



FIRST SPONSOR GROUP LIMITED

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Press Release

FIRST SPONSOR ACHIEVED A NET PROFIT OF S\$69.0 MILLION FOR 1H2021, AN 18.7% GROWTH FROM 1H2020

FOURTH PROPERTY DEVELOPMENT ACQUISITION IN THE GREATER BAY AREA FOR THE YEAR

Singapore, 30 July 2021 – 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**”) today announced the Group’s unaudited financial results for the six months ended 30 June 2021 (“**1H2021**”).

Financial Highlights

In S\$'000	1H2021	1H2020	Change %
Revenue	156,758	104,148	50.5%
Profit attributable to equity holders of the Company	68,951	58,071	18.7%

- The Board has approved a first interim tax-exempt (one-tier) cash dividend of 1.1 Singapore cents per share for FY2021 which is the same as that of last year.
- In July 2021, the Group entered into a joint venture to subscribe for a 36% equity stake in a project company that owns and will redevelop two adjacent plots of mixed-use development land in Humen, Dongguan with a saleable GFA of approximately 110,000 sqm which comprises approximately 82,000 sqm (75%) of residential GFA and 28,000 sqm (25%) of commercial GFA. This marks the Group’s fourth property development acquisition in the Greater Bay Area for the year.
- Completion of the Group’s 33-owned Terraced Tower project marks the first residential development project in the Netherlands.
- The Group intends to commence development of the Dreeftoren Amsterdam project, which encompasses 312 residential units with a lettable floor area of 20,300 sqm and office with a lettable floor area of 15,600 sqm (currently 8,722 sqm) and 1,600 sqm of commercial space (currently nil), in 4Q2021.
- Preliminary discussions with the relevant authority have commenced regarding the redevelopment potential of Meerparc which is located in the Amsterdam CBD.

Mr Neo Teck Pheng, Group Chief Executive Officer, said

“The Group achieved a net profit of S\$69.0 million for 1H2021, an 18.7% growth from 1H2020. The Board has approved a first interim tax-exempt (one-tier) cash dividend of 1.1 Singapore cents per share which is the same as that of last year. Subject to the successful implementation of the Group’s business strategy and market conditions amidst the current uncertainties arising from the Covid-19 pandemic, the Board will continue to work towards a stable dividend payout with a steady growth.

On the property development front, construction work for the Group’s 17.3%-owned Time Zone (previously known as Humen TOD project) in Dongguan has been progressing well and pre-sale launch for the first four residential blocks (980-units) is expected to occur in August 2021. Similarly, construction work for the newly acquired Le Papillon Phase 3 and Bolong Bay Garden is ongoing and their pre-sale launches are expected to commence in 4Q2021 or 1Q2022.

In June 2021, the Group completed the divestment of a 51% controlling equity interest in Wan Li Group Limited at a premium of approximately 100% over its allocated cost, generating a net gain of S\$9.1 million to the Group. In May and June 2021, the Group entered into two other agreements to divest a 40.5% and 72% effective equity interest in two properties within the Dongguan East Sun Limited portfolio. These properties were divested at a substantial premium of 219% and 128% over their allocated cost of RMB40.3 million and RMB61.4 million. These divestments are expected to be completed in December 2021 and April 2022 respectively.

In July 2021, the Group entered into a joint venture to subscribe for a 36% equity stake in a project company that owns and will redevelop two adjacent plots of mixed-use development land in Humen, Dongguan (“Humen Boyong project”), valuing the development land at RMB963.6 million prior to the payment of a land conversion premium of approximately RMB680 million, including stamp duty. This marks the Group’s fourth property development acquisition in the Greater Bay Area this year. Construction and pre-sale of the Humen Boyong project are expected to commence in 4Q2021 and 3Q2022 respectively.

Discussions with the various independent third parties in relation to Plot E of the Millennium Waterfront project have been terminated. No transaction has materialised from such discussions. Following the successful development of Plot F, the Group will develop Plot E, the last development plot of the project, in two phases.

In the Netherlands, the Group has completed the development of its 33%-owned Terraced Tower Rotterdam project, marking the Group’s first Dutch residential development project which involved the transformation of an aged office building into a new landmark residential building with 344 apartments supported by commercial and retail amenities. Handover of the fully sold out project to purchasers started on 1 July 2021.

Underpinned by the strong residential market in the Netherlands, the Group intends to commence the development of the Dreeftoren Amsterdam project, which encompasses 312 residential units with a lettable floor area of 20,300 sqm and lettable floor area of 15,600 sqm of office (currently 8,722 sqm) and 1,600 sqm (currently nil) of commercial space, in 4Q2021. In addition, the Group has started preliminary discussions with the relevant authority regarding the redevelopment potential of Meerparc which is located in the Amsterdam CBD.

Performance of the Group's property holding assets was mixed, with overall occupancy of the Group's European operating hotels remaining lacklustre in 1H2021 although performance picked up in the later months due mainly to a gradual easing of measures in June 2021. The Group expects the performance of its European operating hotel portfolio to remain weak. In addition, hotel performance will be materially and adversely impacted if the Group's European operating hotels are not eligible for the government subsidies or the government subsidies are no longer available in the future. On a more positive note, the Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring Hotel in the PRC have returned to a performance level similar to pre-Covid-19 times.

Backed by a strong balance sheet, substantial potential equity infusion from the exercise of outstanding warrants and unutilised committed credit facilities, the Group continues to actively pursue opportunities to expand its footprint in the regions that it has an existing exposure."

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Please refer to the Group's unaudited financial results announcement for 1H2021 and the investor presentation slides dated 30 July 2021 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**") is a public company listed on the Main Board of the Singapore Exchange Securities Trading Limited since 22 July 2014. The principal business activities of the Group are property development, property holding and property financing.

The Group's property development projects include offices, retail, residential and hotel developments in the Netherlands, Australia and the People's Republic of China (the "**PRC**"). The Group's property portfolio comprises commercial properties (including hotels) in the Netherlands, Germany and the PRC. The Group provides property financing services mainly in the Netherlands, Germany, Australia and the PRC.

The Group is supported by both its established key controlling shareholders, the Hong Leong group of companies, through its shareholding interests in City Developments Limited, 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.