

Press Release

ANNUAL NET PROFIT OF S\$131.3 MILLION, AN 8.1% GROWTH FROM FY2021 RECORD DEVELOPMENT LAND PROCUREMENT EXERCISE

Singapore, 17 February 2023 – 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 (“2H2022”) and full year (“FY2022”) ended 31 December 2022.

Financial Highlights

In S\$’000	2H2022	2H2021	Change %	FY2022	FY2021	Change %
Revenue	312,239	432,412	(27.8)%	427,493	589,170	(27.4)%
Profit attributable to equity holders of the Company	59,925	52,518	14.1%	131,256	121,469	8.1%

- For the half year ended 31 December 2022, the Group achieved a net profit of S\$59.9 million, a 14.1% growth for the period. The net profit of S\$131.3 million for FY2022 reflects an 8.1% growth from FY2021.
- The Board recommended a final tax-exempt (one-tier) cash dividend of 2.70 Singapore cents per share for FY2022. If approved, the total dividend declared for FY2022 will be 3.80 Singapore cents per share which is a 10.1% growth from that for FY2021 and a record dividend payout.
- The Group has, on its own and with joint venture partners, made a record purchase of development land plots (all of which are in Dongguan) in FY2022. As such, it is expected that the Group would have a record number of development projects under pre-sale in FY2023.

Mr Neo Teck Pheng, Group Chief Executive Officer, said

“The Group achieved an annual net profit of S\$131.3 million in FY2022, an 8.1% increase from FY2021. The Board recommended a final tax-exempt (one-tier) cash dividend of 2.70 Singapore cents per share for FY2022. If approved, the total dividend declared for FY2022 will be 3.80 Singapore cents per share which is a 10.1% growth from that for FY2021 and a record dividend payout.

Property development remains the key business segment of the Group. The Group, on its own and with joint venture partners, made a record purchase of 4 development land plots (all of which are in Dongguan) in FY2022. The Group’s share of the land purchase consideration is approximately S\$656 million. As a result, the Group will see a record number of development projects under pre-sale in FY2023.

Dongguan, Guangzhou and Chengdu underwent several sporadic Covid-19 related lockdowns during FY2022, especially in 4Q2022. Such lockdowns adversely affected pre-sales of the Group’s development projects. Nevertheless, the Group was still able to achieve healthy residential pre-sale results for the 17.3%-owned Humen Time Zone, with 69% of the 1,886 launched units sold as at 31 December 2022, out of which 841 units were sold in FY2022. The 48.2%-owned Humen Oasis Mansion also saw healthy pre-sales with approximately 63% of the 318 launched units (excluding the units of the fourth residential block launched for pre-sale on 31 December 2022) sold in FY2022 since it launched its first pre-sale on 31 March 2022. Sales were more modest for the 36%-owned Humen Central Mansion, which achieved 21 units sold to-date since its first pre-sale launch of two residential apartment blocks comprising 156 units on 31 December 2022.

The property holding (hospitality) business segment of the Group continued its recovery from the Covid-19 pandemic. In particular, the Group’s European operating hotels ended FY2022 with a marked improvement compared to FY2021, largely driven by both corporate and leisure businesses. Profitability of the hotels was however adversely impacted by high energy and labour costs as well as the discontinuation of government subsidies. For 2H2022, the European operating hotels recorded earnings before interest, tax, depreciation and amortisation (“EBITDA”) of €13.6 million, more than doubling from an EBITDA of €6.4 million in 2H2021. This brings the FY2022 EBITDA to €19.6 million, a significant increase from the FY2021 EBITDA of €1.1 million. In the PRC, although the Chengdu Wenjiang hotels recorded a stronger EBITDA of RMB8.3 million in 2H2022 as compared to RMB4.2 million in 2H2021, the FY2022 EBITDA was RMB11.9 million, slightly lower than the FY2021 EBITDA of RMB12.5 million. The lower FY2022 EBITDA was due to the hotels being used as quarantine hotels on several occasions during FY2022. In the Netherlands, the Group further expanded its footprint and completed the acquisition of a dated freehold commercial property located in the city centre of Amsterdam, at an all-in purchase price of €11.5 million in December 2022. The property, which has a total lettable floor area of approximately 3,000 sqm, comprises four adjacent monumental buildings. The Group intends to fully renovate the property to enhance its value once the existing lease in respect of the property expires on 31 December 2023.

Backed by a strong balance sheet, substantial potential equity infusion from the exercise of outstanding warrants and unutilised committed credit facilities, the Group is ready to capitalise on any good business opportunities when they arise.”

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Please refer to the Group's unaudited financial results announcement for 2H2022 and the investor presentation slides dated 17 February 2023 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.