



FIRST SPONSOR GROUP LIMITED

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Press Release

STELLAR SALES ACHIEVED FOR SKYLINE GARDEN AND THE PINNACLE PROJECTS IN DONGGUAN NEW DEVELOPMENT PROJECTS IN GUANGZHOU AND DONGGUAN WELL EQUIPPED FOR NEW BUSINESS OPPORTUNITIES

Singapore, 10 February 2021 – 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 (“4Q2020”) and full year (“FY2020”) ended 31 December 2020.

Financial Highlights

In S\$'000	4Q2020	4Q2019	Change %	FY2020	FY2019	Change %
Revenue	39,733	149,793	(73.5%)	203,936	319,164	(36.1%)
Profit attributable to equity holders of the Company	6,923	94,910	(92.7%)	103,174	167,088	(38.3%)
Adjusted net profit ⁽¹⁾	34,848	63,916	(45.5%)	118,617	139,250	(14.8%)

⁽¹⁾ Adjustments made to exclude one-off gain arising from disposal of Oliphant Amsterdam office in 4Q2019, non-cash fair value adjustments and impairment charges, foreign exchange differences and fair value changes on derivative assets/liabilities, and the effect of change in Dutch headline tax rate.

- All the 830 units of the first four residential apartment blocks in Skyline Garden and 168 units of the last two residential apartment blocks of The Pinnacle were sold on the first day of their sales launch on 31 December 2020 and 1 January 2021 respectively. Given the good sales performance, the Group is optimistic about the mega 1 million sqm GFA Humen transit-oriented development project acquired in late June 2020 in respect of which the first pre-sales launch is expected to be in 2H2021.
- To ride on the growth and prospects of the Greater Bay Area (“GBA”), the Group acquired an 18% economic interest in a property development project in Fenggang, Dongguan in January 2021 and entered into a conditional sale and purchase agreement to acquire a company with a 100% stake in a property development project in Panyu, Guangzhou in February 2021, in which it will own a 95% effective interest at completion.
- The Group continues to be optimistic about the GBA and will actively pursue further opportunities in the region to capitalise on the positive outlook of the GBA development plan.
- With a strong balance sheet, substantial unutilised committed credit 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

“After adjusting for the effect of (i) the S\$53.3 million one-off gain in 4Q2019 arising from the disposal of the Oliphant Amsterdam office by the Group to FSMC, its 33%-owned associated company, (ii) non-cash fair value adjustments and impairment charges, (iii) foreign exchange differences and fair value changes on derivative assets/liabilities and (iv) change in headline corporate tax rate in the Netherlands, the adjusted net profit on a full year basis amounted to S\$118.6 million, which is a 14.8% decrease from FY2019’s adjusted net profit of S\$139.3 million. The decrease is due mainly to (i) lower profit contribution from the Group’s property development business segment arising from a time lag between the collection of sales proceeds and profit recognition of the various Dongguan development projects and (ii) the negative impact of the Covid-19 pandemic on the Group’s property holding business segment.

The sales performance of the Group’s Dongguan property development projects continues to be strong. All the 830 units of the first four residential apartment blocks in Skyline Garden and 168 units of the last two residential apartment blocks of The Pinnacle were sold on the first day of their sales launch on 31 December 2020 and 1 January 2021 respectively. Buying interest for the last residential apartment block of the Skyline Garden which is expected to be launched in 2Q2021 is likely to be similarly strong. While there will be a time lag between project sales and accounting profit recognition, the sales proceeds collected will bolster the Group’s immediate overall financial position, thereby enhancing corporate resilience. The Group is also optimistic about the mega 1 million sqm GFA Humen transit-oriented development project acquired in late June 2020. Its first sales launch is expected to be in 2H2021.

Riding on the growth and prospects of the Greater Bay Area (“GBA”), the Group acquired an 18% economic interest in a property development project in Fenggang, Dongguan in January 2021 and entered into a conditional sale and purchase agreement to acquire a company with a 100% stake in a property development project in Panyu, Guangzhou in February 2021, in which it will own a 95% effective interest at completion. The Group continues to be optimistic about the GBA and will actively pursue further opportunities in the region to capitalise on the positive outlook of the GBA development plan.

The outbreak of the Covid-19 pandemic has severely disrupted global economic activities. The Group’s hospitality property holding business was hit hard due to the implementation of various measures including temporary lockdowns, entry restrictions and border closures, to stem the spread of the highly contagious virus. The lacklustre performance of the hospitality sector is expected to continue in the near future, which will have a negative impact on the Group’s profitability. On a more positive note, the sales of the Group’s various Dongguan property development projects have to-date been very strong. As the rollout of the vaccinations to the worldwide population gathers momentum, business activities across all sectors are expected to pick up. The Group will review its business investment strategy on an ongoing basis to ensure that it remains relevant in the post Covid-19 new normal.

With a strong balance sheet, substantial unutilised committed credit 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.”

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Please refer to the Group's unaudited financial results announcement for 4Q2020 and the investor presentation slides dated 10 February 2021 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.