



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 A NET PROFIT OF S\$17.1 MILLION, A 20.3% QUARTER ON QUARTER GROWTH

Singapore, 25 April 2018 – Singapore Exchange (“SGX”) mainboard-listed First Sponsor Group Limited (“First Sponsor” or the “Company”, and together with its subsidiaries, associated companies and joint ventures, the “Group”), a mixed property developer in the Netherlands and the People’s Republic of China (the “PRC”), and owner of commercial properties (including hotels) as well as provider of property financing services in the Netherlands, Germany and PRC, today announced the Group’s unaudited financial results for the first quarter ended 31 March 2018 (“1Q2018”).

Financial Highlights

In S\$’000	1Q2018	1Q2017	Change %
Revenue	47,804	83,285	(42.6%)
Profit attributable to equity holders of the Company	17,122	14,235	20.3%

- The Group achieved a net profit of S\$17.1 million for 1Q2018, a 20.3% quarter on quarter growth.
- The Group recognised another S\$7.7 million of penalty interest income during the quarter upon the receipt of net auction proceeds by the Court in respect of the successful enforcement on a RMB64 million defaulted loan under Case 2. Including the RMB64 million principal sum held by the Court pending release to the Group, RMB429.4 million out of the total RMB470.0 million defaulted loan principal (91% recovery) for Case 2 has been recovered as at 31 March 2018. The cumulative interest income earned on Case 2 defaulted loans to-date is RMB189.5 million.
- Demand for the residential units of the Star of the East River project continued to be strong with the two additional blocks of residential units launched in March 2018 being almost fully pre-sold. The two remaining residential blocks are expected to be launched for sale in late April 2018. The handover of these residential units is expected to commence from 1Q2019.

Mr Neo Teck Pheng, Group Chief Executive Officer, said

“The strong showing of the financial results for 1Q2018 was underpinned by income from the property financing and property holding business segments. The Group’s investment activities in the Netherlands in the past years and more recently in Germany have translated into a significant increase in profit contributions from both business segments.

On the property development business front, the Group’s 33% owned FSMC is currently redeveloping the Munthof office in the city centre of Amsterdam which involves the conversion of certain car park spaces into additional office space as well as the addition of an office loft at the top of the building. After the redevelopment, the lettable floor area of the property will increase by 95% to 3,355 sqm. In the PRC, demand for the residential units of the Star of the East River project continued to be strong with the two additional residential blocks launched in March 2018 being almost fully pre-sold. The Group is cautiously optimistic that the pre-sales for the remaining two residential blocks to be launched in late April 2018 will be as good.

The Group sees a number of new opportunities in the property financing business with bank credit tightening in the PRC. On the default loan recovery front, the Group made significant returns from the successful enforcement actions taken for Case 2.

The Board wishes to thank shareholders for their support for the recent rights issue which was oversubscribed, with the receipt of valid acceptances and excess applications for approximately 125.9% of the total number of convertible securities available under the rights issue. The successful equity fund raising exercise has further strengthened the Group’s balance sheet so that it is able to capitalise on any acquisition opportunities.”

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Please refer to the Group’s unaudited financial results announcement for 1Q2018 and the investor presentation slides dated 25 April 2018 for a detailed review of the Group’s performance and prospects.

For media enquiries, please contact:

Mr Zhang Jiarong
Vice President – Financial Planning & Analysis
First Sponsor Group Limited
Email: ir@1st-sponsor.com.sg
Tel: (65) 6436 4920 Fax: (65) 6438 3170

About First Sponsor Group Limited

First Sponsor Group Limited ("**First Sponsor**", and together with its subsidiaries, associated companies and joint ventures, the "**Group**"), a mixed property developer in the Netherlands and the People's Republic of China (the "PRC"), and owner of commercial properties (including hotels) as well as provider of property financing services in the Netherlands, Germany and the PRC, was listed on the Mainboard of the 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, 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 SGX announcements, financial statements, investor presentations and press releases.