FIRST SPONSOR GROUP LIMITED
(Incorporated in the Cayman Islands)
(Registration No. 195714)

PROFIT GUIDANCE ON UNAUDITED FINANCIAL RESULTS
FOR THE SIX MONTHS AND FINANCIAL YEAR ENDED 31 DECEMBER 2025

The Board of Directors of First Sponsor Group Limited ("**Company**" and together with its subsidiaries, "**Group**") wishes to provide the following profit guidance, ahead of the announcement of the Company's unaudited condensed interim consolidated financial statements for the six months ended 31 December 2025 ("**2H2025**") and financial year ended 31 December 2025 ("**FY2025**").

Based on a preliminary review of the Group's unaudited condensed interim consolidated financial statements for 2H2025 and FY2025, the Group expects to report a net loss for 2H2025 and FY2025. The net loss is mainly attributable to, *inter alia*, fair value loss on the Group's financial derivatives as a result of the strengthening of foreign currencies against the Singapore dollar ("**S$**"), and net foreign exchange losses.

Most of the Group's assets are invested overseas and are not S$ denominated. As such, to protect the shareholders' funds of the Group, the Group has largely hedged its foreign exchange exposure, mainly to the Euro ("**€**"), Chinese yuan ("**CNH**") and Australian dollar ("**A$**"), using a combination of foreign currency debts and financial derivatives. Based on the 31 December 2025 valuation of the various financial derivatives carried out by the respective counterparty banks, the Group will recognise a net unrealised mark-to-market loss of S$58.6 million and S$56.1 million for 2H2025 and FY2025 respectively. The net loss for 2H2025 is primarily attributable to the appreciation of €, CNH and A$ against the S$ in 2H2025, whilst the net loss for FY2025 is primarily attributable to the appreciation of €, and to a smaller extent A$, partially offset by the depreciation of the CNH against S$ during the financial year. At the same time, the Group will recognise a net foreign exchange loss of S$21.4 million and S$20.0 million for 2H2025 and FY2025 respectively from the financial derivatives that matured during the underlying periods.

Such adverse profit and loss impact is not mitigated elsewhere in the consolidated income statement of the Group for 2H2025 and FY2025 as the Company has funded its subsidiaries entirely with equity since September 2024. Prior to September 2024, the Company had substantially funded its subsidiaries via debt whereby any profit and loss impact attributable to the foreign currency debts and financial derivatives was substantially offset by the foreign exchange impact from the revaluation of foreign currency-denominated loans to its subsidiaries.

The aforesaid strengthening of the foreign currencies however also resulted in a translation gain attributable to the Group's foreign currency-denominated net assets, which has substantially offset the aforesaid accounting loss attributable to the financial derivatives, leaving the overall impact to the shareholders' funds largely intact which underpins the principle of the Group's foreign exchange hedging strategy to protect shareholders' funds.

In addition, against the backdrop of the prolonged challenges posed by the difficult real estate market in the PRC, the Group has made provision for impairment losses on certain development properties in the PRC and will record fair value loss on certain investment properties in the PRC. Furthermore, the Group will record a share of loss from some of its PRC associates and joint ventures due to the impairment of their underlying properties.

Notwithstanding the expected net loss for 2H2025 and FY2025, as at 31 December 2025, the Group's net gearing ratio stood at approximately 0.56x. The Group's overall business and financial position remains strong with total cash and available undrawn committed bank facilities in excess of S$500.0 million as at 31 December 2025 to meet its operational and financial commitments. In particular, recurring net operating income from the Group's property holding portfolio is expected to be more than sufficient to cover all of the Group's interest expense obligations, based on interest rates and the Group's loan drawdown profile as at 31 December 2025. Such recurring income is expected to be further bolstered by the completion of the redevelopment of the Puccini Hotel Milan, Prins Hendrikkade Amsterdam and Dreeftoren Amsterdam properties in the course of 2026.

This profit guidance (including the financial figures provided herein) is based on a preliminary assessment of the internal management accounts of the Group which has not been audited or reviewed by an external auditor. The Company expects to release its unaudited financial results for 2H2025 and FY2025 on or around 25 February 2026, and further details on the Group's financial performance in 2H2025 and FY2025 will be disclosed in such announcement.

Shareholders and potential investors of the Company are advised to exercise caution when investing or dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bankers, solicitors, accountants, tax advisers or other professional advisers.

BY ORDER OF THE BOARD
FIRST SPONSOR GROUP LIMITED

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
14 January 2026