

Press Release

RECORD ANNUAL PRE-TAX PROFIT OF S\$202.6 MILLION

RECORD TOTAL CASH DIVIDEND OF 3.45 SINGAPORE CENTS PER SHARE FOR FY2021

Singapore, 11 February 2022 – 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 second half (“2H2021”) and full year (“FY2021”) ended 31 December 2021.

Financial Highlights

<u>In S\$'000</u>	<u>2H2021</u>	<u>2H2020</u>	<u>Change %</u>	<u>FY2021</u>	<u>FY2020</u>	<u>Change %</u>
Revenue	432,412	99,788	333.3%	589,170	203,936	188.9%
Profit attributable to equity holders of the Company	52,518	45,103	16.4%	121,469	103,174	17.7%

- The Group achieved a record annual pre-tax profit, since its inception, of S\$202.6 million in FY2021. For the half year ended 31 December 2021, the Group achieved a net profit of S\$52.5 million, a 16.4% growth for the period. The corresponding net profit of S\$121.5 million for FY2021 reflects a 17.7% growth from FY2020.
- The Board is pleased to announce a second interim tax-exempt (one-tier) cash dividend of 2.35 Singapore cents per share for FY2021 in lieu of a final dividend. The total dividend declared for FY2021 will be 3.45 Singapore cents per share which is an 11.3% growth from that for FY2020 and a record dividend payout since its inception.
- The Group is backed by a strong balance sheet, substantial unutilised committed credit facilities and potential equity infusion from the exercise of outstanding warrants. The above, together with the upcoming new pre-sale launches of several PRC property development projects and loan repayments from the PRC property financing business in 2022 which are expected to generate substantial cashflow, will further financially strengthen the Group so that it will be ready to capitalise on any new business opportunities when they arise.

Mr Neo Teck Pheng, Group Chief Executive Officer, said

“FY2021 saw the Group setting a new record annual pre-tax profit, since its inception, of S\$202.6 million and a net profit of S\$121.5 million for FY2021, a respectable 17.7% growth from FY2020. The good performance was underpinned largely by the profit contribution from The Pinnacle project and a record annual average PRC property financing (“PRC PF”) loan book. On top of the first interim tax-exempt (one-tier) cash dividend approved in 1H2021, the Board is pleased to announce a second interim tax-exempt (one-tier) cash dividend of 2.35 Singapore cents per share for FY2021, in lieu of a final dividend. The total dividend declared for FY2021 will be 3.45 Singapore cents per share which is an 11.3% growth from that for FY2020 and a record dividend payout since its inception.

The property development business segment will remain active in 2022 with the Group expecting to launch new pre-sales for 5 PRC projects in 2022, namely, the (i) 17.3%-owned Time Zone, (ii) 48.2%-owned Bolong Bay Garden and (iii) 36%-owned Boyong project, all of which are situated in Humen, Dongguan, as well as (iv) 95%-owned Primus Bay in Panyu, Guangzhou, and (v) Plot E1 of the Millennium Waterfront in Wenjiang, Chengdu. In Dongguan, the 60%-owned The Pinnacle project commenced its first handover of six of the eight fully sold residential apartment blocks in December 2021. The remaining two fully sold residential apartment blocks and 202 SOHO units are expected to be handed over during the course of 2022. The 27%-owned Skyline Garden project in Dongguan will also commence its first handover of the four fully sold residential apartment blocks in late 2022.

The divestment of a 40.5% effective equity interest in the Wentang Recycling Factory in Dongguan, one of the properties in the 90%-owned East Sun Portfolio, at a premium of 219% over cost of RMB40.3 million, was successfully completed in December 2021. The divestment of a 72% effective equity interest in the Liaobu Factory in Dongguan, another property in the East Sun Portfolio, at a premium of 128% over cost of RMB61.4 million, is expected to be completed in 2Q2022.

In the Netherlands, the Group entered into agreements with the main contractors in relation to the construction of the Dreeftoren Amsterdam redevelopment project, which is expected to commence in 1Q2022. The redevelopment project comprises a new 130-metre high residential tower (312 apartment units) and an adjacent newly refurbished and enlarged 18-storey office tower with a commercial component. Completion of the project is expected to be in 2025. In addition, the Group continues to engage the relevant authority in relation to the redevelopment of Meerparc located in the Amsterdam CBD into a mixed residential/office project.

Another milestone was achieved with the grant of the Stage 2 development approval for the 39.9%-owned City Tattersalls Club (“CTC”) project in Sydney in November 2021, paving the way for the construction and pre-sale launch of the 241 residential units in 3Q2022. The Group will also be providing construction financing to the developer trust as part of its property financing business. In October 2021, the developer trust and CTC entered into a legally binding heads of agreement in relation to the sale by CTC of the hotel component of the project to the developer trust or its nominee. The parties have finalised the detailed documentation in relation to such sale. The Group is expected to take a 70% stake in the 101-room hotel component.

Despite the negative impact on the hospitality sector brought about by the restrictions and uncertainty caused by the Covid-19 pandemic, the Group remains optimistic about the eventual recovery of the European hospitality business in the mid to long term. As such, the Group is discussing with its business partners in the Dutch QBN hotel portfolio to increase its current 31.4% equity interest.

The PRC PF business achieved a record full year average loan book of RMB2.7 billion for FY2021. The PRC PF loan book stood at RMB2.5 billion as at 31 December 2021. However, arising from the improving credit liquidity situation in the PRC, the challenge for the Group would be to maintain a similar average loan balance in FY2022.

The Group is backed by a strong balance sheet, substantial unutilised committed credit facilities and potential equity infusion from the exercise of outstanding warrants. The above, together with the upcoming new pre-sale launches of several PRC property development projects and PRC PF loan repayments in 2022 which are expected to generate substantial cashflow, will further financially strengthen the Group so that it will be ready to capitalise on any new business opportunities when they arise.”

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Please refer to the Group’s unaudited financial results announcement for 2H2021 and the investor presentation slides dated 11 February 2022 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.