



# FIRST SPONSOR GROUP LIMITED

Co Reg. No: 195714 | Business Address: 19 Lorong Telok, Singapore 049031

Press Release

**FIRST SPONSOR ACHIEVED A NET PROFIT OF S\$71.3 MILLION FOR 1H2022, A 3.5% GROWTH FROM 1H2021, AND GAINED TWO NEW RESIDENTIAL DEVELOPMENT PROJECTS IN DONGGUAN IN JULY 2022**

**Singapore, 29 July 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 six months ended 30 June 2022 (“1H2022”).

## **Financial Highlights**

In S\$’000	1H2022	1H2021	Change %
Revenue	115,254	156,758	(26.5)%
Profit attributable to equity holders of the Company	71,331	68,951	3.5%

- The Board has approved an interim tax-exempt (one-tier) cash dividend of 1.1 Singapore cents per share for FY2022 which is the same as that of last year.
- In July 2022, the Group agreed to enter into two new separate joint ventures (collectively “JVs”) pursuant to which the Group will have an effective 27% and 44.1% equity interest in two separate project companies which will acquire a predominantly residential development land in Wanjiang, Dongguan and Dalingshan, Dongguan respectively.
- The Group’s property holding business has been bolstered by the acquisition of a 95% equity interest in the Dutch Bilderberg hotel portfolio from the 33%-owned FSMC in May 2022, valuing the 11 hotels which have an aggregate of 1,252 rooms at €180.6 million.

**Mr Neo Teck Pheng, Group Chief Executive Officer, said**

“The Group achieved a net profit of S\$71.3 million for 1H2022, a 3.5% growth from 1H2021. The Board has approved an interim tax-exempt (one-tier) cash dividend of 1.1 Singapore cents per share for FY2022 which is the same as that of last year.

Property development stood at the forefront of the Group's activities with the Group having gained two new residential development JV projects in Dongguan in July 2022. The Group entered into a JV with a local Dongguan developer pursuant to which the Group will have an effective 44.1% equity interest in a project company which will develop a predominantly residential development land in Dalingshan, Dongguan. The second project will see the Group enter into a JV with, among others, China Poly Group (the JV partner for the Skyline Garden and Time Zone in Dongguan), for an effective 27% equity interest in a project company which will develop a predominantly residential development land in Wanjiang, Dongguan which is located in the vicinity of the Skyline Garden and Star of East River. Both project companies have acquired the respective development lands via public land tender exercises on 24 June 2022.

Buying sentiments in the Dongguan residential property market have improved after two rounds of housing policy relaxation by the local municipal in May 2022. 190 residential units of the 17.3%-owned Time Zone were sold in the 1.5-month period after the second round of policy easing was implemented on 14 May 2022, significantly higher than the 139 residential units sold in the first 4.5 months of 2022. Likewise, the Group's 48.2%-owned Oasis Mansion, which launched the pre-sale of its first residential apartment block on 31 March 2022 followed by two more residential apartment blocks on 27 May 2022, has also seen healthy results with 43% of its 318 units sold to-date. On 4 July 2022, a further round of housing policy relaxation was implemented with the removal of restrictions on the purchase of residential properties in Dongguan except for its 5 core districts.

Over in Guangzhou, the 15 completed villas, bought for RMB56.9 million as part of the May 2021 acquisition of the 95% equity interest in Primus Bay development in Panyu, were 100% sold for RMB99 million as at end June 2022. The pre-sale for the first three residential apartment blocks (177 units) was launched on 26 May 2022 with a modest 11% of the units sold. The other PRC property development projects within the Group's pipeline for pre-sales in 2022 include the (i) 36%-owned Hefu project in Humen, Dongguan and (ii) Plot E1 of the Millennium Waterfront project in Wenjiang, Chengdu.

In the Netherlands, the Group's property holding business has been bolstered by the acquisition of a 95% equity interest in the Dutch Bilderberg hotel portfolio from the 33%-owned FSMC in May 2022, valuing the 11 hotels which have an aggregate of 1,252 rooms at €180.6 million.

Rebounding from a year ago, the Group's European operating hotels showed strong signs of recovery from the Covid-19 pandemic in 1H2022. The improvement in hotel trading was however significantly offset by higher energy and labour costs and the termination of Covid-19 related subsidies from the Dutch and German authorities. In the PRC, the Group's Holiday Inn Express and Crowne Plaza hotels in Chengdu were selected for use as Covid-19 quarantine hotels intermittently from February to June 2022. As a result, the trading of the PRC hotels was adversely impacted in 1H2022.

On the property financing front, after the successful completion of the auctions in April 2022 for the mortgaged properties in relation to the RMB330 million defaulted loans, the recovery process has been very slow due to the initial full lockdown and subsequent semi-lockdown in Shanghai. The legal title of the Pudong Mall as well as net auction proceeds of the Pudong Villa are expected to be transferred to the Group only in 3Q2022. The Group will continue to work on the recovery of the outstanding debt.

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 1H2022 and the investor presentation slides dated 29 July 2022 for a detailed review of the Group’s performance and prospects. For media enquiries, please contact:

Mr Leonard Gerik  
Senior Vice President – Financial Planning & Analysis  
First Sponsor Group Limited  
Email: [ir@1st-sponsor.com.sg](mailto:ir@1st-sponsor.com.sg)  
Tel: (65) 6436 4920 Fax: (65) 6438 3170

### **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.

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