

Star of East River project
Dongguan city, Guangdong province, PRC



vanke 万科

First Sponsor Group Limited

**Collaboration with China Vanke
for the development of the
Star of East River Project**

22 August 2016

Disclaimer

This document may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, customers and partners, expected levels of occupancy rate, property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

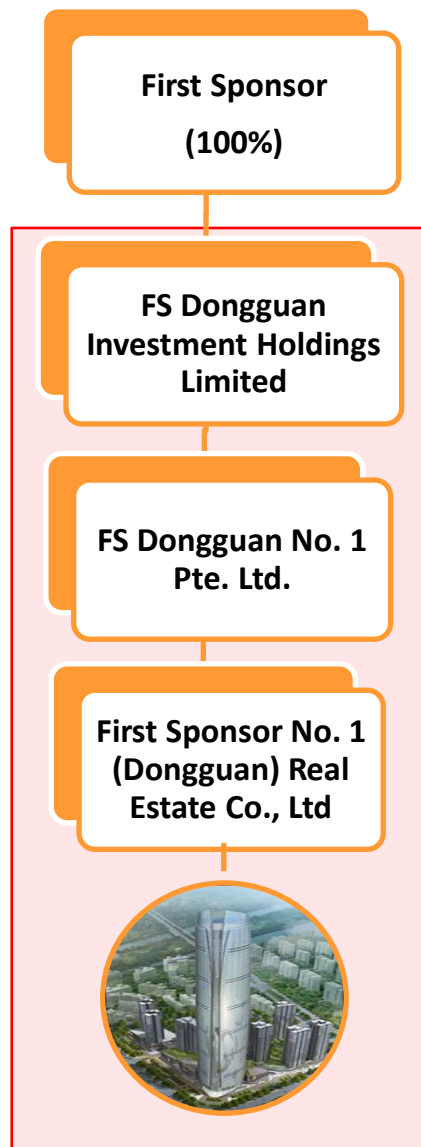
We had on 10 July 2014 issued a prospectus which was lodged for registration by the Monetary Authority of Singapore (the “Prospectus”). The results contained in this document should be reviewed in conjunction with the Prospectus.

Executive Summary

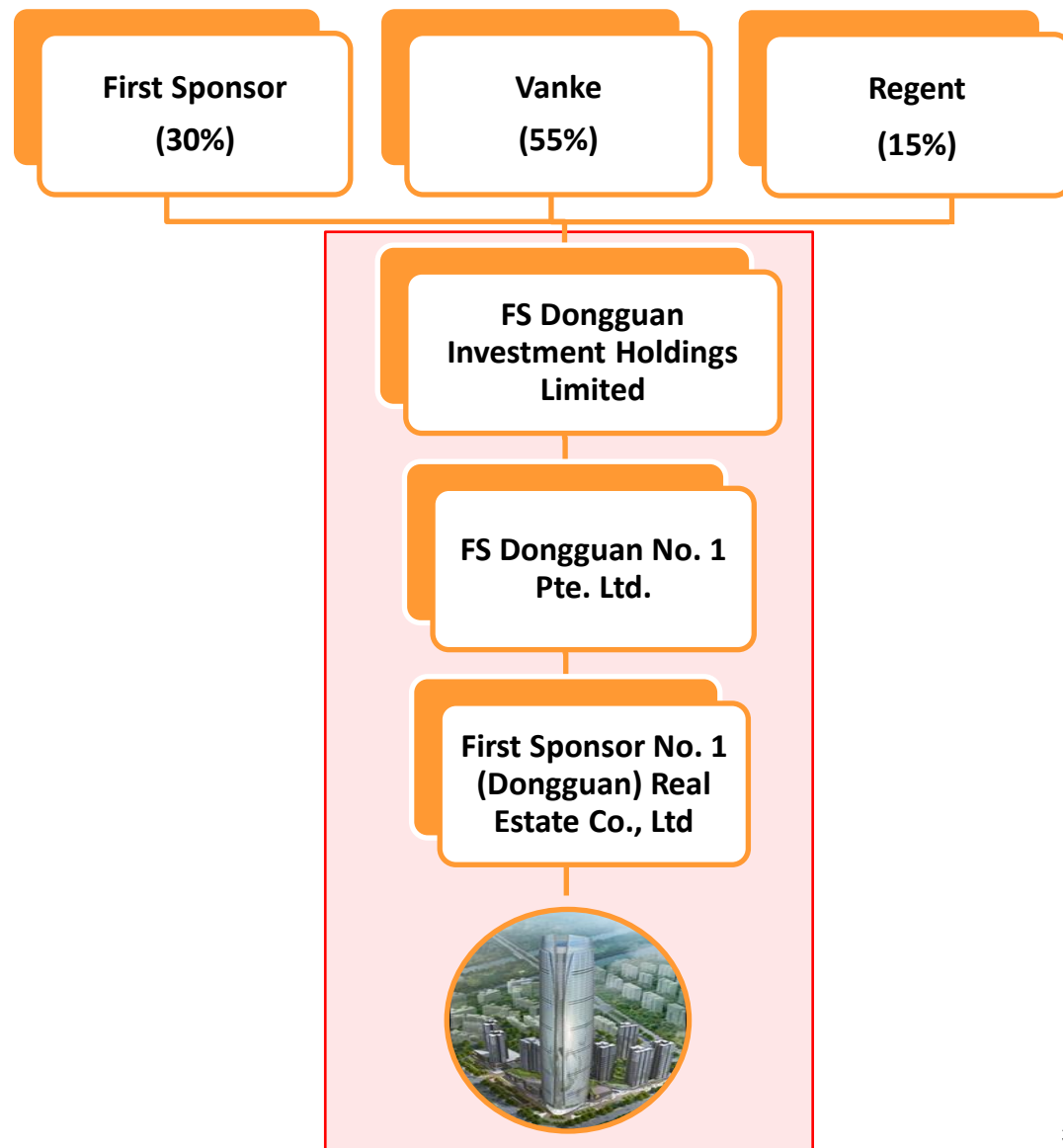
- First Sponsor Group Limited (“First Sponsor” or the “Company”, and together with its subsidiaries, the “Group”), is pleased to announce that the Group has on 19 August 2016 entered into a share subscription agreement and assignment agreement with a wholly-owned subsidiary of China Vanke Co., Ltd (“Vanke”) and Regent Land Investment Holdings Limited (together “Investors”) to collaborate in the development of the Group’s Star of East River project (“Project”) in Dongguan city, Guangdong province, PRC.
- The joint venture will allow the Company to tap on the extensive experience and business network of Vanke, one of the largest property developers in the PRC, to enhance the value of the Project, and share the development risk of the Project with the Investors.
- Based on the recently announced 2Q2016 financials, the Group’s estimated net gain from the transaction is approximately S\$95.3 million and the estimated net proceeds will amount to approximately S\$243.4 million. The proceeds can be redeployed by the Group in search of other opportunities to expand the Group’s three key property related businesses and to further finance the property development operations of the Project, if necessary.
- By retaining a significant 30% stake in the Project, the Company continues to be able to participate in any potential upside in the value of the Project.
- The above transaction is expected to be completed in October 2016. Please refer to the SGX announcement for the details of this transaction.

Pre and Post Completion Structure

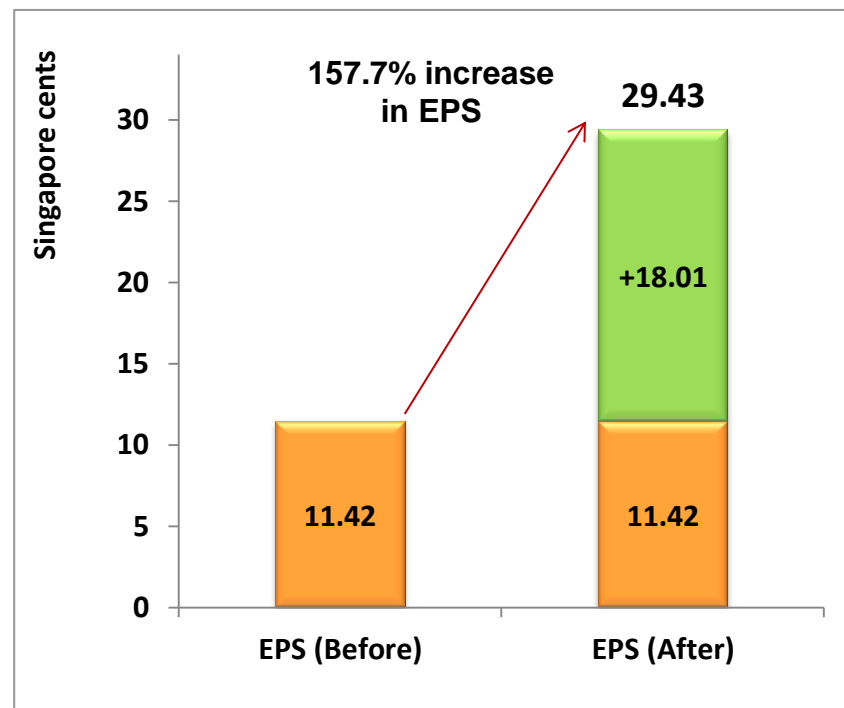
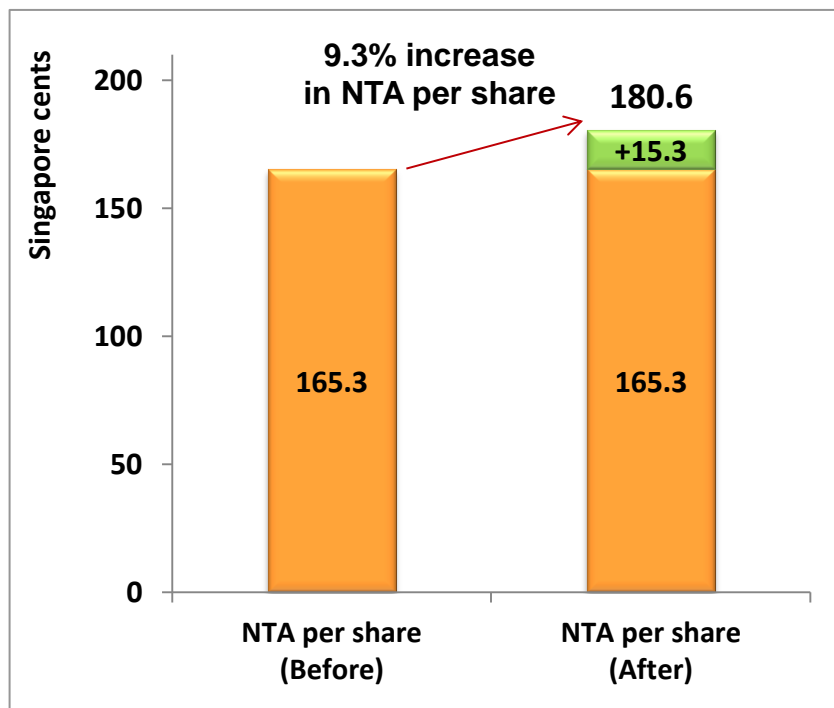
Pre Completion Structure



Post Completion Structure



Proforma Financial Effects



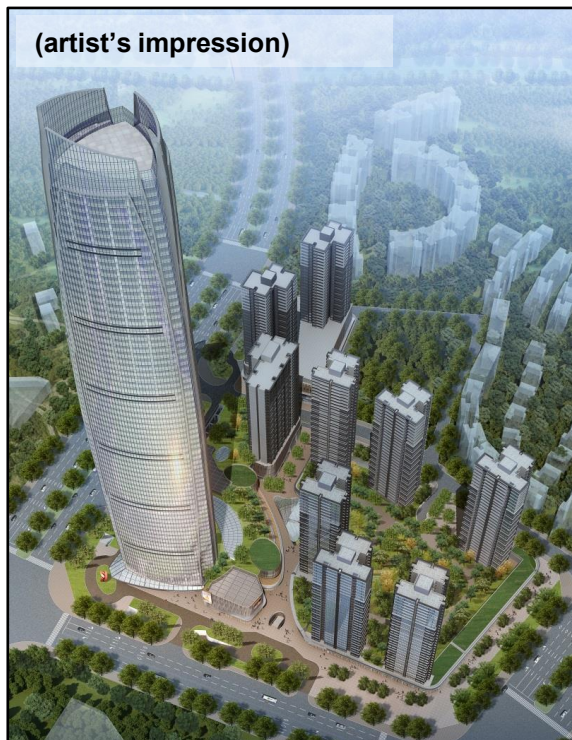
1. Net tangible assets

- If the transaction had been effected on 31 Dec 2015, the Group's net tangible assets ("NTA") per share would increase by 9.3% to 180.6 Singapore cents per ordinary share.

2. Accretive to Group's EPS

- If the transaction had been completed on 1 Jan 2015, the Group's earnings per share ("EPS") would increase by 157.7% to 29.43 Singapore cents per ordinary share.

Information on Star of East River Project



Project Information

A proposed mixed-use residential and commercial development comprising primarily offices, a retail mall and residential units with ancillary retail units.

Location

Wanjiang and Nancheng District,
Dongguan, Guangdong Province, PRC.

Land Tenure (developing on two adjacent plots)

East River Plot One:

Leasehold to year 2054 (commercial); year 2084 (residential)

East River Plot Two:

Leasehold to year 2055 (commercial); year 2085 (residential)

Site Area

49,137 m²

Saleable Gross Floor Area

Approximately 367,726 m²

Information on the Collaborating Parties

About First Sponsor Group Limited (www.1st-sponsor.com.sg)



First Sponsor Group Limited, a property developer in the People's Republic of China (the "PRC"), owner of commercial properties in 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.

About China Vanke Co., Ltd (www.vanke.com)



Vanke is a leading real estate developer in the PRC with its main business being real estate development and property management service. It is listed on both The Stock Exchange of Hong Kong Limited and the Shenzhen Stock Exchange with a recent market capitalisation of approximately S\$56 billion. As at the end of 2015, the Vanke group has been involved in property development in 64 cities in the PRC. Its sales amount in 2015 amounted to RMB261.47 billion with a year-on-year growth of 20.7%. The Vanke group also delivers property management service business. As at the end of 2015, its property management service business had almost one thousand property service projects in 64 large and medium-sized cities in the PRC, covering a contractual property management area of more than 210 million square meters.

About Regent Land Investment Holdings Limited

Regent is an investment holding company wholly owned by Mr Shu Zhen. Mr Shu was appointed as the Chief Executive Officer of the Group's Guangdong operations in August 2012 and is currently responsible for overseeing the Group's business operations in Dongguan, PRC.

