

General Announcement::Announcements by First Sponsor Group Limited, an associate of Millennium & Cophorne Hotels plc

Issuer & Securities

Issuer/ Manager	CITY DEVELOPMENTS LIMITED
Securities	CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09
Stapled Security	No

Announcement Details

Announcement Title	General Announcement
Date & Time of Broadcast	28-Apr-2015 18:38:14
Status	New
Announcement Sub Title	Announcements by First Sponsor Group Limited, an associate of Millennium & Cophorne Hotels plc
Announcement Reference	SG150428OTHLXCB
Submitted By (Co./ Ind. Name)	Enid Ling Peek Fong
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below)	<p>First Sponsor Group Limited, an associate of Millennium & Cophorne Hotels plc, has released the following announcements to Singapore Exchange Securities Trading Limited on 28 April 2015:-</p> <p>1) Unaudited First Quarter Financial Statements for the period ended 31 March 2015 2) Acquisition of Property in the Netherlands</p> <p>The announcements can be found in the following hyperlinks:-</p> <p>http://infopub.sgx.com/Apps?A=COW_CorpAnnouncement_Content&B=AnnouncementToday&F=L2M8OLC4VF92LHSF&H=a114daf7b9746245ca8f9aa3b0fdf0b115cc900bd398a35cb7c3d04051e1e4e7</p> <p>http://infopub.sgx.com/Apps?A=COW_CorpAnnouncement_Content&B=AnnouncementToday&F=JE9OUFA6CTSSEHYK&H=43a4ddca6dc690fc9c2629c7b332ddd581a62bc96e2ca969e516e6ada128ef83</p>

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Financial Statements and Related Announcement::First Quarter Results

Issuer & Securities

Issuer/ Manager	FIRST SPONSOR GROUP LIMITED
Securities	FIRST SPONSOR GROUP LIMITED - KYG3488W1078 - ADN
Stapled Security	No

Announcement Details

Announcement Title	Financial Statements and Related Announcement
Date & Time of Broadcast	28-Apr-2015 06:53:27
Status	New
Announcement Sub Title	First Quarter Results
Announcement Reference	SG150428OTHROTG9
Submitted By (Co./ Ind. Name)	Neo Teck Pheng
Designation	Group Chief Executive Officer
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	Please see attached.

Additional Details

For Financial Period Ended	31/03/2015
Attachments	<p>Q1_15 SGX Announcement.pdf</p> <p>FSGL - Investor Presentation 1Q2015 FINAL .pdf</p> <p>Press Release 1Q2015 Final .pdf</p> <p>Total size =3048K</p>

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FIRST SPONSOR GROUP LIMITED

(Incorporated in the Cayman Islands)
(Registration No. AT-195714)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

- 1(a) An income statement and statement of comprehensive income, for the group, together with comparative statements for the corresponding period of the immediately preceding financial year.

	The Group Three months ended 31 March		Incr / (Decr) %
	2015 S\$'000	2014 S\$'000	
Revenue	12,650	7,420	70.5
Cost of sales	(2,069)	(3,334)	(37.9)
Gross profit	10,581	4,086	159.0
Administrative expenses	(3,732)	(7,220)	(48.3)
Selling expenses	(1,455)	(961)	51.4
Other income/(expenses)	4,822	(6,214)	n.m.
Other gains	278	-	n.m.
Results from operating activities	10,494	(10,309)	n.m.
Finance income	5,320	1,499	254.9
Finance costs	(913)	-	n.m.
Net finance income	4,407	1,499	194.0
Profit/(loss) before income tax	14,901	(8,810)	n.m.
Income tax expense	(4,007)	(365)	997.8
Profit/(loss) for the period	10,894	(9,175)	n.m.
Attributable to:			
Equity holders of the Company	10,730	(9,175)	n.m.
Non-controlling interests	164	-	n.m.
Profit/(loss) for the period	10,894	(9,175)	n.m.
Earnings per share (cents)			
- basic	1.82	(3.16)	n.m.
- diluted	1.82	(3.16)	n.m.

n.m.: not meaningful

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.

Consolidated Statement of Comprehensive Income

	The Group	
	Three months ended	
	31 March	
	2015	2014
	S\$'000	S\$'000
Profit/(loss) for the period	10,894	(9,175)
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Realisation of foreign currency translation differences arising from liquidation of a subsidiary	(403)	-
Translation differences on financial statements of foreign subsidiaries, net of tax	30,709	(15,046)
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	1,908	(1,416)
Other comprehensive income for the period, net of tax	32,214	(16,462)
Total comprehensive income for the period	<u>43,108</u>	<u>(25,637)</u>
Total comprehensive income attributable to:		
Equity holders of the Company	43,134	(25,637)
Non-controlling interests	(26)	-
Total comprehensive income for the period	<u>43,108</u>	<u>(25,637)</u>

Notes to the Group's Income Statement:

Profit/(loss) before income tax includes the following:

	The Group	
	Three months ended	
	31 March	
	2015	2014
	S\$'000	S\$'000
Other gains comprise:		
Property, plant and equipment written off	(7)	-
Gain on liquidation of a subsidiary	285	-
	<hr/> 278	<hr/> -
Profit/(loss) before income tax includes the following expenses/(income):		
Amortisation of lease prepayments	-	11
Depreciation of property, plant and equipment	407	286
Exchange (gain)/loss (net)	(691)	392
Service fees paid and payable to a former immediate holding company	-	5,705
(Write back)/provision for IPO expenses	(562)	151
Operating lease expense	99	79
Share-based charge	-	4,705
Net investment return from a PRC government linked entity	<hr/> (4,076)	<hr/> -

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group		The Company	
	As at 31.03.2015 S\$'000	As at 31.12.2014 S\$'000	As at 31.03.2015 S\$'000	As at 31.12.2014 S\$'000
Non-current assets				
Property, plant and equipment	126,284	116,517	-	-
Investment properties	161,908	80,979	-	-
Interest in subsidiaries	-	-	951,987	863,829
Other receivables	124,270	118,671	-	-
Deferred tax assets	8,516	8,951	-	-
	<u>420,978</u>	<u>325,118</u>	<u>951,987</u>	<u>863,829</u>
Current assets				
Development properties	607,430	559,522	-	-
Inventories	513	458	-	-
Trade and other receivables	357,129	276,105	57,639	39,405
Cash and cash equivalents	76,125	131,797	1,353	2,432
	<u>1,041,197</u>	<u>967,882</u>	<u>58,992</u>	<u>41,837</u>
Total assets	<u>1,462,175</u>	<u>1,293,000</u>	<u>1,010,979</u>	<u>905,666</u>
Equity attributable to equity holders of the Company				
Share capital	736,404	736,404	736,404	736,404
Reserves	201,243	158,070	9,422	(5,850)
	<u>937,647</u>	<u>894,474</u>	<u>745,826</u>	<u>730,554</u>
Non-controlling interests	5,505	-	-	-
Total equity	<u>943,152</u>	<u>894,474</u>	<u>745,826</u>	<u>730,554</u>
Non-current liabilities				
Loans and borrowings	181,065	83,003	181,065	83,003
Deferred tax liabilities	13,440	13,036	-	-
	<u>194,505</u>	<u>96,039</u>	<u>181,065</u>	<u>83,003</u>
Current liabilities				
Trade and other payables	302,388	280,865	84,088	92,109
Current tax payables	22,130	21,622	-	-
	<u>324,518</u>	<u>302,487</u>	<u>84,088</u>	<u>92,109</u>
Total liabilities	<u>519,023</u>	<u>398,526</u>	<u>265,153</u>	<u>175,112</u>
Total equity and liabilities	<u>1,462,175</u>	<u>1,293,000</u>	<u>1,010,979</u>	<u>905,666</u>

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities.

The Group's net borrowings refer to aggregate borrowings from banks and financial institutions, after deducting cash and cash equivalents. Unamortised balance of transaction costs have not been deducted from the gross borrowings.

	The Group	
	As at 31.03.2015 S\$'000	As at 31.12.2014 S\$'000
Unsecured		
- repayable within one year	-	-
- repayable after one year	181,065	83,003
Loans and borrowings	<u>181,065</u>	<u>83,003</u>
Gross borrowings	184,440	84,600
Less: cash and cash equivalents as shown in the statement of financial position	<u>(76,125)</u>	<u>(131,797)</u>
Net borrowings/(net cash and cash equivalents)	<u>108,315</u>	<u>(47,197)</u>

The Group has no secured borrowings as at 31 March 2015 and 31 December 2014.

Details of any collateral

Not applicable.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Three months ended 31 March	
	2015 S\$'000	2014 S\$'000
Cash flows from operating activities		
Profit/(loss) for the period	10,894	(9,175)
Adjustments for:		
Amortisation of lease prepayments	-	11
Depreciation of property, plant and equipment	407	286
Finance income	(5,320)	(1,499)
Finance expenses	913	-
Property, plant and equipment written off	7	-
Gain on liquidation of a subsidiary	(285)	-
Share-based charge	-	4,705
Income tax expense	4,007	365
	<u>10,623</u>	<u>(5,307)</u>
Change in working capital:		
Development properties	(28,131)	(11,534)
Inventories	(40)	(427)
Trade and other receivables	(84,804)	(104,673)
Trade and other payables	17,534	37,214
Cash used in operations	<u>(84,818)</u>	<u>(84,727)</u>
Interest received	6,277	2,794
Income tax paid	(3,525)	(5,472)
Net cash used in operating activities	<u>(82,066)</u>	<u>(87,405)</u>
Cash flows from investing activities		
Receipt of investment return from a PRC government linked entity	3,567	-
Advances/loans to third parties	-	(35,275)
Acquisition of a subsidiary	(74,428)	-
Interest received	5,742	2,544
Proceeds from disposal of subsidiaries	-	5,126
Payment for additions to property, plant and equipment	(6,213)	(4,004)
Net cash used in investing activities	<u>(71,332)</u>	<u>(31,609)</u>
Cash flows from financing activities		
Proceeds from issue of shares	-	59,650
Interest paid	(468)	-
Payment of transaction costs related to borrowings	(788)	(842)
Proceeds from bank borrowings	114,588	-
Repayment of bank borrowings	(14,748)	-
Net cash generated from financing activities	<u>98,584</u>	<u>58,808</u>
Net decrease in cash and cash equivalents	(54,814)	(60,206)
Cash and cash equivalents at beginning of the period	131,797	311,154
Effect of exchange rate changes on balances held in foreign currencies	(858)	(5,191)
Cash and cash equivalents at end of the period	<u>76,125</u>	<u>245,757</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital S\$'000	Share premium S\$'000	Statutory Reserves S\$'000	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
The Group									
At 1 January 2015	736,404	9,570	14,835	(1,497)	83,891	51,271	894,474	-	894,474
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	10,730	10,730	164	10,894
Exchange differences realised on liquidation of a subsidiary	-	-	-	-	(403)	-	(403)	-	(403)
Translation differences on financial statements of foreign subsidiaries, net of tax	-	-	-	-	30,899	-	30,899	(190)	30,709
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	-	-	-	-	1,908	-	1,908	-	1,908
Total comprehensive income for the period	-	-	-	-	32,404	10,730	43,134	(26)	43,108
Transaction with owners, recognised directly in equity									
Contributions by and distributions to owners									
Reversal of share issue expenses	-	39	-	-	-	-	39	-	39
Total contributions by and distributions to owners	-	39	-	-	-	-	39	-	39
Changes in ownership interests in subsidiaries									
Acquisition of a subsidiary with non-controlling interests	-	-	-	-	-	-	-	5,531	5,531
Liquidation of a subsidiary	-	-	(851)	1,722	-	(871)	-	-	-
Total changes in ownership interests in subsidiaries	-	-	(851)	1,722	-	(871)	-	5,531	5,531
Total transactions with owners of the Company	-	39	(851)	1,722	-	(871)	39	5,531	5,570
At 31 March 2015	736,404	9,609	13,984	225	116,295	61,130	937,647	5,505	943,152

	Share capital S\$'000	Reserve for own shares S\$'000	Statutory reserves S\$'000	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
The Group							
At 1 January 2014	363,317	(3,717)	10,190	(1,563)	58,146	29,507	455,880
Total comprehensive income for the period							
Loss for the period	-	-	-	-	-	(9,175)	(9,175)
Translation differences on financial statements of foreign subsidiaries, net of tax	-	-	-	-	(15,046)	-	(15,046)
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	-	-	-	-	(1,416)	-	(1,416)
Total comprehensive income for the period	-	-	-	-	(16,462)	(9,175)	(25,637)
Transaction with owners, recognised directly in equity							
Contributions by and distributions to owners							
Issue of ordinary shares	318,757	-	-	-	-	-	318,757
Issue of treasury shares	-	3,717	-	66	-	-	3,783
Share based payment transaction	-	-	-	-	-	4,705	4,705
Transfer to statutory reserves	-	-	(543)	-	-	543	-
Total contributions by and distributions to owners	318,757	3,717	(543)	66	-	5,248	327,245
Total transactions with owners of the Company	318,757	3,717	(543)	66	-	5,248	327,245
At 31 March 2014	682,074	-	9,647	(1,497)	41,684	25,580	757,488

	Share capital S\$'000	Share premium S\$'000	Reserve for own shares S\$'000	Capital reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
The Company						
At 1 January 2015	736,404	9,821	-	245	(15,916)	730,554
Total comprehensive income for the period						
Profit for the period	-	-	-	-	15,272	15,272
Total comprehensive income for the period	-	-	-	-	15,272	15,272
At 31 March 2015	736,404	9,821	-	245	(644)	745,826
At 1 January 2014	363,317	-	(3,717)	179	(41,581)	318,198
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(11,644)	(11,644)
Total comprehensive income for the period	-	-	-	-	(11,644)	(11,644)
Transaction with owners, recognised directly in equity						
Contributions by and distributions to owners						
Issue of ordinary shares	318,757	-	-	-	-	318,757
Issue of treasury shares	-	-	3,717	66	-	3,783
Share based payment transaction	-	-	-	-	4,705	4,705
Total contributions by and distributions to owners	318,757	-	3,717	66	4,705	327,245
Total transactions with owners of the Company	318,757	-	3,717	66	4,705	327,245
At 31 March 2014	682,074	-	-	245	(48,520)	633,799

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There was no change in the Company's issued share capital during the period ended 31 March 2015. As at 31 March 2015 and 31 December 2014, the issued and fully paid up share capital of the Company was US\$589,814,949 comprising 589,814,949 ordinary shares of US\$1 each.

There were also no outstanding convertible instruments and treasury shares as at 31 March 2015 and 31 March 2014.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued ordinary shares (excluding treasury shares) as at 31 March 2015 and 31 December 2014 is 589,814,949.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the period ended 31 March 2015.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2014.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted various new standards, amendments to standards and interpretations that are effective for the financial period beginning on 1 January 2015. The adoption of these IFRSs did not result in any significant impact on the financial statements of the Group.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Three months ended 31 March	
	2015	2014
Basic and diluted earnings per share (cents)	1.82	(3.16)
a) Profit/(loss) attributable to equity holders of the Company (S\$'000)	10,730	(9,175)
b) Weighted average number of ordinary shares in issue: - basic and diluted	589,814,949	290,234,231

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:—**

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	As at 31 March 2015	As at 31 December 2014	As at 31 March 2015	As at 31 December 2014
Net asset value per ordinary share (cents) based on 589,814,949 issued ordinary shares (excluding treasury shares) as at 31 March 2015 and 31 December 2014	158.97	151.65	126.45	123.86

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:—

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

Group performance

Revenue and cost of sales

Revenue of the Group mainly comprises revenue arising from the sale of properties, rental income from investment properties, revenue from hotel operations and interest income from the provision of property financing services. The breakdown of our revenue (net of business tax) for the period under review is as follows:

	Three months ended	
	31 March	
	2015	2014
	S\$'000	S\$'000
Revenue from sale of properties	2,109	3,585
Rental income from investment properties	1,130	372
Hotel operations	691	419
Revenue from property financing	8,720	3,044
Total	12,650	7,420

Revenue of the Group in 1Q 2015, increased by S\$5.2 million or 70.5%, from S\$7.4 million in 1Q 2014 to S\$12.6 million in 1Q 2015. The increase in 1Q 2015 is mainly due to increase in rental income from investment properties, revenue from hotel operations and revenue from property financing by S\$0.7 million, S\$0.3 million and S\$5.7 million respectively, offset by decrease in revenue from sale of properties by S\$1.5 million.

Rental income from investment properties increased by S\$0.7 million or 203.8%, from S\$0.4 million in 1Q 2014 to S\$1.1 million in 1Q 2015. The increase is mainly due to contribution from Zuiderhof I, an office building in Amsterdam acquired on 18 February 2015.

Revenue from hotel operations increased by S\$0.3 million or 64.9%, from S\$0.4 million in 1Q 2014 to S\$0.7 million in 1Q 2015. The increase is mainly due to improved performance from M Hotel Chengdu.

Revenue from property financing increased by S\$5.7 million or 186.5%, from S\$3.0 million in 1Q 2014 to S\$8.7 million in 1Q 2015. This is mainly due to higher interest income generated on secured entrusted loans to third parties due to a larger average loan portfolio of S\$199.3 million in 1Q 2015 as compared to S\$67.1 million in 1Q 2014.

Revenue from sale of properties is recognised when the construction of the properties has been completed and ready for delivery to the purchasers pursuant to the sale and purchase agreements and collectability of related receivables is reasonably assured. Revenue from sale of properties in 1Q 2014 amounted to S\$3.6 million and was contributed by sales recognition of 18 commercial units and 40 car park lots from the Chengdu Cityspring project. The revenue decreased by S\$1.5 million to S\$2.1 million in 1Q 2015, which was contributed by the sales recognition of 2 residential units, 1 commercial unit and 13 car park lots from the Chengdu Cityspring project and 9 residential units from the Millennium Waterfront project.

Cost of sales mainly comprises land costs, development expenditure, borrowing costs, hotel-related depreciation charge, and other related expenditure. Cost of sales decreased by S\$1.2 million, from S\$3.3 million in 1Q 2014 to S\$2.1 million in 1Q 2015. The decrease in cost of sales is in line with the decrease in revenue from sale of properties in 1Q 2015.

Our gross profit increased by S\$6.5 million, from S\$4.1 million in 1Q 2014 to S\$10.6 million in 1Q 2015. The increase was mainly due to the gross profit of S\$5.7 million from property financing and S\$0.7 million from higher rental income from investment properties.

The Group's gross profit margin for each business segment has increased and the overall gross profit margin has increased from 55.1% for 1Q 2014 to 83.6% 1Q 2015. This is mainly due to 82.4% of the Group's gross profit for 1Q 2015 was from the property financing segment which contributed 100.0% gross profit margin, whereas in 1Q 2014 only 74.5% of the total gross profit was generated from the property financing segment.

Administrative expenses

Our administrative expenses mainly comprise staff costs, rental expenses and depreciation charge in relation to non-hotel assets, professional fees, and other expenses such as office, telecommunications and travelling expenses, stamp duties and other indirect PRC taxes.

The S\$3.5 million decrease in administrative expenses or 48.3% to S\$3.7 million in 1Q 2015 is mainly due to a share based charge of S\$4.7 million in connection with the Company's issuance of 25,850,000 ordinary shares to certain management staff and employees of the Group at par value incurred in 1Q 2014, offset by the increase in staff costs of S\$1.2 million in 1Q 2015, arising from by the increase in headcount for M Hotel Chengdu and the property development operations in Chengdu and Dongguan.

Selling expenses

Our selling expenses mainly comprise staff costs of our sales and marketing staff, advertising and promotion expenses, sales commissions paid to external sales agents and other expenses. These expenses increased by 51.4% or S\$0.5 million, from S\$1.0 million in 1Q 2014 to S\$1.5 million in 1Q 2015, mainly due to marketing activities to promote the Millennium Waterfront project during 1Q 2015.

Other income/(expenses)

In 1Q 2015, the Group recorded S\$4.8 million of other income mainly comprising a S\$4.1 million net investment return from a PRC government linked entity and S\$0.6 million of reversal of overprovision for IPO expenses.

Income tax expense

Income tax expense increased by S\$3.6 million in 1Q 2015 in line with the increase in profit from operating activities. The Group recorded total income tax expense of S\$4.0 million on profit before tax of S\$14.9 million in 1Q 2015. After adjusting for the net tax effect of S\$0.1 million due to non-deductible expenses and non-taxable income in 1Q 2015, the effective tax rate of the Group would be approximately 25.1% for the current period.

The Group recorded income tax expense of S\$0.4 million despite a loss before tax of S\$8.8 million in 1Q 2014. The income tax expense included recognition of a deferred tax credit of S\$0.2 million. After adjusting for the tax effect of non-deductible expenses of S\$2.8 million in 1Q 2014, the effective tax rate of the Group would be approximately 25.3% for 1Q 2014.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Non-current assets

Property, plant and equipment increased by S\$9.8 million, from S\$116.5 million as at 31 December 2014 to S\$126.3 million as at 31 March 2015. S\$8.2 million of the increase is attributable to additions to construction in progress for the Millennium Waterfront Hotel.

Investment properties nearly doubled, from S\$81.0 million as at 31 December 2014 to S\$161.9 million as at 31 March 2015. The increase is mainly due to acquisition of a 33% owned subsidiary incorporated in the Netherlands, which owns the Zuiderhof I Building in Amsterdam carried at S\$78.2 million (EUR52.0 million) as at 31 March 2015.

Current assets

Development properties increased by S\$47.9 million, from S\$559.5 million as at 31 December 2014 to S\$607.4 million as at 31 March 2015, mainly due to increase in development costs for ongoing PRC development projects, being the Star of East River project in Dongguan and the Millennium Waterfront project in Chengdu, partially offset by profit recognition on the sales of the Chengdu Cityspring and Millennium Waterfront projects.

Trade and other receivables increased by S\$81.0 million, from S\$276.1 million as at 31 December 2014 to S\$357.1 million as at 31 March 2015. The increase is mainly due to the net disbursement of short term entrusted loans to third parties amounting to RMB300.0 million, bringing the total property financing loan portfolio as at 31 March 2015 to S\$242.0 million (RMB1,101.0 million) from S\$170.3 million (RMB801.0 million) as at 31 December 2014.

Current liabilities

Trade and other payables increased by S\$21.5 million, from S\$280.9 million as at 31 December 2014 to S\$302.4 million as at 31 March 2015, mainly due to the increase in receipts in advance from the Millennium Waterfront project of S\$41.2 million, partially offset by the decrease in trade payables and accrued operating expenses of approximately S\$13.6 million and S\$6.0 million respectively. Receipts in advance of the Group as at 31 March 2015 amounted to S\$241.4 million (31 December 2014: S\$200.2 million).

Loans and borrowings

Gross bank borrowings increased by S\$99.8 million, from S\$84.6 million as at 31 December 2014 to S\$184.4 million as at 31 March 2015. S\$73.7 million of this increase was mainly due to the financing of the acquisition of the Zuiderhof I building in Amsterdam of EUR49.0 million, with the balance due to the financing of the development of the Millennium Waterfront project and the Star of East River project.

Foreign currency risk management

The Group is exposed to volatility of the RMB due to its operations in the PRC. Therefore, any depreciation in the RMB against the S\$ will adversely affect the Group's earnings, net assets, value of any dividends we pay to our shareholders in S\$ or require us to use more RMB funds to service the same amount of any S\$ debt. Fluctuations in RMB exchange rates are affected by, amongst others, changes in political and economic conditions and the PRC's foreign exchange regime and policy.

With the Group's entry to the Dutch property market in the current quarter, whilst the Group tries to fully hedge its currency exposure by financing all its Dutch acquisitions with euro-denominated borrowings, the Group's earnings is still exposed to the volatility of the euro against S\$.

As at 31 March 2015, the Group has a cumulative translation gain of S\$116.3 million recorded as part of the reserves in its shareholders' equity. This has mainly arisen from the translation of the net assets and income and expenses of the Group's foreign operations in the PRC to S\$ at the exchange rates prevailing at the end of each reporting period. The Group has been benefitting from favorable exchange rate movements between the RMB and S\$ so far.

We do not currently have a formal hedging policy with respect to our foreign exchange exposure and have not used any financial hedging instruments to actively manage our foreign exchange risk. We will continue to monitor our foreign exchange exposure and may employ hedging instruments to manage our foreign exchange exposure should the need arise. The cost of such hedging instruments may fluctuate significantly over time and can outweigh the potential benefit from the reduced exposure to currency volatility. There is no assurance as to the effectiveness and success of any hedging action that we might or might not take.

Statement of cash flows of the Group

Net cash used in operating activities of S\$82.1 million in 1Q 2015 was mainly due to the net disbursement of secured entrusted loans of S\$64.9 million (RMB300.0 million) to third parties, payment of income tax of S\$3.5 million and payment of construction costs for the Millennium Waterfront project and Star of East River project of S\$28.1 million in aggregate. This was partially offset by interest received on the entrusted loans to third parties of S\$6.3 million and cash inflows from operating activities.

Net cash used in investing activities of S\$71.3 million in 1Q 2015 consists of approximately S\$74.4 million (EUR47.8 million, which including cash acquired from the acquisition of EUR1.2 million) used in connection with the acquisition of the Zuiderhof I building in Amsterdam and additions of property, plant and equipment of S\$6.2 million, partially offset by interest received, and investment return received from a PRC government linked entity of S\$5.7 million and S\$3.6 million respectively.

Net cash generated from financing activities amounted to S\$98.6 million in 1Q 2015 mainly due to net draw down of bank borrowings of S\$99.8 million and partially offset by interest paid and payment of transaction costs related to borrowings of S\$0.4 million and S\$0.8 million respectively.

Note:

The figures stated in our statement of financial position have been translated based on the exchange rates at the end of each reporting period; and the figures in our income statement, statement of comprehensive income and statement of cash flows have been translated based on the average exchange rate for the relevant period and exchange rate at the date of the transaction, where applicable.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement for the current financial period has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Industry Outlook

People's Republic of China

Continuing its trend on relaxing mortgage policies to boost demand in the housing market and spur economic growth, China has, through its central bank, the People's Bank of China

("PBOC"), cut the minimum down payment for second home buyers from 60% to 40% in March 2015. In a separate statement, the Ministry of Finance has also announced the waiver of business tax for select homeowners selling property held for two or more years, down from the minimum of five years. The relaxation of policies came after the central government announced a reduced economic growth target of 7 percent for 2015 at the recently concluded National People's Congress in March 2015, which was widely anticipated and seen as signaling moves to transition the country's economy to a lower but more sustainable level of growth.

The PBOC has also embarked on its second interest rate cut in less than 4 months to step up support for the country's slowing growth. In February 2015, the one-year deposit rate was reduced to 2.5% from 2.75%, and the one-year lending rate reduced to 5.35% from 5.6%. The PBOC has also lowered the reserve requirement ratio by a further one percentage point in April 2015, less than 2 months from the earlier half a percentage point reduction in February 2015, freeing up additional funds in which the banks can lend to the market.

The recent changes in policies highlighted the responsiveness of the central government towards changes in the macro-economic environment. The Group continues to be cautiously optimistic that China's property market will make a gradual and sustainable recovery in the near future.

The Netherlands

Property outlook for 2015 has been boosted by the quantitative easing stimulus ("QE") from the European Central Bank which has begun for the Eurozone countries in March 2015. The QE exercise is expected to continue till the end of September 2016. Interest yields on bonds are expected to stay low or become lower, increasing the attractiveness of yield premiums offered by property investments over bonds. Coupled with the expected increase in the supply of Euros, the Group is facing stiff competition from local and international buyers for acquisition opportunities in the Netherlands property market. The Group takes a long term view of its property holding business in the Netherlands and hence will exercise financial discipline as appropriate in its deal sourcing.

Company Outlook

Property Development

Barring any unforeseen circumstances, the Group anticipates to commence the handover of Plot B commercial units and further blocks of Plot B residential units in various phases from 2Q 2015. Plot C residential units are expected to be handed over in various phases from December 2015 onwards.

The Group has launched initial pre-sale of residential units of Plot A in March 2015 and will continue to launch additional blocks of residential units in the course of FY2015.

Site preparation works are in progress for the Star of East River project. The Group has decided to build a super high-rise office building with a larger floor plate instead of the previously approved twin-tower structure. The tender for East River Plot Two (constituting approximately 25% of the total site area) is expected to be held in the next 6 months.

Property Holding

On the property holding front, the Group has completed the acquisition of the office building known as Zuiderhof I in the South Axis of Amsterdam on 18 February 2015. The property has contributed S\$0.7 million or 64.6% of the total gross profit of the property holding business in 1Q 2015.

In addition, as part of the Group's ongoing efforts to explore new investment opportunities in the Netherlands, we had signed a sale and purchase agreement with a German institutional real estate fund on 27 April 2015 to acquire the Holiday Inn/Holiday Inn Express hotels in

Amsterdam Southeast and the ancillary 509 car park lots, for a net purchase consideration of EUR 54.6 million, inclusive of estimated transaction costs. The hotels and 440 car park lots have been leased to a lessee under a master lease arrangement for 25 years from May 2014 with two renewal option periods of ten years each at the lessee's options. The remaining 69 car park lots have been leased to another lessee for ten years from August 2012. The proposed acquisition is expected to be completed around mid-June 2015. Assuming this proposed acquisition was completed on 31 March 2015, our Dutch property holding portfolio will constitute approximately 10.4% of the Group's gross assets at 31 March 2015.

The Group remains alert to any new investment opportunities in the Netherlands.

Property Financing

The property financing business has continued to grow with a nearly two-fold increase in revenue from S\$3.0 million in 1Q 2014 to S\$8.7 million in 1Q 2015. The property financing loan portfolio stands at RMB1,101.0 million (S\$242.0 million) as at 31 March 2015 with all interest servicing being current and no instances of any loan default to date.

The Group continues to manage and grow its property financing business on a prudent basis.

11. If a decision regarding dividend has been made:—

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividend was declared for the corresponding period of the immediately preceding financial year.

(c) Date payable

Not applicable.

(d) Book closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a shareholders' general mandate for IPTs.

14. Use of IPO proceeds

As stated in the Prospectus, the gross proceeds raised by the Company from the placement of new shares in conjunction with its initial public offering ("IPO") on 22 July 2014 were \$65.7 million. After deducting issue expenses incurred in connection thereon, initially estimated at S\$6.0 million, the net IPO proceeds were estimated to be approximately S\$59.7 million. After using S\$3.0 million for working capital purposes on 10 September 2014, in line with the described use of the net IPO proceeds stated in the Prospectus, the remaining balance of the net IPO proceeds amounted to approximately S\$56.7 million.

On 18 February 2015, the Company announced that the finalised issue expenses amounted to approximately S\$5.4 million, which represents a savings of approximately S\$0.6 million (the "Surplus"). Correspondingly, the net IPO proceeds have increased to approximately S\$57.3 million. This entire sum was fully utilised by the Group to partially finance its investment in and loans to a newly acquired subsidiary incorporated in the Netherlands which owns an office building in Amsterdam.

BY ORDER OF THE BOARD

Neo Teck Pheng
Group Chief Executive Officer
28 April 2015

FIRST SPONSOR GROUP LIMITED

(Registration No. AT-195714)

CONFIRMATION BY THE BOARD

The Directors of the Company hereby confirm, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the Group's unaudited financial results for the three months ended 31 March 2015 to be false or misleading in any material respect.

On behalf of the Board of Directors

Ho Han Leong Calvin
Chairman

Neo Teck Pheng
Group Chief Executive Officer

28 April 2015



珍惜土地 用心铸造

First Sponsor Group Limited

Investor Presentation

28 April 2015

The initial public offering of the Company's shares was sponsored by DBS Bank Ltd., who assumes no responsibility for the contents of this presentation.

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.

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Section 1

Key Message

Key Message

1. **Major turnaround from a loss before tax of S\$8.8m in 1Q2014 to a profit before tax of S\$14.9m in 1Q2015.**
2. **This turnaround is underpinned by the continued growth in the property financing business, with a nearly two-fold increase in revenue from S\$3.0m in 1Q2014 to S\$8.7m in 1Q2015. The property financing loan portfolio stands at RMB1,101.0m (S\$242.0m) as at 31 March 2015.**
3. **The Millennium Waterfront project in Chengdu continues to generate encouraging sales despite the challenging property market conditions faced by the Group in the PRC. In 1Q2015, 309 residential units with a sales value of RMB171.8m were sold*.**
4. **Site preparation works are still in progress for the Star of East River project in Dongguan. The Group has decided to build a super high-rise office building with a larger floor plate instead of the previously approved twin-tower structure.**

* Includes sales under option agreements or sale and purchase agreements, as the case may be.

Key Message

5. On the property holding front, the Group has completed the acquisition of an office building known as Zuiderhof I in Amsterdam on 18 February 2015 at an expected net rental yield of 7.5%. The property has contributed S\$0.7m or 64.6% of the total gross profit of the property holding business in 1Q2015.
6. As part of the Group's ongoing efforts to explore new investment opportunities in the Netherlands, we had signed a sale and purchase agreement with a German institutional real estate fund on 27 April 2015 to acquire the Holiday Inn/Holiday Inn Express hotels in Amsterdam Southeast and the ancillary 509 car park lots for a net purchase consideration of €54.6m, inclusive of estimated transaction costs, at an expected net rental yield of 7.2%. The hotels and 440 carpark lots have been leased to a lessee under a master lease arrangement for 25 years from May 2014 with two renewal option periods of ten years each at the lessee's options. The remaining 69 car park lots have been leased to another lessee for ten years from August 2012.
7. Healthy balance sheet backed by S\$666.7m of cash, monetary loan receivables, and unutilised committed credit facilities as at 31 March 2015. The Group continues to look for new business opportunities in the Netherlands and the PRC.

Section 2

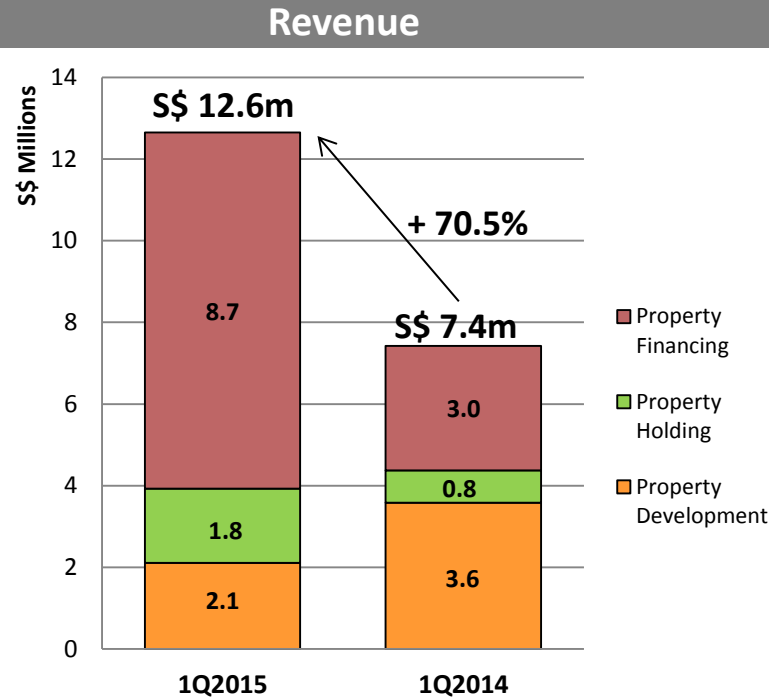
Financial Highlights

2.1 Statement of Profit or Loss - Highlights

Statement of Profit or Loss - Highlights			
In S\$'000	1Q2015	1Q2014	Change %
Revenue	12,650	7,420	70.5%
Gross Profit	10,581	4,086	159.0%
Profit/(loss) before income tax	14,901	(8,810)	nm
Profit/(loss) attributable to equity holders of the Company	10,730	(9,175)	nm
Basic EPS (cents)	1.82	(3.16)	nm
Adjusted profit/(loss) before income tax ⁽¹⁾	14,339	(3,954)	nm
Adjusted profit/(loss) attributable to equity holders of the Company ⁽¹⁾	10,168	(4,319)	nm

(1) Adjusted results exclude reversal of IPO expenses of S\$0.6m in 1Q2015, and IPO expenses of S\$0.2m and share-based charge of S\$4.7m in 1Q2014.

2.2 Statement of Profit or Loss – Revenue



Property Development

- The decrease is mainly due to the lower revenue recognition of 2 residential units, 1 commercial unit and 13 car park lots of the Chengdu Cityspring project in 1Q2015 as compared to 18 commercial units and 40 car park lots of the Chengdu Cityspring project in 1Q2014.
- This decrease is partially offset by the revenue recognition of 9 residential units in Plot B of the Millennium Waterfront project in 1Q2015.

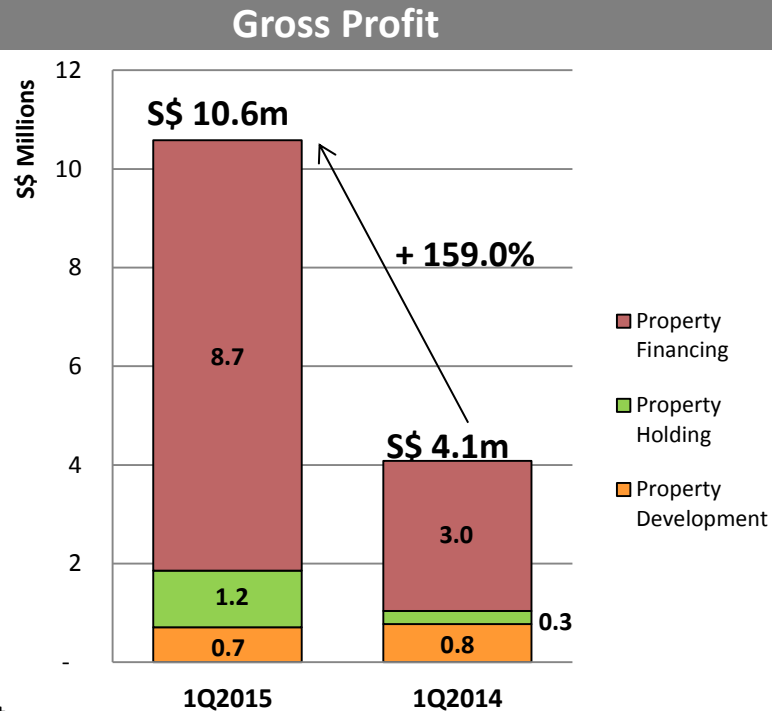
Property Holding

- The increase is mainly due to the revenue contribution of S\$0.8m from the newly acquired investment property, Zuiderhof I, in the Netherlands in 1Q2015.

Property Financing

- 1Q2015 recorded higher property financing revenue due to a larger entrusted loan portfolio.

2.3 Statement of Profit or Loss – Gross Profit



Property Development

- Overall gross profit of S\$0.7m in 1Q2015 is due mainly to the profit recognition of the sale of residential units in the Millennium Waterfront project.

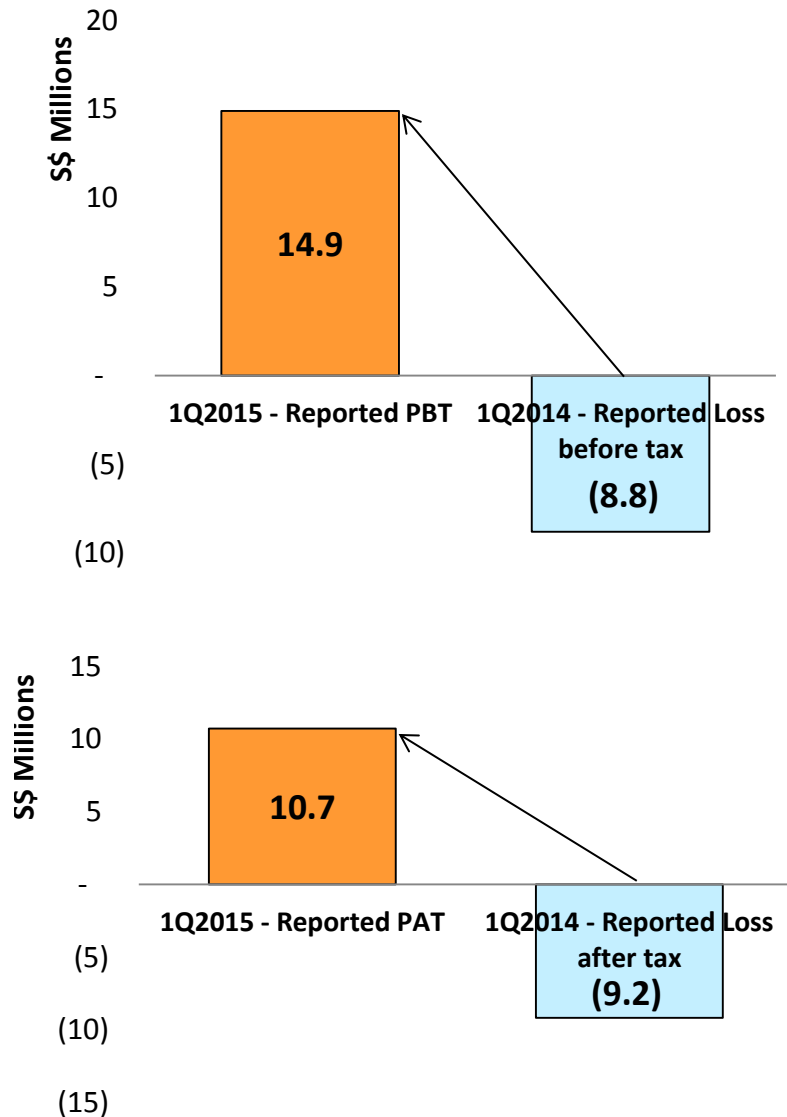
Property Holding

- The increase in gross profit of S\$0.9m in 1Q2015 is mainly attributable to the gross profit contribution of S\$0.7m from the newly acquired investment property, Zuiderhof I.

Property Financing

- Higher gross profit from the property financing business recorded in 1Q2015 due to a larger entrusted loan portfolio.

2.4 Statement of Profit or Loss – 1Q2015 vs 1Q2014



The Group's turnaround from a net loss position to a net profit position is mainly due to:

- Higher income contribution of S\$5.7m from the property financing business due to a larger entrusted loan portfolio
- Net investment return of S\$4.1m recognised as part of other income in 1Q2015 in connection with the termination of the Zhongtang agreements
- Additional interest income arising from loans to the Chengdu Wenjiang Government of S\$5.0m which were disbursed from late 1Q2014 onwards
- One time share-based charge incurred of S\$4.7m in 1Q2014

The Group's effective tax rate is 26.9% for 1Q2015.

2.5 Statement of Financial Position - Highlights

Statement of Financial Position - Highlights			
In S\$'000	31 Mar 2015	31 Dec 2014	Change %
Total cash	76,125	131,797	(42.2)%
Receipts in advance	241,415	200,158	20.6%
Total debt	181,065 ⁽¹⁾	83,003 ⁽²⁾	118.1%
Net Asset Value (NAV)	937,647	894,474	4.8%
NAV per share (cents)	158.97	151.65	4.8%
Gearing ratio⁽³⁾	11.5%	Net Cash	

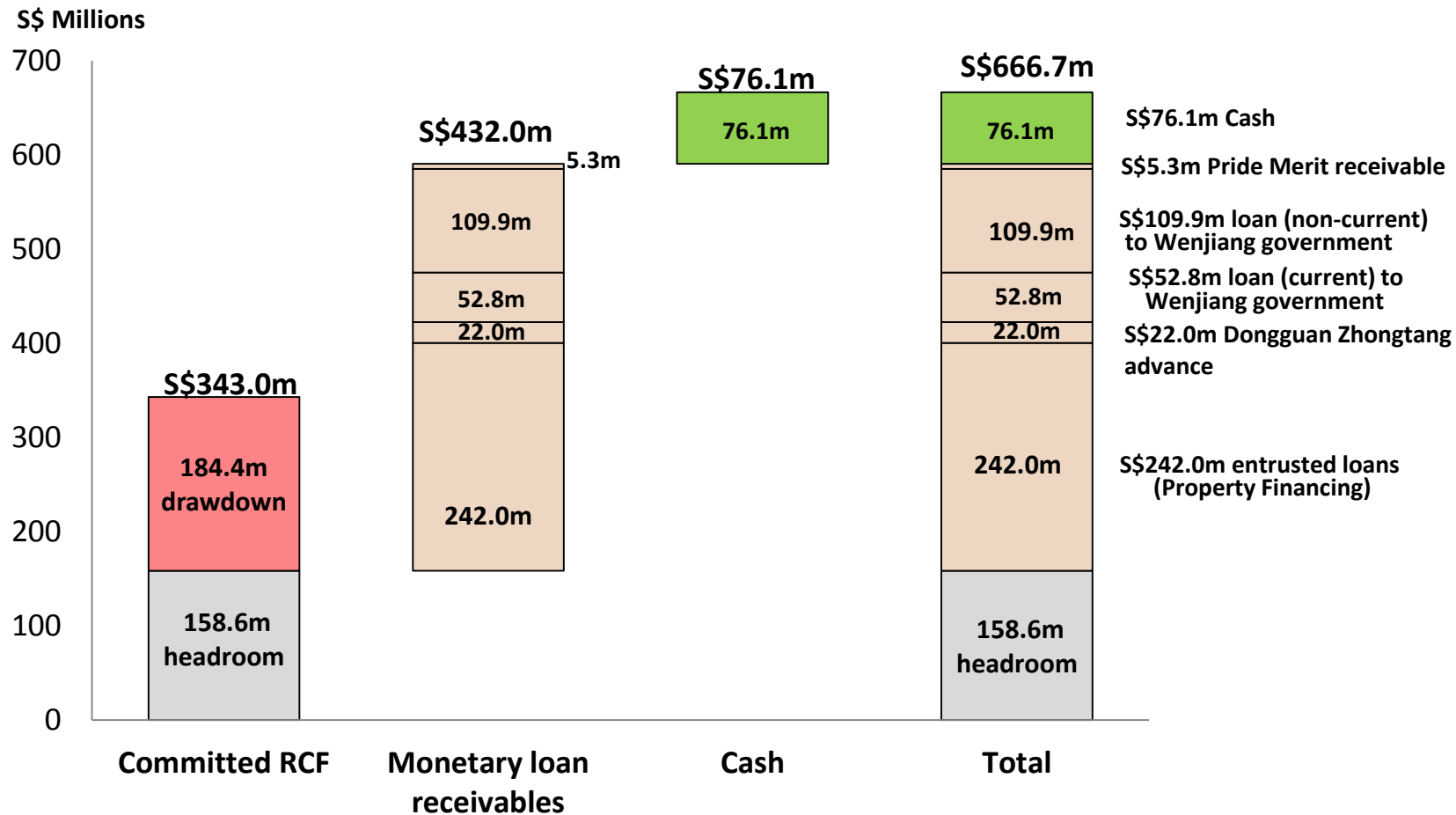
(1) Comprises gross borrowings of S\$184.4m net of unamortised upfront fee of S\$3.3m.

(2) Comprises gross borrowings of S\$84.6m net of unamortised upfront fee of S\$1.6m.

(3) Computed as net debt ÷ total equity including non-controlling interests.

Net debt = gross borrowing + interest payable – cash and cash equivalents

2.6 Liquidity Management as at 31 March 2015



- Healthy balance sheet backed by S\$666.7m of cash, monetary loan receivables, and unutilised committed credit facilities as at 31 March 2015.
- The Group has subsequently received S\$3.8m from Pride Merit after 31 March 2015.

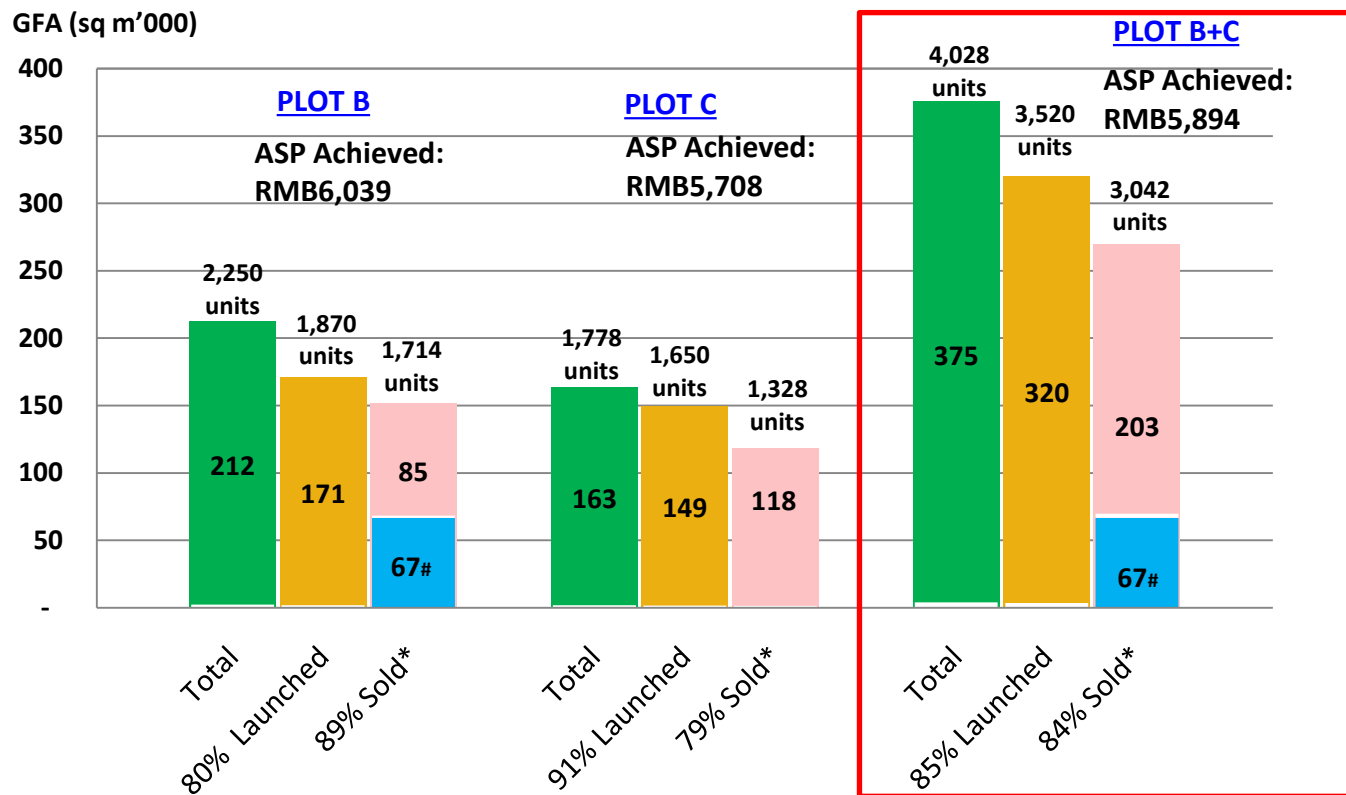
Section 3

Key Business Review 1Q2015 – Property Development

3.1 Property Development – Millennium Waterfront project

- 194 additional Plot C residential units with a total GFA of 21,130 sq m were launched in March 2015.
- 84% cumulative pre-sale rate for the residential units launched for sale in Plot B and Plot C.

Plot B and C Residential Pre-sale Performance as of 31 March 2015



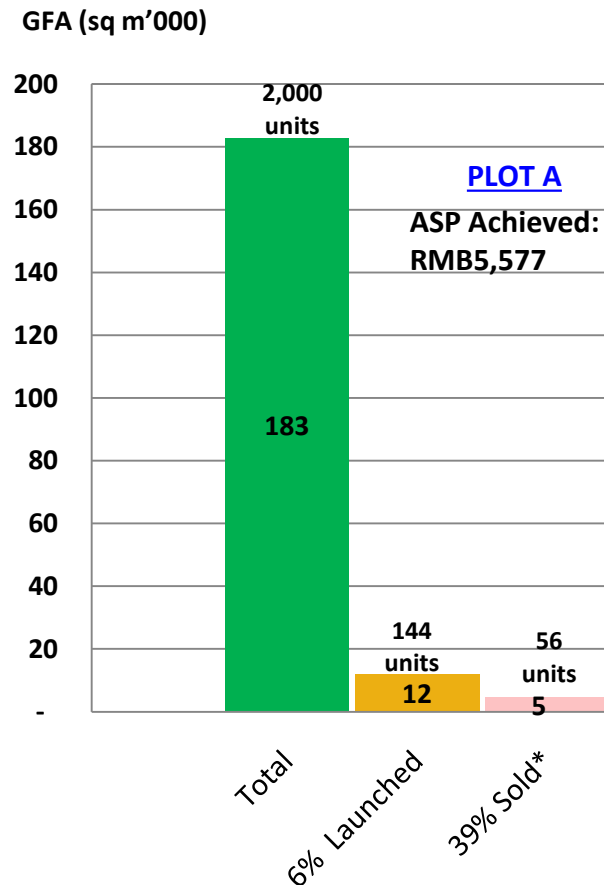
* Includes sales under option agreements or sale and purchase agreements, as the case may be.

Cumulative sales of 755 residential units (GFA of 66,571 sq m) with a gross sales value of S\$82.1m have been recognised in FY2014 and 1Q2015.

3.1 Property Development – Millennium Waterfront project

- The Group has commenced pre-sales of Plot A by launching one block for sale in March 2015.
- Achieved 39% cumulative pre-sale rate for the residential units launched for sale.

Plot A Residential Pre-sale Performance as of 31 March 2015



* Includes sales under option agreements or sale and purchase agreements, as the case may be.

3.1 Property Development – Millennium Waterfront project

- Commenced handover of Plot B residential units from December 2014.
- Commercial units for Plot B expected to be handed over from 2Q2015 onwards.
- Expected handover of Plot C residential units from December 2015 onwards.



Plot B riverfront residential blocks



Aerial view of Plot A blocks under construction



Plot C residential blocks

3.1 Property Development – Millennium Waterfront project



- 2,000 residential units and 118 commercial units
- Commenced construction in December 2014
- Pre-sales launch of one block in March 2015

- 1,778 residential units, 91 commercial units and 1,505 basement car park lots
- % of total saleable GFA launched for sale sold³ :
 - Residential: 79%
- Pre-sales of residential units commenced in January 2014
- Expected handover of residential units in phases from December 2015.

- 2,250 residential, 96 commercial units, 1,908 basement car park lots and a three-storey commercial building
- % of total saleable GFA launched for sale sold³ :
 - Residential: 89%
- Pre-sales of residential units commenced in November 2012
- Cumulative handover of 755 residential units up to 31 March 2015

- Construction of Millennium Waterfront Chengdu Hotel is currently ongoing as planned with targeted hotel commencement date to be in FY2017

Notes:

1. This diagram is not drawn to scale.
2. Based on artist's impression which may not be fully representative of the actual development.
3. As at 31 March 2015 and includes sales under option agreements or sale and purchase agreements, as the case may be.

3.2 Property Development – Chengdu Wenjiang Government Loan

- The Group had entered into two loan agreements with the Chengdu Wenjiang Government in FY2014 to advance two loans of RMB500.0m and RMB240.0m respectively to fund, among others, the Resettlement Process. Details are as follows:

Loan principal	Tenure	Effective interest rate	Interest servicing
RMB500.0m	3 years	13.0% per annum	<ul style="list-style-type: none"> • 7% per annum payable monthly • 6% per annum for the entire loan tenure or RMB90.0m payable on 30 March 2015 (“lump sum interest payment 1”).
RMB240.0m	1 year	12.8% per annum	<ul style="list-style-type: none"> • 7% per annum payable monthly • 5.8% per annum or RMB13.9m payable on 30 March 2015 (“lump sum interest payment 2”).

- The Chengdu Wenjiang Government has on 30 March 2015 signed supplementary loan agreements with the Group to reschedule the lump sum interest payment 1 and lump sum interest payment 2 as follows:

Lump sum interest payments	Interest charged on outstanding lump sum interest payments	Repayment schedule for outstanding lump sum interest
RMB90.0m	7% per annum payable monthly	<ul style="list-style-type: none"> • Starting from 30 June 2015, monthly repayment of RMB5.0m • Expected to be fully paid off by 30 November 2016.
RMB13.9m	7% per annum payable monthly	<ul style="list-style-type: none"> • Immediate payment on 30 March 2015 of RMB3.9m (received) and monthly repayment of RMB5.0m in April and May 2015.

- The Group had accepted Chengdu Wenjiang Government’s proposal on the basis that:
 1. The 7% per annum monthly interest servicing has been prompt.
 2. The Group will be able to earn an additional 7% per annum interest on the outstanding lump sum interest payments.
 3. Management envisaged that a continued positive working relationship with the Chengdu Wenjiang Government will likely aid in the Group’s potential future development projects in the district.

3.3 Property Development – Star of East River project

- Site preparation works are in progress for the Star of East River project.
- The Group has decided to build a super high-rise office building with a larger floor plate instead of the previously approved twin-tower structure.
- The Group expects the tender for East River Plot Two (constituting approximately 25% of the total site area) to be held in the next 6 months.



Section 4

Key Business Review 1Q2015 – Property Holding

4.1 Property Holding – M Hotel and Millennium Waterfront Hotel, Chengdu

M Hotel Chengdu

	1Q2015	1Q2014	Increase/(decrease)
Occupancy	37.5%	21.1%	16.4%
ADR	RMB383	RMB430	(RMB47)
Revpar	RMB144	RMB91	RMB53

- The Group is studying the feasibility of leasing or selling the space originally intended for Phase III (21,875 sq m) of the M Hotel Chengdu expansion plan on a strata title basis.

Millennium Waterfront Chengdu Hotel

- Construction is currently progressing as planned.



4.2 Property Holding – Zuiderhof I



- Signed SPA on 4 February 2015.
- Completed acquisition of the property on 18 February 2015.
- Office building located at the South Axis, CBD of Amsterdam.
- Excellent transport accessibility to the Schipol Airport and Amsterdam South Train Station.
- The building has obtained a A-label energy certificate for achieving energy cost reduction through its heat and cold storage in the ground.

Land Tenure	Perpetual leasehold (ground lease paid to May 2050)
Year of Construction	2002
Net Lettable Area	12,538 sq m
Number of car park lots	111
Purchase Price	€51.5m
Occupancy	100%
Number of Tenant	1 (Van Doorne)
Weighted Average Lease Term (WALT)	4.3 years to July 2019
Expected Net Rental Yield	7.5%

Section 5

Key Business Review 1Q2015 – Property Financing

5.1 Property Financing - Overview of Financial Performance

	Revenue (S\$' m) ⁽¹⁾	As a % of Group Revenue	Profit before tax (S\$' m)	As a % of Group PBT
1Q2015 ⁽²⁾	8.7	68.9%	10.2	68.5%
1Q2014 ⁽²⁾	3.0	41.0%	3.2	nm

	Third Party Loan Balance as at	Average Third Party Loan Balance for the period/year ended
31 March 2015	RMB 1,101.0m (S\$242.0m)	RMB 921.9m (S\$199.3m)
31 December 2014	RMB 801.0m (S\$170.3m)	RMB 553.0m (S\$113.9m)

To-date, we have not experienced any loan default and interest servicing on all loans has been current.

Loan book as at 31 March 2015

The Group's entrusted loan balance was RMB1,101.0m with interest rates ranging from 17.5% to 20.0% per annum. The average LTV ratio for the entrusted loan portfolio is 44.7%. Each counterparty LTV ratio ranges between 28.4% to 51.4%.

- (1) Comprises interest income on entrusted loans to third parties, interest income on vendor financing arrangements and financial consultancy fee income.
- (2) PBT is higher than revenue as interest income generated from surplus funds is higher than expenses incurred for the period.

5.2 Property Financing – Loan Collateral

- An example of secured loan collateral – office space in Pudong, Shanghai:



Section 6

Acquisition in the Netherlands – Holiday Inn/Holiday Inn Express, Amsterdam Southeast

6.1 Acquisition in the Netherlands – Holiday Inn/Holiday Inn Express, Amsterdam Southeast

Overview of Holiday Inn/Holiday Inn Express, Amsterdam Southeast



Land Tenure	Perpetual leasehold (ground rent paid to August 2053)
Commencement of Hotel Operations	May 2014
Gross Floor Area	21,108 sq m
Purchase Price	€54.6m (inclusive of estimated transaction costs)
Price per Key	Approximately €123,000 per key
Branding	Holiday Inn and Holiday Inn Express
Number of Rooms	Holiday Inn Express (3-stars): 323 rooms Holiday Inn (4-stars): 120 rooms
Parking	509 car park lots
Location	Hoogoorddreef 66, Amsterdam Zuidoost, The Netherlands

- There is a long term redevelopment potential for this site. The Municipality of Amsterdam had previously studied the feasibility of redeveloping the existing site as part of a bigger development plan into a mixed use (residential, office, hotel and other commercial) project whereby the existing site would have its existing plot ratio more than doubled. The significant space accorded by the 509 ground car park lots augurs well for this redevelopment potential.
- Arising from the long term lease with the lessees, any redevelopment plan will not realistically take place anytime soon and is subject to prevailing market conditions.

6.1 Acquisition in the Netherlands – Holiday Inn/Holiday Inn Express, Amsterdam Southeast



Details of the acquisition

Lease Details

- The hotels and 440 car park lots are leased to TVHG Budget Amsterdam II B.V (“Lessee”) under a master lease arrangement. The lease term is for 25 years from May 2014 with 2 renewal option periods of 10 years each at the Lessee’s options.
- The lease property is managed by Interstate Netherlands Management Company B.V with IHG Hotels Limited as the franchisor.
- The remaining 69 car park lots are leased to Praxis Vastgoed B.V for 10 years from August 2012.

Estimated Stabilised Net Rent

€3.9m per annum

Expected Net Rental Yield

7.2%

Target Deal Completion Date

Mid-June 2015

6.1 Acquisition in the Netherlands – Holiday Inn/Holiday Inn Express, Amsterdam Southeast

Located close to major transport links and attractions



Legend

- ★ Holiday Inn Amsterdam Arena Towers
- A Amsterdam Bijlmer ArenA train station
- B Amsterdam Arena
- C Ziggo Dome

- Hotels are located within 15 minutes of Schipol Airport by train
- Location is nearby entertainment venues such as the Amsterdam Arena and Ziggo Dome
- Excellent transport accessibility to the Amsterdam City Centre via the Amsterdam Bijlmer ArenA train station



FIRST SPONSOR GROUP LIMITED

Co Reg. No: AT-195714 | Business Address: 63 Market Street, #06-03 Bank of Singapore Centre, Singapore 048942

Press Release

FIRST SPONSOR ACHIEVED MAJOR TURNAROUND FROM A LOSS BEFORE TAX OF S\$8.8 MILLION IN 1Q2014 TO A PROFIT BEFORE TAX OF S\$14.9 MILLION IN 1Q2015

THE GROUP HAS CONTRACTED TO A SECOND ACQUISITION IN AMSTERDAM WITHIN THREE MONTHS OF ITS ENTRY INTO THE NETHERLANDS BY LEVERAGING AGAIN ON THE BUSINESS NETWORK OF THE TAI TAK GROUP

Singapore, 28 April 2015 – Singapore Exchange (SGX) Mainboard-listed First Sponsor Group Limited (“**First Sponsor**”, and together with its subsidiaries, the “**Group**”), a developer and owner of residential and commercial properties primarily in the People’s Republic of China (the “**PRC**”) and a provider of property financing services in the PRC, today announced the Group’s unaudited financial results for 1Q2015.

Financial Highlights

In S\$'000	1Q2015	1Q2014	Change %
Revenue	12,650	7,420	70.5
Profit/(loss) before tax	14,901	(8,810)	nm
Profit/(loss) attributable to equity holders of the Company	10,730	(9,175)	nm
Adjusted profit/(loss) before tax¹	14,339	(3,954)	nm
Adjusted profit/(loss) attributable to equity holders of the Company¹	10,168	(4,319)	nm

- Major turnaround in 1Q2015 largely underpinned by the continued growth in the property financing business, with a nearly two-fold increase in revenue from S\$3.0 million in 1Q2014 to S\$8.7 million in 1Q2015.
- The Group has completed the acquisition of a fully leased office building known as Zuiderhof I in the South Axis of Amsterdam on 18 February 2015 at an expected net rental yield of 7.5%. The property contributed S\$0.7 million or 64.6% towards the Group’s gross profit from its property holding business in 1Q2015.

¹ Adjusted results exclude reversal of IPO expenses of S\$0.6 million in 1Q2015, and IPO expenses of S\$0.2 million and share-based charge of S\$4.7 million in 1Q2014.

- Healthy balance sheet backed by S\$666.7 million of cash, monetary loan receivables, and unutilised committed credit facilities as at 31 March 2015. This enables the Group to seize any new business opportunities in the Netherlands and the PRC as and when they arise.

Mr Neo Teck Pheng, Group Chief Executive Officer, said

“The property financing business had experienced significant growth since its inception in January 2012. In 1Q2015, this business accounts for more than half of the Group’s reported revenue, with a high flow through to the bottom line. The encouraging performance from the property financing business is the single most significant contributor to the Group’s major turnaround in 1Q2015 vis-à-vis 1Q2014.

In connection with the Millennium Waterfront project in Chengdu, the Group launched its initial pre-sale of Plot A in March 2015. As at 31 March 2015, the Group has recognised cumulative profit on the sale of 24.4% of the total number of residential units sold up to this date. This project will be the primary profit driver for the Group in FY2015 on the property development front.

Capitalising on the acquisition momentum of the Group’s first investment property in the Netherlands, we had since entered into a sale and purchase agreement with a German institutional real estate fund on 27 April 2015 to acquire the Holiday Inn/Holiday Inn Express hotels with 509 ancillary car park lots in Amsterdam Southeast for a net purchase consideration of EUR 54.6 million, inclusive of estimated transaction costs, at an expected net rental yield of 7.2%. This property portfolio which has a good long term redevelopment potential has been leased to two independent parties on a long term basis too. The Group’s expansion into the Dutch investment property market is expected to boost recurring income from its quality property holding assets and diversify the Group’s income base.

Please refer to the Group’s unaudited financial results announcement for 1Q2015 and the investor presentation slides dated 28 April 2015 for a detailed review of the Group’s performance and prospects. Please refer to the announcement of acquisition issued by First Sponsor on 28 April 2015 for further details of the abovementioned acquisition.

For media enquiries, please contact:

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About First Sponsor Group Limited

First Sponsor Group Limited ("**First Sponsor**", and together with its subsidiaries, the "**Group**"), a developer and owner of residential and commercial properties primarily in the People's Republic of China (the "PRC") 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.

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.

Asset Acquisitions and Disposals::ANNOUNCEMENT OF ACQUISITION

Issuer & Securities

Issuer/ Manager	FIRST SPONSOR GROUP LIMITED
Securities	FIRST SPONSOR GROUP LIMITED - KYG3488W1078 - ADN
Stapled Security	No

Announcement Details

Announcement Title	Asset Acquisitions and Disposals
Date & Time of Broadcast	28-Apr-2015 07:00:17
Status	New
Announcement Sub Title	ANNOUNCEMENT OF ACQUISITION
Announcement Reference	SG150428OTHRMLVZ
Submitted By (Co./ Ind. Name)	Neo Teck Pheng
Designation	Group Chief Executive Officer
Description (Please provide a detailed description of the event in the box below)	Please see attached.

Attachments	📎 First Sponsor - Annc Netherlands HI Acquisition_Final_.pdf Total size =40K
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FIRST SPONSOR GROUP LIMITED

(Incorporated in the Cayman Islands)
(Company Registration No.: AT-195714)

ANNOUNCEMENT OF ACQUISITION

1. INTRODUCTION

- 1.1 The Board of Directors (the "**Board**") of First Sponsor Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") is pleased to announce that FS NL Property 2 B.V. (the "**Purchaser**"), a wholly-owned subsidiary of the Company, has entered into a sale and purchase agreement (the "**SPA**") dated 27 April 2015 with IVG Institutional Funds GmbH (the "**Seller**") in connection with the acquisition (the "**Acquisition**") of the Property (as defined herein) which is situated in Amsterdam, Netherlands. The Purchaser, which was newly incorporated in the Netherlands with an issued ordinary share capital of EUR 1 for the purpose of the Acquisition, is directly held by FS NL Holdings B.V., an existing wholly-owned subsidiary of the Group.
- 1.2 The Acquisition follows less than three months after the completion of the Group's first acquisition of a fully leased office investment property in the South Axis of Amsterdam, and further advances the Group's ongoing efforts to build up a more diversified recurrent income base outside of the People's Republic of China ("**PRC**"), by leveraging on the Company's management expertise and the extensive business networks of the Company's controlling shareholders.
- 1.3 Completion of the Acquisition is scheduled to take place around mid-June 2015 or such other date as may be agreed between the Purchaser and the Seller.

2. INFORMATION ON THE PROPERTY

- 2.1 The property which is the subject of the Acquisition (the "**Property**") is the perpetual ground lease with respect to a plot of land, owned by the Municipality of Amsterdam, located at Hoogoorddreef 66, Amsterdam Zuidoost in the business district of Amsterdam Southeast which is 5 km from the city centre of Amsterdam and 15 km from Schiphol Airport, with the rights of the leaseholder to the building erected thereon, with an approximate aggregate land size of 15,650 sq m. There are currently two hotels comprised within the said building, with a total gross floor area of 21,108 sq m, as well as 509 car park lots. The Property was built in the 1980s as offices and has just been converted into hotels by the Seller less than a year ago (see paragraph 2.2 below for more details).

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.

- 2.2 The two hotels in the Property, operated under the brands "Holiday Inn" and "Holiday Inn Express", are leased to TVHG Budget Amsterdam II B.V., a Dutch corporation, which has also leased 440 out of the 509 car park lots belonging to the Property. This lease is for 25 years from May 2014 with two renewal options of ten years each exercisable at the option of the lessee. The hotels and 440 car park lots are managed by Interstate Netherlands Management Company B.V. and are under franchise from IHG Hotels Limited for 20 years and 25 years from the commencement of hotel operations respectively. The two hotels have a combined 443 rooms and commenced operations in May 2014. Under the terms of the lease, the Seller has granted the lessee certain rental incentives over the first four years of the lease ("**Rental Incentives**"). The Seller has agreed to pay for the cost of the Rental Incentives, which has been reflected as a reduction to the amount of the consideration payable by the Purchaser, as set out in further detail in paragraph 4 below.
- 2.3 The remaining 69 car park lots are currently leased by a second lessee, Praxis Vastgoed B.V., a Dutch corporation which is a tenant of a neighbouring office building. This lease is for ten years from August 2012.
- 2.4 As the Property is currently held under a German fund structure, it is a condition precedent under the SPA that *depotbank*¹ approval be obtained (or waived by the Seller) for the sale and transfer of the Property to the Purchaser prior to completion, failing which, the Seller may at its sole discretion elect to either postpone completion for a maximum of ten business days or terminate the SPA.

3. RATIONALE FOR AND BENEFITS OF THE ACQUISITION

- 3.1 The Directors believe that the Acquisition is beneficial to the Group as the Acquisition is yield accretive and will help to build up a larger recurrent income stream from the Group's property holding business segment in the Netherlands, which in turn will help to further diversify the Group's geographical exposure to the PRC.
- 3.2 In addition, there is a long term redevelopment potential for this site. The Municipality of Amsterdam had previously studied the feasibility of redeveloping the existing site as part of a bigger development plan into a mixed use (residential, office, hotel and other commercial) project whereby the existing site would have its existing plot ratio more than doubled. The significant space accorded by the 509 ground car park lots augurs well for this redevelopment potential. However, arising from the long term lease with the lessees, any redevelopment plan will not realistically take place anytime soon and is subject to prevailing market conditions.

¹ By way of illustration, a *depotbank* under German law would be the general equivalent of the custodian bank of the fund.

4. CONSIDERATION

- 4.1 For the purposes of this Announcement, the consideration payable by the Purchaser for the Acquisition is approximately EUR 54.6 million (equivalent to approximately S\$79.4 million based on the Illustrative Exchange Rate²) ("**Consideration**"). This amount is based on the negotiated property price of EUR 55.0 million, less the amount of approximately EUR 825,000 being the cost of the Rental Incentives which the Seller has agreed to bear, plus the estimated net transaction-related expenses payable by the Purchaser of approximately EUR 425,000 (which amount does not include EUR 275,000, being the amount of transaction-related expenses which the Seller has agreed to bear on the Purchaser's behalf, which is reflected as a reduction in the total amount the Purchaser has to pay on completion). The Seller has also agreed to bear transaction-related notarial costs and fees amounting to EUR 25,000.
- 4.2 The Consideration was arrived at as a result of arm's length, commercial negotiations between the Purchaser and the Seller on a willing-buyer, willing-seller basis, taking into consideration relevant factors including the current property market conditions in Amsterdam, the historical and expected rental yield from the Property, the condition of the Property, as well as the commercial analysis provided by CBRE B.V., the appointed commercial advisor in relation to the Acquisition.
- 4.3 The Property does not have an available open market value and the Company has not commissioned a third-party valuation of the Property. The Company does not have information on the book value or the net tangible asset value of the Property.

5. FINANCING

The Company currently intends to finance the Acquisition by drawing on its existing unsecured credit facilities to pay the Consideration.

6. FINANCIAL EFFECTS OF THE ACQUISITION

- 6.1 **For illustrative purposes only**, the financial effects of the Acquisition on the Company as set out below are prepared based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2014 ("**FY2014**") as set out in the Company's 2014 Annual Report, and subject to the following key assumptions:
- (a) the effect of the Acquisition on the Group's consolidated net tangible assets ("**NTA**") per ordinary share in the capital of the Company ("**Share**") is based on the assumption that the Acquisition had been effected at the end of FY2014; and
 - (b) the effect of the Acquisition on the Group's consolidated earnings per Share ("**EPS**") is based on the assumption that the Acquisition had been effected at the beginning of FY2014.

² The "**Illustrative Exchange Rate**" used in this Announcement is EUR 1: S\$1.4550. The Illustrative Exchange Rate is solely for illustrative purposes and should not be construed as a representation that the relevant amounts have been or could be converted at this rate or at any other rate.

6.2 The illustrative financial effects as set out below are theoretical in nature and for illustrative purposes only, and are therefore not indicative of the actual or potential financial performance, financial position or earnings of the Group after the completion of the Acquisition:

(a) NTA per Share

Based on the assumptions in paragraph 6.1 above, the Group's consolidated NTA per Share will remain unchanged as a result of the Acquisition.

(b) EPS

Based on the assumptions in paragraph 6.1 above, the Group's consolidated EPS would increase by approximately 16.9% from 4.33 Singapore cents to 5.06 Singapore cents (based on the Illustrative Exchange Rate) as a result of the Acquisition.

7. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

7.1 The relevant relative figures computed on the bases set out in Rule 1006 of the listing manual (the "Listing Manual") of Singapore Exchange Securities Trading Limited are as follows:

Relative Figures under Rule 1006 of the Listing Manual ⁽¹⁾	Relative Figure (%)
Rule 1006(b): The net profits attributable to the Property to be acquired by the Company compared with the Group's net profits ⁽²⁾	6.2
Rule 1006(c): The Consideration compared with the Company's market capitalisation ⁽³⁾	10.9

Notes:

- (1) Rule 1006(a) is not applicable to an acquisition of assets. Rule 1006(d) is not applicable as no Shares will be issued by the Company in connection with the Acquisition. Rule 1006(e) is not applicable to the Company.
- (2) The net profits³ attributable to the Property to be acquired by the Company pro-rated for three months, based on the expected annual net profits after financing costs of S\$3.7 million, is S\$0.9 million. The Group's net profits figure of S\$14.9 million was based on the Group's unaudited consolidated financial statements for the three months ended 31 March 2015, being the Company's latest announced consolidated results. The discrepancy between the percentage shown and the above profit figures is solely due to rounding.
- (3) The Consideration (see paragraph 4.1 for details) amounts to EUR 54.6 million (equivalent to approximately S\$79.4 million based on the Illustrative Exchange Rate). The Company's market capitalisation of approximately S\$731.4 million was calculated based on the weighted average price of S\$1.24 per Share and 589,814,949 Shares (the Company does not have treasury shares) as at 24 April 2015, being the market day immediately preceding the date of the SPA.

³ being profit before income tax, minority interests and extraordinary items

7.2 As shown above, the relative figures for Rule 1006(b) and Rule 1006(c) both exceed 5% but do not exceed 20%. Accordingly, the Acquisition will be considered a "Discloseable Transaction" for the purposes of Chapter 10 of the Listing Manual.

8. DIRECTORS AND CONTROLLING SHAREHOLDERS

8.1 None of the Directors or (to the best of the knowledge of the Directors) controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition.

8.2 No person is proposed to be appointed to the board of the Company in connection with the Acquisition, and no Director's service contract is proposed to be entered into by the Company with any person in connection with the Acquisition.

9. DOCUMENTS FOR INSPECTION

A copy of the SPA will be available for inspection at the office of the Company in Singapore at 63 Market Street, #06-03, Bank of Singapore Centre, Singapore 048942, during normal business hours for a period of three (3) months from the date of this Announcement.

BY ORDER OF THE BOARD

Neo Teck Pheng
Group Chief Executive Officer
28 April 2015