



FIRST SPONSOR GROUP LIMITED

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Press Release

EXCEPTIONAL SALES PERFORMANCE AT THE MILLENNIUM WATERFRONT PROJECT WITH ALL 7,302 RESIDENTIAL UNITS AND 297 OUT OF 371 LAUNCHED COMMERCIAL UNITS IN THE RESIDENTIAL DEVELOPMENT SOLD

THE BILDERBERG PORTFOLIO HAS SHOWN 20% YEAR TO DATE EBITDA GROWTH

Singapore, 25 October 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 (including hotels), and provider of property financing services in the People’s Republic of China (the “**PRC**”) and the Netherlands, today announced the Group’s unaudited financial results for 3Q2017.

Financial Highlights

In S\$'000	3Q2017	3Q2016	Change %	YTD Sep 2017	YTD Sep 2016	Change %
Revenue	64,821	82,431	(21.4)%	204,113	175,340	16.4%
Profit attributable to equity holders of the Company	22,020	19,333	13.9%	45,623	40,174	13.6%

- The Group achieved a 13.9% increase in net profit to S\$22.0 million which is also its 12th consecutive quarter on quarter profit growth since IPO in July 2014.
- All 7,302 residential units and 297 out of 371 commercial units within the residential development of the Millennium Waterfront project launched to-date had been sold. Pursuant to the exceptional sales performance, the Group will continue to recognise development profit from these sales in 4Q 2017 and 2018.
- The Bilderberg Portfolio acquired by the Group’s 33% owned FSMC NL Property Group B.V. on 2 August 2017 has shown a 20% year to date EBITDA growth.

Mr Neo Teck Pheng, Group Chief Executive Officer, said

“On the back of the successful sale performance of the Millennium Waterfront project in Chengdu, the Group is further pleased to report that 272 residential units of the Group’s 30% owned Star of East River project in Dongguan first launched for sale in late September 2017 were fully snapped up on the first day of sale. The Group is optimistic about the sales performance of the remaining 949 residential units in the Star of East River project which are expected to be launched for sale during the course of 2018.

In the Netherlands, the Group had signed a conditional agreement with a Dutch residential fund for the sale of a residential block of approximately 268 apartments to be developed next to the Dreeftoren office building on a forward funding basis. With this, revenue and funding of the development are secured, thereby reducing the development risk of the project. The key conditions to be fulfilled are the successful re-zoning of the land site for this residential development and procurement of the building permit. The Oliphant office redevelopment is on track. Leasing efforts will be stepped up next year when the redevelopment approaches completion in late 2018. The recently acquired Bilderberg Portfolio has shown strong financial performance with its year to date EBITDA exhibiting a 20% growth.

On the PRC property financing loan recovery front, while the Group has secured a favourable court ruling in relation to penalty interest for Case 1, due to the need to balance public interest arising from the criminal charges involving the legal representative of the borrower, the Group may have to compromise and accept a lower interest entitlement. For Case 2, the original defaulted loan exposure of RMB470 million has been reduced to RMB340 million with penalty interest amounting to RMB42.6 million (of which S\$4.3 million had been recognised in 3Q2017) associated with the RMB130 million loan repayment collected by the Group. Preparations for the auction of the mortgaged properties associated with the remaining six loans are at various stages of progress. Furthermore, the Group has placed caveats on excess cash auction proceeds raised from the auction of certain properties of the corporate guarantors that were mortgaged to other third party lenders. This, together with the excess cash proceeds from the completed auction of those properties mortgaged to the Group, will act as an additional credit cushion for the recovery exercise of remaining loans in Case 2.

The Group has financially supported the expansion plan of its 33% owned FSMC NL Property Group B.V. via interest bearing loans disbursed pursuant to the acquisition of the Bilderberg Portfolio. Arising from a business review, the Group felt that it is more appropriate to classify interest income from loans extended to its Dutch associates as part of its property financing income given that such income would be earned on a recurrent basis. The prior period comparatives have been restated to conform to such presentation.

With the gradual handover of all residential units in the Millennium Waterfront project by 2018, the Group will see a shift in its profit mix from the more lumpy property development business to the relatively more stable property holding and property financing businesses. The Netherlands diversification strategy has built up a good recurrent income base for the Group. With a strong balance sheet, the Group continues to be on a disciplined quest for

investment opportunities in the Netherlands, the 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 3Q2017 and the investor presentation slides dated 25 October 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 properties (including hotels), and a provider of property financing services in the People’s Republic of China and the Netherlands, 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 Singapore 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 financial statements and investor presentations.