



FIRST SPONSOR GROUP LIMITED

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Press Release

FIRST SPONSOR ACHIEVED A NET PROFIT OF S\$15.1 MILLION, A 24.7% QUARTER ON QUARTER GROWTH

THE BOARD OF FIRST SPONSOR HAS APPROVED AN INTERIM TAX-EXEMPT (ONE-TIER) DIVIDEND OF 1.1 SINGAPORE CENTS PER SHARE, A 10% INCREASE OVER LAST YEAR

Singapore, 25 July 2019 – 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”), a mixed property developer in the Netherlands and the People’s Republic of China (the “PRC”), an owner of commercial properties (including hotels) and a provider of property financing services mainly in the Netherlands, Germany, and the PRC, today announced the Group’s unaudited financial results for the second quarter ended 30 June 2019 (“2Q2019”).

Financial Highlights

<u>In S\$'000</u>	<u>2Q2019</u>	<u>2Q2018</u>	<u>Change %</u>	<u>1H2019</u>	<u>1H2018</u>	<u>Change %</u>
Revenue	79,435	44,112	80.1%	124,775	91,916	35.7%
Profit attributable to equity holders of the Company	15,053	12,073	24.7%	38,857	29,195	33.1%

- The PRC property financing loan book stood at approximately RMB2.1 billion as at 30 June 2019. The Group is also keen to increase its exposure to the property market in the key cities of Australia which may be by way of property financing including hybrid forms of financing with an option for equity participation. The Group will continue to grow its property financing business in the PRC and Australia in a prudent manner.
- During the quarter, the Group increased its property development exposure in Dongguan, the PRC with the acquisition of equity stakes in two mixed development projects, namely, The Pinnacle in Chang’an and the Victory development land site in Wanjiang.
- The Group’s wholly owned Hampton by Hilton hotel commenced operations on 17 June 2019. The 193-room hotel is situated next to the Utrecht Central Station in the Netherlands. Development works for the 142-room Crowne Plaza hotel on the same site are expected to be completed in late 2019 / early 2020. In addition, the recently acquired Westin Bellevue Dresden Hotel commenced its first phase of an extensive capital expenditure program that is expected to cost more than €12 million in total.

Mr Neo Teck Pheng, Group Chief Executive Officer, said

“The Group continues its profit growth momentum with a 24.7% increase in attributable profit for the second quarter ended 30 June 2019. The strong profit growth stemmed largely from the higher number of commercial units handed over in the Chengdu Millennium Waterfront project.

The Group acquired a 60% equity stake in three adjacent plots of mixed use development land with a gross floor area (“GFA”) of approximately 78,400 sqm in Chang’an, Dongguan, and has since taken the lead in the management of the development project named The Pinnacle comprising approximately 607 residential apartments, 226 SOHO units and 3,000 sqm of retail space. The launch of the pre-sale of the predominately residential development project is expected to be in late 2019 / early 2020. Furthermore, the Group entered into a joint venture with a wholly-owned subsidiary of the China Poly Group, a PRC-based company listed on the Shanghai Stock Exchange with a market capitalisation of approximately S\$30.2 billion as of 14 June 2019, to develop three adjacent plots of mixed use development land in the southeast of Wanjiang district, Victory Community in Dongguan, which is in the vicinity of the Group’s SOER project. The project, in which the Group has a 27% equity stake, will have approximately 214,700 sqm of GFA, split into 134,000 sqm and 80,700 sqm of residential and commercial / other GFA respectively.

Existing property development projects in the PRC continue to perform well. More than 95% of the saleable units of the first of six saleable residential apartment blocks in the 20.4%-owned Emerald of the Orient development project was successfully sold within the first week of its pre-sale launch. The pre-sale launch of each of the remaining five residential apartment blocks is expected to start soon after their respective pre-sale permits are obtained in the next few months. The Group also expects to launch the pre-sale of the SOHO loft units in Plot F of the Chengdu Millennium Waterfront project in 3Q2019.

In Europe, the Group completed development works during the quarter for the 193-room Hampton by Hilton hotel in Utrecht which commenced operations on 17 June 2019. Development works for the 142-room Crowne Plaza hotel on the same site are expected to be completed in late 2019 / early 2020. In addition, the recently acquired Westin Bellevue Dresden Hotel commenced its first phase of an extensive capital expenditure program. New conference rooms will be added and more than 320 rooms of the 340-room hotel will be substantially refurbished in phases under the program which is expected to cost more than €12 million in total.

On the acquisition front, the Group acquired the remaining sub-apartment rights of the strata-titled mixed-use freehold Meerparc property located in the Amsterdam CBD. With full ownership, the Group is well positioned to capitalise on any development opportunity. It also increased its equity interest in the property ownership entity of the Hilton Rotterdam hotel from 24.7% to 33.0% in 2Q2019. The Oliphant Amsterdam office property which was successfully redeveloped in early 2019 is 98% leased with a long WALT of approximately 10.3 years.

The PRC property financing loan book stood at approximately RMB2.1 billion as at 30 June 2019. Following the Group’s entry into Australia through the disbursement by its 50:50 joint venture with Tai Tak of an A\$50 million loan secured on an income producing prime property located in Melbourne in late 2018, the Group is keen to increase its exposure to

the property market in the key cities of Australia which may be by way of property financing including hybrid forms of financing with an option for equity participation. The Group will continue to grow its property financing business in the PRC and Australia in a prudent manner.

With the successful completion of the Group's second rights issue in May 2019, the Group has further strengthened its balance sheet and is ready to capitalise on good business opportunities in the Netherlands, Germany, the PRC and Australia for further growth and expansion."

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Please refer to the Group's unaudited financial results announcement for 2Q2019 and the investor presentation slides dated 25 July 2019 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**"), a mixed property developer in the Netherlands and the People's Republic of China (the "**PRC**"), an owner of commercial properties (including hotels) and a provider of property financing services mainly in the Netherlands, Germany, and the PRC, was listed on the Main Board of the Singapore Exchange Securities Trading Limited on 22 July 2014. The Group is supported by both its established key controlling shareholders, the Hong Leong group of companies, through its shareholding interests in Millennium & Copthorne Hotels plc, 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.