



FIRST SPONSOR GROUP LIMITED

Co Reg. No: AT-195714 | Business Address: 63 Market Street, #06-03 Bank of Singapore Centre, Singapore 048942

Press Release

FIRST SPONSOR ACHIEVED RECORD PRE-TAX PROFIT OF S\$194.2 MILLION FOR FY2019

PROPOSES A FINAL TAX-EXEMPT (ONE-TIER) DIVIDEND OF 1.6 SINGAPORE CENTS PER ORDINARY SHARE, AN INCREASE OF 23.1% FROM FY2018

Singapore, 12 February 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 fourth quarter ended 31 December 2019 (“4Q2019”).

Financial Highlights

| <u>In S\$'000</u> | <u>4Q2019</u> | <u>4Q2018</u> | <u>Change %</u> | <u>FY2019</u> | <u>FY2018</u> | <u>Change %</u> |
|--|---------------|---------------|-----------------|---------------|---------------|-----------------|
| Revenue | 149,793 | 131,952 | 13.5% | 319,164 | 277,361 | 15.1% |
| Profit attributable to equity holders of the Company | 94,910 | 58,238 | 63.0% | 167,088 | 113,008 | 47.9% |

- The Star of East River and Emerald of the Orient projects have achieved stellar residential sales results, thereby substantially de-risking both projects. Dongguan is one of the 11 cities that is benefiting from the People’s Republic of China (“PRC”) government initiative to develop the Greater Bay Area. The Group is hence upbeat on the Dongguan residential market and has further increased its Dongguan property development exposure in 2019 with the acquisition of The Pinnacle, Chang’an and the Skyline Garden, Wanjiang (formerly known as Wanjiang Victory Land) projects. In December 2019, the Group signed a cooperation agreement with subsidiaries of the renowned developer, Hong Kong listed Sunac China Holdings Limited, in relation to an ongoing predominantly residential development project in Dongguan. In addition to taking a 30% equity interest, the Group will also be extending a property financing loan to finance the development project. The completion of the acquisition of the abovementioned equity stake is expected to occur within 1H2020.
- Income from the Group’s European property portfolio increased by 4.7% in FY2019 to S\$62.8 million (FY2018: S\$60.0 million), mainly bolstered by the contributions from the delivery of the newly developed Oliphant and Munthof Amsterdam offices, and the Hampton by Hilton Utrecht Centraal Station hotel. The Group expects further growth of its European recurrent income base with the expected delivery of the Crowne Plaza Utrecht Centraal Station hotel in 2Q2020 and the Dreeftoren Amsterdam office as well as the Puccini Milan youth hostel in due course.

- The PRC property financing (“PRC PF”) business has achieved a record average loan book of RMB2.2 billion for FY2019, which is a 40% increase over the previous year’s average of RMB1.6 billion. The PRC PF loan book stood at approximately RMB2.4 billion as at 31 December 2019.

Mr Neo Teck Pheng, Group Chief Executive Officer, said

“The Group has achieved a record pre-tax profit of S\$194.2 million for FY2019, a 34.3% increase from FY2018. For the quarter ended 31 December 2019, the Group achieved a net profit of S\$94.9 million, a 63.0% quarter on quarter growth. In view of the Group’s strong performance and to reward shareholders, the Board is proposing a final tax-exempt (one-tier) dividend of 1.6 Singapore cents per ordinary share, which is an increase of 23.1% from FY2018’s final dividend. Since its IPO in July 2014, the Company has steadily increased its total annual dividend payout in line with the good performance of the Group.

The outlook for the Group’s existing property development projects in Dongguan is promising. The Group looks forward to securing more Dongguan property development projects by way of equity participation and provision of development financing when good opportunities arise.

Over in Australia, the Group led a consortium of investors in partnering with Australia’s ICD Property to redevelop the iconic 125-year old City Tattersalls Club (“Club”) in Sydney, marking the Group’s first Australian property development project. Besides holding an equity stake of 39.9% in the project development trust which will undertake the renovation of the Club’s premises and develop the airspace above into a hotel and residential apartments in return for a development fee calculated based on the gross proceeds from the sale of the residential apartments less certain agreed deductions, the Group will also provide a A\$370 million construction financing facility to fund the project.

The sale by the Group of the newly developed and 98% leased Oliphant Amsterdam office to its 33%-owned associated company, FSMC, was completed on 27 November 2019. The disposal has generated a profit of S\$53.3 million while allowing the Group to retain a meaningful stake for future capital appreciation and recurrent income.

Income from the Group’s European property portfolio increased by 4.7% in FY2019 to S\$62.8 million (FY2018: S\$60.0 million), mainly bolstered by the contributions from the delivery of the newly developed Oliphant and Munthof Amsterdam offices, and the Hampton by Hilton Utrecht Centraal Station hotel. The Group expects further growth of its European recurrent income base with the expected delivery of the Crowne Plaza Utrecht Centraal Station hotel in 2Q2020 and the Dreeftoren Amsterdam office as well as the Puccini Milan youth hostel in due course.

The PRC PF business has achieved a record average loan book of RMB2.2 billion for FY2019, which is a 40% increase over the previous year’s average of RMB1.6 billion. The PRC PF loan book stood at approximately RMB2.4 billion as at 31 December 2019.

With the continuing development of the 2019-nCoV situation, it is too early to ascertain the full financial impact to the Group. Nonetheless, the Group anticipates some impact on parts of its operations, and is keeping a watchful eye on the situation as it further evolves. The Group's immediate priority is to ensure the health and safety of its customers and staff at all its properties and will continue to put in place appropriate measures to address this. The Group will provide updates on material developments if any as soon as practicable.

Backed by a strong balance sheet and substantial unutilised committed credit facilities, the Group is ready to expand its footprint in the regions that the Group has an existing exposure as well as other established regions that may offer good opportunities.”

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Please refer to the Group's unaudited financial results announcement for 4Q2019 and the investor presentation slides dated 12 February 2020 for a detailed review of the Group's performance and prospects. For media enquiries, please contact:

Mr Zhang Jiarong
Senior Vice President – Financial Planning & Analysis
First Sponsor Group Limited
Email: 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.

Please visit www.1st-sponsor.com.sg for the Group's SGX announcements, financial statements, investor presentations and press releases.