tap on the debt and equity capital markets to fund its expansion plan.”

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Please refer to the Group’s unaudited financial results announcement for 3Q2016 and the investor presentation slides dated 26 October 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.

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Please visit [www.1st-sponsor.com.sg](http://www.1st-sponsor.com.sg) for the Group’s financial statements and investor presentations.