

Press Release

IMPRESSIVE SALES PERFORMANCE AT THE MILLENNIUM WATERFRONT PROJECT WITH MORE THAN 99% OF THE AGGREGATE 7,302 RESIDENTIAL UNITS IN THE PROJECT SOLD

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

Singapore, 26 July 2017 – Singapore Exchange (SGX) mainboard-listed First Sponsor Group Limited (“**First Sponsor**” or the “**Company**”, and together with its subsidiaries and associated companies, the “**Group**”), a mixed property developer and owner of commercial properties in the People’s Republic of China (the “**PRC**”) and the Netherlands, and provider of property financing services in the PRC, today announced the Group’s unaudited financial results for 2Q2017.

Financial Highlights

<u>In S\$000</u>	<u>2Q2017</u>	<u>2Q2016</u>	<u>Change %</u>	<u>YTD Jun 2017</u>	<u>YTD Jun 2016</u>	<u>Change %</u>
Revenue	53,923	42,212	27.7%	135,270	87,769	54.1%
Profit attributable to equity holders of the Company	9,368	8,608	8.8%	23,603	20,841	13.3%

- The Group achieved a 8.8% increase in net profit to S\$9.4 million which is also its 11th consecutive quarter on quarter profit growth since IPO in July 2014.
- Despite the continued government property cooling measures, the sales performance at the Millennium Waterfront project has been positive. More than 99% of the aggregate 7,302 residential units in the project have been sold. The Group will carefully assess the development feasibility of the remaining phase of the project (Plot E and F) in view of the current market conditions.
- The Board has approved an interim tax-exempt (one-tier) cash dividend of 1 Singapore cent per share, which is the same as the 2016 interim dividend, payable on 20 September 2017.

Mr Neo Teck Pheng, Group Chief Executive Officer, said

“While the Chinese central government has been implementing several property cooling measures, the Group has been successful in sustaining the sales momentum experienced at its Millennium Waterfront project for the last two quarters. As at 30 June 2017, more than 99% of the aggregate 7,302 residential units in the project have been sold. The Group will carefully assess the development feasibility of the remaining phase of the Millennium Waterfront project, which is designated as commercial land, in view of the current market conditions. Performance of the newly opened Holiday Inn Express Chengdu Wenjiang Hotspring Hotel has also been encouraging. The hotel registered a gross operating profit for the past two quarters even though it has only commenced operations on 28 December 2016. Management is working closely with the hotel manager to turnaround the Crowne Plaza Chengdu Wenjiang hotel. The commencement of the hotspring facilities in the hotels in late 2017 would boost the performance for the two newly opened hotels.

In the Netherlands, the Group is in an advanced stage of discussion with an investor for the sale of a residential apartment block envisaged to be built next to the Dreeftoren office on a forward funding basis. The project is subject to the application for re-zoning and building permit with the Amsterdam Southeast municipal.

On the acquisition front, on 12 July 2017, the Group completed the acquisition of a newly built bare shell hotel property in the Poortgebouw Hoog Catherijne, located next to the Utrecht central railway station which is also the largest and busiest railway station in the Netherlands. The Group will be working together with the lessee, for which an initial lease term of 25 years has been signed, to refurbish the property into two hotels, a Hampton by Hilton and a Crowne Plaza, which are expected to be completed and operational in late 2018. Fit out of the hotels is expected to commence in 3Q2017. As announced on 3 July 2017, the Group through its 33% owned FSMC NL Property Group B.V. shall acquire a 95% equity interest in a portfolio of 17 Dutch hotels (the “Bilderberg Portfolio”) geographically spread around the Netherlands. The envisaged acquisition of the Bilderberg Portfolio will catapult the Group to be one of the largest hotel owners in the Netherlands. The Group’s recurrent income assets will increase to more than 50% of its total asset base upon the successful completion of the acquisition of the Bilderberg Portfolio which will further strengthen the business resilience of the Group.

The Group has concluded a court arranged settlement agreement for one of the defaulted loans amounting to RMB50 million in principal thereby ending the court appeal process commenced by the Group. Auctions of the mortgaged properties for a substantial number of the defaulted loans in Case 2 are expected in the second half of the year. The Group remains confident of the recovery of the remaining defaulted loans.

Backed by a strong balance sheet with cash balance of S\$379.7m and un-utilised committed credit facilities of S\$408.7m as at 30 June 2017, the Group continues to be on a disciplined quest for investment opportunities in the Netherlands, PRC and other regions. Going forward, the Group may further tap into the debt and equity capital markets to fund its expansion plan.”

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Please refer to the Group's unaudited financial results announcement for 2Q2017 and the investor presentation slides dated 26 July 2017 for a detailed review of the Group's performance and prospects.

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About First Sponsor Group Limited

First Sponsor Group Limited ("**First Sponsor**"), and together with its subsidiaries and associated companies, the "**Group**", a mixed property developer and owner of commercial (including hotel) properties in the People's Republic of China (the "PRC") and the Netherlands, and a provider of property financing services in the PRC, was listed on the Mainboard of Singapore Exchange Securities Trading Limited on 22 July 2014. The Group is supported by both its established key controlling shareholders, the Hong Leong group of companies, through its shareholding interests in Millennium & Copthorne Hotels plc ("M&C UK"), and Tai Tak Estates Sendirian Berhad, a private company with a long operating history, which was incorporated in Singapore in 1954.

Please visit www.1st-sponsor.com.sg for the Group's financial statements and investor presentations.