



FIRST SPONSOR GROUP LIMITED

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Press Release

IMPRESSIVE SALES PERFORMANCE AT THE MILLENNIUM WATERFRONT PROJECT WITH OVER ONE THOUSAND RESIDENTIAL UNITS SOLD IN 1Q2017, WHICH IS MORE THAN 70% OF THAT ACHIEVED IN THE ENTIRE YEAR OF 2016.

STRONG BALANCE SHEET WITH A NET CASH POSITION TO FUND ITS NEXT PHASE OF BUSINESS EXPANSION.

Singapore, 27 April 2017 – 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 1Q2017.

Financial Highlights

<u>In S\$'000</u>	<u>1Q2017</u>	<u>1Q2016</u>	<u>Change %</u>
Revenue	81,347	45,557	78.6
Profit attributable to equity holders of the Company	14,235	12,233	16.4

- This is the 10th consecutive quarter on quarter profit growth since IPO in July 2014 with net profit of S\$14.2 million achieved in 1Q2017, a 16.4% increase over 1Q2016.
- The Group has recorded its best quarterly residential sales for the Millennium Waterfront project. Of the four residential land plots, Plot A (2,000 units), Plot B (2,250 units) and Plot C (1,778 units) were 99.8%, 94.0% and 100% sold respectively as at 31 March 2017. For FY2017, the Group will be recognising residential development profit mainly from Plot A and the three river facing residential blocks of Plot B that were developed later.
- The Group returned to a net cash position of S\$13.8 million as at 31 March 2017 aided in part by the partial loan repayment from the Wenjiang government. The Group is in a strong financial position to take on its next phase of business expansion prudently.

Mr Neo Teck Pheng, Group Chief Executive Officer, said

“Despite the volatile global market conditions carrying into 2017, the Group has kicked off to a good start with the property development segment booking robust sales at the Millennium Waterfront project. There is only one unit left unsold out of the two residential blocks in Plot D which were launched for sale in December 2016. As at 31 March 2017, only 969 out of the total 7,302 residential units in the Millennium Waterfront project remain unsold. The unsold residential inventory relates mainly to the remaining residential apartments in Plot D for which the sales permits for three more residential blocks in Plot D have since been received in April 2017. The performance of the Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels has been encouraging with a steady growth in patrons especially for the conference and banqueting facilities.

In Dongguan, the Star of East River project has regained its development momentum after a smooth handover to Vanke in 4Q2016. Pre-sales is expected to commence in 4Q2017. On 9 March 2017, the Group has, together with a third party, signed an agreement to acquire a 90% and 10% equity interest respectively in Dongguan East Sun Limited from its management team and labour union valuing the property portfolio owned by the entity at RMB260 million. Dongguan East Sun Limited principally owns a number of outdated commercial and industrial properties in Dongguan for which the Group sees redevelopment potential in some of these properties. Most of these properties are currently tenanted with a positive running yield. The Group will also provide entrusted loans to Dongguan East Sun Limited, secured on the property portfolio, to fund the entity’s property holding and redevelopment operations. This will further expand the property financing business of the Group. The acquisition was completed on 7 April 2017.

On the property financing front, the Group has recovered RMB89.5 million cash proceeds representing full collection of a RMB70 million loan principal and associated penalty interest in March 2017. The positive enforcement result of the aforementioned defaulted loan is encouraging. The Group remains optimistic of the recoverability of the other property financing loans in default. As at 31 March 2017, the cumulative unrecognised penalty interest in respect to the loans in default amounts to S\$34.5 million.

Turning to the Netherlands, the Group is in preliminary discussion with a third party for the sale of a proposed additional residential apartment block next to the existing Dreeftoren office via a forward funded scheme. Additional residential apartment blocks are also being contemplated for the nearby Oliphant office property. These residential developments would entail re-zoning application for which the Amsterdam Southeast municipal’s approval is required. In addition, the Group is in the midst of planning a capital expenditure program to enhance the quality and organically expand its existing property portfolio, including the Dreeftoren, Oliphant and Munthof office properties, all of which are located in Amsterdam.

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Please refer to the Group's unaudited financial results announcement for 1Q2017 and the investor presentation slides dated 27 April 2017 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.

Please visit www.1st-sponsor.com.sg for the Group's financial statements and investor presentations.