



# FIRST SPONSOR GROUP LIMITED

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## Press Release

### FIRST SPONSOR ACHIEVED NET PROFIT OF S\$23.8 MILLION IN 1Q2019, A 39.0% QUARTER ON QUARTER GROWTH

### STRENGTHENING OF THE GROUP'S EUROPEAN RECURRENT INCOME BASE AND EXPANSION OF THE GROUP'S FOOTPRINT IN DONGGUAN

### RIGHTS ISSUE TO ARM THE GROUP WITH FINANCIAL RESOURCES TO CAPITALISE ON EXPANSION OPPORTUNITIES

**Singapore, 25 April 2019** – Singapore Exchange (“**SGX**”) mainboard-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 first quarter ended 31 March 2019 (“**1Q2019**”).

### Financial Highlights

<u>In S\$'000</u>	<u>1Q2019</u>	<u>1Q2018</u>	<u>Change %</u>
Revenue	45,340	47,804	(5.2%)
Profit attributable to equity holders of the Company	23,804	17,122	39.0%

- The completion of the acquisition of a 94.9% equity stake in the 340-room Westin Bellevue Dresden Hotel and the office development of Oliphant Amsterdam as well as the expected completion of the development of the 142-room Crowne Plaza and 193-room Hampton by Hilton in Utrecht within FY2019, will strengthen the Group’s European recurrent income base. The Group is also considering the sale of Oliphant Amsterdam and the Utrecht hotels to FSMC to partially realise capital gains.
- The Group has stepped up its business presence in Dongguan, leveraging on the potential of the Greater Bay Area, with the entry into a framework agreement in March 2019 to acquire a mixed use development site with a GFA of approximately 76,570 sqm in Chang’an, Dongguan which the Group intends to retain a controlling stake on completion of the acquisition.
- To further strengthen the Group’s balance sheet so as to arm the Group with financial resources to capitalise on any expansion opportunity, the Company will be undertaking (i) a 1-for-7 rights issue of 3.98% perpetual convertible capital securities with free detachable warrants and (ii) a 1-for-10 bonus issue of warrants. The Company expects to raise up to approximately S\$399.3 million in gross cash proceeds from the subscription of the capital securities under the rights issue (up to S\$147.9 million) and the exercise of the warrants (up to S\$251.4 million).

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

“Despite a slight fall in revenue, the Group recorded a profit growth in excess of 39%. The good results can be partly attributed to the strong showing of the property financing business segment which recorded a gross profit of S\$21.8 million, a 87% quarter on quarter increase over 1Q2018’s S\$11.6 million (excluding one-off penalty interest).

On 29 March 2019, the Group completed the acquisition of a 94.9% equity stake in the 340-room Westin Bellevue Dresden Hotel, Germany, based on a commercial property value of approximately €49.5 million (S\$75.7 million) including estimated acquisition costs. The acquisition has further expanded the recurrent income base of the Group’s property holding business segment in Germany after the acquisition of the 50% equity interest in the Le Méridien Frankfurt last year.

In the Netherlands, the newly developed Oliphant Amsterdam office property with 21,136 sqm of net lettable area is currently 61% leased with a WALT of 12.0 years. The Group is in advanced discussions with various potential tenants to lease the bulk of the remaining spaces within FY2019. The development of the 142-room Crowne Plaza and 193-room Hampton by Hilton hotels in Utrecht is expected to be completed within FY2019. These hotels, which will be managed by the Group, are strategically located adjacent to the approximately 85,700 sqm large scale shopping mall Hoog Catharijne which is situated next to the Utrecht Central Station. The income contribution from these properties will go towards strengthening the European recurrent income base of the Group. The Group is also considering the sale of Oliphant Amsterdam and the Utrecht hotels to its associated company, FSMC, to partially realise capital gains.

On the Dongguan property development front, the Emerald of the Orient development project performed well with all the 137 residential villas available for sale being fully sold within 4 months after sales launch. The Group has entered into a framework agreement in March 2019 for the potential acquisition of a mixed use development site with a GFA of approximately 76,570 sqm in Chang’an, Dongguan. If the acquisition is successful, the Group will work towards the pre-sale launch of Phase 1 as soon as possible.

The Company will be undertaking (i) a 1-for-7 rights issue of 3.98% perpetual convertible capital securities with free detachable warrants and (ii) a 1-for-10 bonus issue of warrants. Each capital security shall be in the denomination of S\$1.30 and shall be convertible into one ordinary share in the Company, and each warrant issued pursuant to the rights issue or the bonus issue shall be exercisable for one share at the exercise price of S\$1.30. The Company expects to raise up to approximately S\$147.9 million in gross cash proceeds from the subscription of the capital securities under the rights issue and intends to redeem all the outstanding Series-1 PCCS on a date falling after the completion of the rights issue and bonus issue. The exercise of the warrants may raise gross proceeds of up to approximately S\$251.4 million. The rights issue is expected to close in June 2019 and will further strengthen the Group’s balance sheet so as to arm the Group with the necessary financial resources to capitalise on any expansion opportunity.”

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Please refer to the Group's unaudited financial results announcement for 1Q2019 and the investor presentation slides dated 25 April 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 Mainboard 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.

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