



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 A NET PROFIT OF S\$58.1 MILLION FOR 1H2020, A 49.4% GROWTH FROM 1H2019

THE BOARD OF FIRST SPONSOR HAS APPROVED AN INTERIM TAX-EXEMPT (ONE-TIER) CASH DIVIDEND OF 1.1 SINGAPORE CENTS PER SHARE AND A 1-FOR-4 BONUS ISSUE OF FREE WARRANTS

Singapore, 23 July 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 six months ended 30 June 2020 (“1H2020”).

Financial Highlights

In S\$'000	1H2020	1H2019	Change %
Revenue	104,148	124,775	(16.5)%
Profit attributable to equity holders of the Company	58,071	38,857	49.4%

- In Dongguan, the Group has teamed up with, *inter alia*, two reputable state-owned enterprises – China Poly Group (the JV partner for the Group’s Skyline Garden project) and China State Railway Group to develop a transit-oriented development in excess of 1 million sqm GFA encompassing a major transport hub including the Guangzhou-Hong Kong High-speed Railway Humen Station, Guangzhou-Shenzhen Intercity Railway Humen Station, Dongguan Metro Line 2 Humen Station and Dongguan Humen Bus Interchange.
- Buying sentiments in the Dongguan property market have exceeded the Group’s expectations after normal business activities resumed in late February 2020.
- The Group has also commenced operations of the newly developed wholly-owned 144-room Crowne Plaza Utrecht Centraal Station Hotel on 2 June 2020 which is located in the same building as the Group’s wholly-owned 193-room Hampton by Hilton Utrecht Centraal Station Hotel that commenced operations on 17 June 2019.

Mr Neo Teck Pheng, Group Chief Executive Officer, said

“The Group achieved a net profit of S\$58.1 million for 1H2020, a 49.4% growth from 1H2019. The Board has approved an interim tax-exempt (one-tier) cash dividend of 1.1 Singapore cents per share for FY2020 which is the same as that of last year. In addition, the Company will undertake a 1-for-4 bonus issue of free warrants to reward shareholders for their continuing support and participation. Each warrant is exercisable into one new share at the exercise price of S\$1.08 at any time from the date falling 6 months from the date of listing of the warrants and ending on the date immediately preceding 8.5 years from the issue of the warrants.

In Dongguan, the Group has teamed up with, *inter alia*, two reputable state-owned enterprises – China Poly Group (the JV partner for the Group’s Skyline Garden project) and China State Railway Group to successfully bid for a mixed use development land on 29 June 2020 at the winning price of RMB6.6 billion (approx. S\$1.3 billion). The land will be developed into a transit-oriented development in excess of 1 million sqm GFA encompassing a major transport hub including the Guangzhou-Hong Kong High-speed Railway Humen Station, Guangzhou-Shenzhen Intercity Railway Humen Station, Dongguan Metro Line 2 Humen Station and Dongguan Humen Bus Interchange. The Guangzhou-Hong Kong High-speed Railway is directly linked to Beijing in the north via Guangzhou, and Kowloon, Hong Kong in the south via Shenzhen. The Group has an approximately 17% effective equity interest in the joint venture.

Buying sentiments in the Dongguan property market have exceeded the Group’s expectations after normal business activities resumed in late February 2020. Almost all the SOHO units in the Star of East River project and saleable residential units in the Emerald of the Orient project were sold as of 30 June 2020. Similarly, The Pinnacle project launched five residential blocks for sale in phases since April 2020 which were also almost fully sold soon after their respective launches. The current overwhelming demand has triggered price control measures from the Dongguan municipal. Another residential block in The Pinnacle project was launched for pre-sale on 14 July 2020 and has since sold more than 85%. The Group will pace its future sales launch of the remaining two residential blocks in The Pinnacle project and five residential blocks in the Skyline Garden project as appropriate. The positive outlook of the Dongguan property market also augurs well for the Group’s East Sun and Wanli investments as some of these outdated Dongguan properties are located in certain districts with good redevelopment potential.

As of 30 June 2020, all except for one (being Bilderberg Garden Amsterdam) out of the 13 hotels owned and operated by the Group that were temporarily closed (due to the outbreak of the Covid-19 pandemic) have re-opened. The Group has also commenced operations of the newly developed 144-room Crowne Plaza Utrecht Centraal Station Hotel on 2 June 2020.

On the property financing front, overall loan conduct has been acceptable. The Group has given consent to two PRC borrower groups for the short term deferral of interest payments in view of the economic difficulties resulting from the Covid-19 pandemic. The Group will seek to expand its property financing loan book prudently.

The Group is cautiously optimistic that the Covid-19 crisis may bring new opportunities, whether during or in the aftermath of the crisis. With a strong balance sheet, undrawn committed long term debt facilities and potential equity infusion from the exercise of outstanding warrants as well as warrants to be issued pursuant to the aforesaid bonus issue, the Group is well equipped financially to enable it to take advantage of such opportunities when they arise.”

- End -

Please refer to the Group’s unaudited financial results announcement for 1H2020 and the investor presentation slides dated 23 July 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.