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**Press Release**

**FIRST SPONSOR ACHIEVED A NET PROFIT OF S\$12.1 MILLION, A 28.9% QUARTER ON QUARTER GROWTH**

**THE BOARD OF FIRST SPONSOR HAS APPROVED AN INTERIM TAX-EXEMPT (ONE-TIER) DIVIDEND OF 1 SINGAPORE CENT PER SHARE**

*Singapore, 27 July 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”), an owner of commercial properties (including hotels) and a provider of property financing services in the Netherlands, Germany and the PRC, today announced the Group’s unaudited financial results for the second quarter ended 30 June 2018 (“2Q2018”).

**Financial Highlights**

<b><u>In S\$'000</u></b>	<b><u>2Q2018</u></b>	<b><u>2Q2017 (restated)</u></b>	<b><u>Change %</u></b>	<b><u>1H2018</u></b>	<b><u>1H2017 (restated)</u></b>	<b><u>Change %</u></b>
Revenue	44,112	56,006	(21.2%)	91,916	139,291	(34.0%)
Profit attributable to equity holders of the Company	12,073	9,368	28.9%	29,195	23,603	23.7%

- Another mortgaged property in relation to the Case 2 defaulted loans was successfully auctioned off and the auction proceeds were duly received by the court. The recovery of Case 2 defaulted loans and its associated penalty interest income has been successful and will be completed soon. The cumulative interest income earned on Case 2 defaulted loans as at 30 June 2018 was RMB213.9 million.
- The PRC property financing loan book increased by 36% during the quarter to RMB1,609 million. The Group looks forward to the increase in profit contribution from this business segment and will continue to grow this business in a prudent manner.
- The Board has approved an interim tax-exempt (one-tier) cash dividend of 1.0 Singapore cent per share for FY2018. Taking into account the dividends to be paid in respect of the bonus shares issued in April 2018, the expected interim dividend payment would be a 10% increase as compared to that of last year. Since its IPO in July 2014, the Group has steadily increased its total annual dividend pay out to shareholders in line with the good performance of the Group.

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

“Building on a strong first quarter, profit for this quarter was further boosted by higher income contributions from the Group’s property financing and property holding business segments. The good performance is a testament to the Group’s success in establishing a strong recurrent income base with the acquisitions of multiple properties in the course of 2017 to 2018, thereby enhancing its business resilience and improving its earnings quality.

All six residential blocks in the Star of East River (“**SoER**”) project have been substantially sold. The Group is cautiously optimistic about the sales of the SOHO component of the SoER project which comprises more than 2,300 units to be launched later this year. In addition, the Group has teamed up with Vanke and other experienced local developers in a competitive bid for a predominantly residential development project in the heart of Nancheng, Dongguan. The consortium has been awarded the contract for the project of which the Group has an economic interest of more than 20%.

This quarter also saw the disposal of two hotel assets, one in the PRC and the other in the Netherlands. The disposal of the M Hotel Chengdu is expected to be completed in tranches up to May 2019 whereas the disposal of the Bilderberg Landgoed Lauswolt hotel was completed on 4 July 2018 at a premium of 186% to its allocated acquisition cost. These disposals will allow the Group to recycle its capital for assets with better potential.

The redevelopment of the Oliphant Amsterdam office is progressing well and is expected to be completed in early 2019. The Group has entered into lease proposals with two grade A tenants which are expected to take up approximately 59% of the newly renovated office property on a long term basis. Once the two lease agreements are signed, the Group will set a new record rental level for office properties in the Amsterdam Southeast. The Group is also in advanced discussions with other potential tenants and expects the property to be substantially leased by 2019.

The credit market has been tightening in the PRC arising from the central government’s focus on deleveraging the economy. Under such constraints, the Group is well placed to expand its property financing business segment prudently. The Group’s PRC property financing loan book increased by 36% during the quarter to RMB1,609 million. On the loan recovery front, another mortgaged property in relation to the Case 2 defaulted loans was successfully auctioned off and the auction proceeds were duly received by the court. The Group expects the recovery of Case 2 defaulted loans and its associated penalty interest income to be completed soon. 2018 looks set to be the record year for the Group’s PRC property financing business segment and the Group looks forward to the increase in profit contribution from this business segment.”

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Please refer to the Group's unaudited financial results announcement for 2Q2018 and the investor presentation slides dated 27 July 2018 for a detailed review of the Group's performance and prospects. 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, associated companies and joint ventures, the "**Group**"), a mixed property developer in the Netherlands and the People's Republic of China (the "PRC"), an owner of commercial properties (including hotels) and a 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.

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Please visit [www.1st-sponsor.com.sg](http://www.1st-sponsor.com.sg) for the Group's SGX announcements, financial statements, investor presentations and press releases.