



FIRST SPONSOR GROUP LIMITED

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Press Release

FIRST SPONSOR ACHIEVED A NET PROFIT OF S\$33.3 MILLION, A 30.3% QUARTER ON QUARTER GROWTH

THE GROUP HAS SUCCESSFULLY RECOVERED THE ENTIRE RMB170.0 MILLION DEFAULTED LOAN PRINCIPAL

Singapore, 25 October 2019 – Singapore Exchange (“SGX”) Main Board-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 mainly in the Netherlands, Germany, and the PRC, today announced the Group’s unaudited financial results for the third quarter ended 30 September 2019 (“**3Q2019**”).

Financial Highlights

<u>In S\$’000</u>	<u>3Q2019</u>	<u>3Q2018</u>	<u>Change %</u>	<u>YTD Sep 2019</u>	<u>YTD Sep 2018</u>	<u>Change %</u>
Revenue	44,596	53,493	(16.6)%	169,371	145,409	16.5%
Profit attributable to equity holders of the Company	33,321	25,575	30.3%	72,178	54,770	31.8%

- The PRC property financing (“**PRC PF**”) loan book stood at approximately RMB2.0 billion as at 30 September 2019. The Group has successfully recovered the entire RMB170 million defaulted loan principal and is working towards the disbursement of additional PRC PF loans before the end of 2019. The Group expects 2019 to be a record year for the PRC PF business.
- The Group’s Star of East River and Emerald of the Orient projects in Dongguan continue to generate good cash flows through strong pre-sales performance. The residential units of The Pinnacle and Wanjiang Victory Land projects in Dongguan are expected to be launched for pre-sales in late 2019/early 2020 and late 2020 respectively.
- The Group’s Dutch property holding portfolio is boosted by the addition of the 193-room Hampton by Hilton hotel in Utrecht, the Netherlands. The 144-room Crowne Plaza hotel within the same building is expected to commence trading in April 2020.

Mr Neo Teck Pheng, Group Chief Executive Officer, said

“Emerging from a good second quarter, the Group continued the strong momentum with a 30.3% quarter on quarter growth to achieve a net profit of S\$33.3 million in 3Q2019. This is the 19th quarterly growth out of 22 quarters of results reporting since the Group’s IPO in July 2014.

In Dongguan, the Group’s Star of East River and Emerald of the Orient projects continue to generate good cash flows through strong pre-sales performance. The residential units of The Pinnacle and Wanjiang Victory Land projects are expected to be launched for pre-sale in late 2019/early 2020 and late 2020 respectively. The Group’s various Dongguan projects are expected to be handed over in phases over the next few years.

In Chengdu, the Group has launched 781 out of a total of 807 loft SOHO units at Plot F of the Chengdu Millennium Waterfront project for pre-sales in August 2019 and sales performance for these launched units has been satisfactory. Plot F is expected to be completed around early 2021. The Group is considering its development options for Plot E, the last development plot of the Chengdu Millennium Waterfront project.

In the Netherlands, the Group is pleased that the 193-room Hampton by Hilton hotel in Utrecht has traded well with an average occupancy rate of 72.7% since its opening on 17 June 2019 to 30 September 2019. The hotel achieved an EBITDA of €1.0 million in its first 3.5 months of operation. Encouraged by the stellar performance of its first owner managed hotel in the Netherlands, the Group looks forward to the completion of the 144-room Crowne Plaza hotel in April 2020 which will also be owner managed and is within the same building.

The Group has received the conditional building permits to (i) redevelop the Dreeftoren Amsterdam office building by increasing its net lettable area by approximately 74% to 15,272 sqm; and (ii) develop a new 312-unit residential tower next to the office building. The Group expects both building permits to be irrevocable by late 2019. As construction costs in the Netherlands remain high, the Group will monitor the construction market and will only commence construction if it is able to secure a construction contract for the developments at a reasonable contract price.

The PRC property financing loan book stood at approximately RMB2.0 billion as at 30 September 2019. The Group is working towards the disbursement of additional PRC PF loans before the end of 2019 and expects 2019 to be a record year for the PRC PF business. The Group has successfully recovered the entire RMB170.0 million loan principal in respect of the Case 1 defaulted loan in October 2019. After working with the Shanghai court and due to the public interest arising from the criminal cases involving the legal representative of the borrower, the Group has accepted a lower interest of RMB24.2 million, being interest accrued at 4.75% per annum, with the remaining auction proceeds to be distributed to the victims of the criminal cases. This marks the conclusion of the litigation in relation to the Case 1 defaulted loan. Since the commencement of the Group’s property financing (“PF”) business in 2012, the Group has experienced defaults on only two PF loans and has not suffered any bad debt loss.

Following the Group's maiden entry into Australia in late 2018, the Group is keen to increase its business footprint in the key cities of Australia which may be by way of equity participation in, and financing of, property development projects. Given the ongoing tightening of the credit market in Australia, the Group is upbeat that it will be able to expand its Australia property financing portfolio and/or participate in property holding opportunities for prime real estate properties or developments under the current favourable macro-economic conditions.

Armed with a strong balance sheet, the Group is ready to capitalise on good business opportunities in the Netherlands, Germany, the PRC and Australia for further growth and expansion."

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Please refer to the Group's unaudited financial results announcement for 3Q2019 and the investor presentation slides dated 25 October 2019 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 mainly in the Netherlands, Germany, and the PRC, was listed on the Main Board 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.