



FIRST SPONSOR GROUP LIMITED

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Press Release

FIRST SPONSOR ACHIEVED A NET PROFIT OF S\$25.6 MILLION, A 16.1% QUARTER ON QUARTER GROWTH

SIGNIFICANT GROWTH IN THE PRC PROPERTY FINANCING LOAN BOOK AND SUCCESSFUL RESOLUTION OF CASE 2 DEFAULTED LOANS

Singapore, 26 October 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 third quarter ended 30 September 2018 (“3Q 2018”).

Financial Highlights

<u>In S\$'000</u>	<u>3Q 2018</u>	<u>3Q 2017</u>	<u>Change %</u>	<u>YTD Sep 2018</u>	<u>YTD Sep 2017</u>	<u>Change %</u>
Revenue	53,493	64,822	(17.5%)	145,409	204,113	(28.8%)
Profit attributable to equity holders of the Company	25,575	22,020	16.1%	54,770	45,623	20.0%

- The PRC property financing loan book has grown by more than 20% to approximately RMB2.0 billion as at 30 September 2018. The Group has successfully resolved the Case 2 defaulted loans of RMB470.0 million and received RMB216.1 million in associated default interest.
- The Star of East River project in Dongguan continued to perform well with a good sales response to the launch of the SOHO units in late September 2018. With regard to the new development land in Nancheng District of Dongguan secured in 2Q 2018, the consortium has commenced construction work on the primarily residential project with a saleable GFA of approximately 146,700 sqm.

Mr Neo Teck Pheng, Group Chief Executive Officer, said

“The uncertainty over the PRC’s economic outlook has further intensified the tight credit situation in the country. This development has enabled the Group to further expand its property financing business. The Group’s PRC property financing loan book has grown by more than 20% to approximately RMB2.0 billion as at 30 September 2018. On the Case 2 defaulted loans, an additional RMB49.4 million in auction proceeds have been collected with a remaining RMB1.7 million pending disbursement by the court from the surplus auction proceeds. Hence, the Group has successfully resolved the Case 2 defaulted loans of RMB470.0 million and received RMB216.1 million in associated default interest.

The good sales response to the launch of the SOHO units in the Star of East River project in late September 2018 reflects the appeal of this development. Discussions with various potential tenants for the lease of the retail mall component, which is slated to commence business operations in late 2019, look promising. With regards to the new development land in Nancheng District of Dongguan secured in 2Q 2018, the consortium has commenced construction work on the primarily residential project with a saleable GFA of approximately 146,700 sqm.

In October 2018, the Group’s indirect 31.4%-owned associated company, Queens Bilderberg (Nederland) B.V., entered into a conditional sale and purchase agreement to sell four hotels as well as their inventory and stocks for a total consideration of €16.7 million. These four hotels are located outside of the Randstad region in the Netherlands. The sale price represents a premium of more than 140% over their allocated cost. The sale is expected to be completed by early January 2019.

Going forward, the Group may further tap into the debt and equity capital markets to fund its disciplined quest for investment opportunities in the Netherlands, Germany, PRC and other regions.”

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Please refer to the Group’s unaudited financial results announcement for 3Q 2018 and the investor presentation slides dated 26 October 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.

Please visit www.1st-sponsor.com.sg for the Group’s SGX announcements, financial statements, investor presentations and press releases.