



FIRST SPONSOR GROUP LIMITED

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Press Release

FIRST SPONSOR ACHIEVED A NET PROFIT OF S\$38.2 MILLION, A 14.6% QUARTER ON QUARTER GROWTH

THE BOARD OF FIRST SPONSOR HAS APPROVED A SECOND INTERIM TAX-EXEMPT (ONE-TIER) CASH DIVIDEND (IN LIEU OF A FINAL DIVIDEND) OF 2.0 SINGAPORE CENTS PER SHARE FOR FY2020

Singapore, 23 October 2020 – 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 third quarter ended 30 September 2020 (“3Q2020”).

Financial Highlights

<u>In S\$'000</u>	<u>3Q2020</u>	<u>3Q2019</u>	<u>Change %</u>	<u>YTD Sep 2020</u>	<u>YTD Sep 2019</u>	<u>Change %</u>
Revenue	60,055	44,596	34.7%	164,203	169,371	(3.1)%
Profit attributable to equity holders of the Company	38,180	33,321	14.6%	96,251	72,178	33.4%

- For the Group’s various property development projects in Dongguan, most of the inventory eligible for pre-sale was sold as at 30 September 2020, reflecting the strong underlying demand in Dongguan. Construction work for the newly acquired Humen transit-oriented development project is already in progress and the progressive sales launch of the mega 1 million sqm GFA project is expected to commence from the second half of 2021. The Group continues to be keen to further expand its exposure in the Greater Bay Area (“GBA”) region to capitalise on the positive outlook of the GBA development plan.
- The Group has successfully refinanced S\$50.5 million and further upsized its committed revolving credit facilities by S\$124.5 million in October 2020 to better prepare itself in these unprecedented times. With a strong balance sheet, undrawn committed long term debt facilities and potential equity infusion from the exercise of outstanding warrants, the Group is well equipped to capitalize on any new business opportunities when they arise.

Mr Neo Teck Pheng, Group Chief Executive Officer, said

“Navigating through the ongoing global calamities, First Sponsor has managed to deliver a 14.6% quarter on quarter profit growth with a net profit of S\$38.2 million in 3Q2020. To reward our shareholders for their continuous support, the Board is pleased to announce a second interim tax-exempt (one-tier) cash dividend of 2.0 Singapore cents per share for FY2020 in lieu of a final dividend, bringing the total dividend declared to-date for FY2020 to 3.1 Singapore cents per share. This is 14.8% higher than the FY2019 full year dividend of 2.7 Singapore cents per share. The Board will work towards a stable dividend payout with a steady growth when appropriate, subject to the successful implementation of the Group’s business strategy and prevailing market conditions amidst the current economic uncertainties arising from the Covid-19 pandemic.

The Group’s property development business in Dongguan continues to deliver good sales performances as a result of continued strong demand for residential units. The Group’s various property development projects in Dongguan, namely, Star of East River, Emerald of the Orient and The Pinnacle, saw most of their inventory eligible for pre-sale sold as at 30 September 2020. Barring any unforeseen circumstances, buyer interest is expected to be strong for the upcoming sales launches of four residential apartment blocks in Skyline Garden and the last two residential apartment blocks of the Pinnacle in late October/November 2020 and late 2020/early 2021 respectively. Construction work for the newly acquired Humen transit-oriented development project is already in progress and the progressive sales launch of the mega 1 million sqm GFA project is expected to commence from the second half of 2021. The Group continues to be keen to further expand its exposure in the GBA region to capitalise on the positive outlook of the GBA development plan.

Over in Europe, rental income for the Group’s European investment properties remains largely current and different business plans have been adopted to help certain tenants depending on previous business conduct and their specific circumstances. While the Group’s 15 European operating hotels achieved a slight gross operating profit for the 9 months ended 30 September 2020 (“**YTD September 2020 GOP**”), their performance is expected to remain weak compared to 2019 and uncertain due to the impact of the current Covid-19 situation in Europe. The YTD September 2020 GOP was inclusive of estimated government subsidies of €4.9 million. Hotel performance will be adversely impacted if the Group’s European operating hotels are not eligible for the government subsidies or the government subsidies are no longer available in the future.

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Please refer to the Group's unaudited financial results announcement for 3Q2020 and the investor presentation slides dated 23 October 2020 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.