



# FIRST SPONSOR GROUP LIMITED

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Press Release

**NET PROFIT INCREASED BY 12.4% TO S\$11.9 MILLION FOR 1H2024**

**PRE-SALES FOR THE GROUP'S PRC PROPERTY DEVELOPMENT PROJECTS REMAINED MUTED IN 1H2024, BUT THE GROUP IS HOPEFUL OF A MARKET TURNAROUND IN THE FUTURE**

**PERFORMANCE FOR THE GROUP'S EUROPEAN PROPERTY PORTFOLIO REMAINED STRONG, WITH TOTAL OPERATING INCOME OF €25.3 MILLION IN 1H2024, 21.4% HIGHER THAN THE €20.8 MILLION RECORDED IN 1H2023**

*Singapore, 25 July 2024* – 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 2024 (“**1H2024**”).

## Financial Highlights

In S\$'000	1H2024	1H2023	Change %
Revenue	172,873	135,889	27.2%
Profit attributable to equity holders of the Company	11,924	10,605	12.4%

- Net profit for the Group was S\$11.9 million for 1H2024, a 12.4% increase from 1H2023, despite a significantly higher net financing cost.
- On 12 July 2024, the Group via its 90.5%-owned entity entered into an agreement with the City Tattersalls Club (“CTC”) to acquire the largely 6-storey City Tattersalls Club space (“CTC Club Space”) in the CTC development project in Sydney for approximately A\$24.7 million. Completion of the acquisition is conditional upon regulatory approval. The CTC Club Space will further enhance the capacity and facilities of the hotel component of this development.
- Following the acquisition of 2,145,960 shares of NSI N.V. (“NSI”) from a third party, and taking into account the 579,147 shares held by another wholly-owned subsidiary, the Group has an approximately 13.5% equity interest in NSI as at 10 May 2024.

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

“Net profit for the Group was S\$11.9 million for 1H2024, a 12.4% increase from 1H2023. The Board has approved a first interim tax-exempt (one-tier) cash dividend of 1.1 Singapore cents per share for FY2024 which has been consistent since 2019.

On the property development front, pre-sales for the Group’s PRC property development projects remained muted in 1H2024 due to the weak property market sentiments, despite the significant easing of property-related measures. However, as most of these projects are at an advanced stage of construction with some of them commencing handover during the course of FY2024, the cashflow burden on the Group is manageable. While most of the Group’s partners in these projects are feeling financially strained due to their PRC property market concentration, the Group is hopeful of a market turnaround in the future and continues to rally its partners to jointly adopt a longer-term perspective on the sales or pre-sales of the residential units without significantly compromising on selling prices. In Sydney, the Group’s 90.5%-owned entity which will own the 110-room hotel as part of the CTC project has on 12 July 2024 entered into, amongst others, an agreement with CTC to effectively acquire the largely 6-storey CTC Club Space. Completion of the acquisition is conditional upon regulatory approval. Upon acquisition of the CTC Club Space, the Group intends to use part of it to further enhance the capacity and facilities of the hotel component.

In terms of the property holding business segment, performance for the Group’s European property portfolio remained strong, with total operating income of €25.3 million in 1H2024, 21.4% higher than the €20.8 million recorded in 1H2023. This healthy increase was due mainly to the newly acquired Allianz Tower Rotterdam in September 2023 as well as strong contributions from the Utrecht Centraal Station hotels and two of the hotels in the Dutch Bilderberg hotel portfolio, namely Bilderberg Hotel De Keizerskroon and the Bilderberg Europa Hotel Scheveningen, both of which were closed for major renovation for a large part of 1H2023, offset partially by the loss of income due to the lease terminations of most of the tenants in Meerparc Amsterdam at the end of 2023 in anticipation of its redevelopment. Looking ahead, the Group is expecting a strong completion pipeline of property holding projects which will further enhance the Group’s recurring income, including the Puccini Milan hotel and Prins Hendrikkade Amsterdam redevelopments in FY2025, the ongoing Dreeftoren Amsterdam office and residential development in FY2025 and FY2026 respectively, the hotel component of the CTC project in FY2027 and the Meerparc Amsterdam redevelopment in FY2028.

Furthermore, the Group, on 10 May 2024, acquired 2,145,960 shares of NSI from a third party, representing 10.6% of NSI’s total issued shares. Taking into account the 579,147 shares held by another wholly-owned subsidiary, the Group has an approximately 13.5% equity interest in NSI as at 10 May 2024. NSI is listed on Euronext Amsterdam, the regulated market of Euronext Amsterdam N.V. As reported in NSI’s financial results for the half-year ended 30 June 2024, NSI has a property portfolio of 45 office properties across the Netherlands with a market value of approximately €1,008 million, with approximately 55% of its portfolio value situated in Amsterdam. NSI’s 1H2024 results were published on 17 July 2024 and can be found at the following link (<https://nsi.nl/news/nsi-publishes-2024-half-year-results/>).

In relation to managing the Group’s foreign exchange risk, the Group has sufficiently hedged all its foreign currency exposure arising from its overseas assets through a combination of (i) foreign currency debt and (ii) financial derivatives that create corresponding foreign currency

liabilities. The Board will continue to closely monitor the Group's foreign currency hedging strategy and adjust it from time to time as appropriate. This includes assessing the implications of the possibility of cash outflows arising from mark-to-market losses of the outstanding financial derivatives and/or upon the maturity of such financial derivatives when they are not in-the-money, and the associated adverse accounting impact caused by any unanticipated adverse turn in financial market conditions e.g., a sudden depreciation in S\$.

With the substantial unutilised committed credit facilities available which includes a new S\$100 million 3-year revolving credit facility obtained in July 2024, and the potential equity infusion should the outstanding warrants expiring in March 2029 be exercised, the Group is in a good financial position to not only navigate through the economic challenges arising from the difficult market conditions, but to also capitalise on any favourable business opportunities that may arise."

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Please refer to the Group's unaudited financial results announcement for 1H2024 and the investor presentation slides dated 25 July 2024 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.

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