

GENERAL ANNOUNCEMENT::ANNOUNCEMENTS BY ASSOCIATED COMPANY, FIRST SPONSOR GROUP LIMITED

Issuer & Securities

Issuer/ Manager

CITY DEVELOPMENTS LIMITED

Securities

CITY DEVELOPMENTS LIMITED - SG1R89002252 - C09

Stapled Security

No

Announcement Details

Announcement Title

General Announcement

Date & Time of Broadcast

24-Oct-2020 09:07:58

Status

New

Announcement Sub Title

Announcements by Associated Company, First Sponsor Group Limited

Announcement Reference

SG201024OTHR44IE

Submitted By (Co./ Ind. Name)

Enid Ling Peek Fong

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

First Sponsor Group Limited ("FSG"), an associated company, has on 23 October 2020 released the following announcements:-

1. Notice of Record Date for Second Interim Dividend;
2. Unaudited Third Quarter and Nine-Month Financial Statements for the period ended 30 September 2020 together with a press release and investor presentation slides; and
3. Changes in subsidiaries and associated companies.

For details, please refer to the announcements released by FSG on the SGX website www.sgx.com

Issuer & Securities

Issuer/ Manager

FIRST SPONSOR GROUP LIMITED

CASH DIVIDEND/ DISTRIBUTION::MANDATORY

FIRST SPONSOR GROUP LIMITED - KYG3488W1078 - ADN

Announcement Details

Announcement Title

Mandatory Cash Dividend/ Distribution

Date & Time of Broadcast

23-Oct-2020 17:17:56

Status

New

Corporate Action Reference

SG201023DVCA5GJ7

Submitted By (Co./ Ind. Name)

Neo Teck Pheng

Designation

Group Chief Executive Officer and Executive Director

Dividend/ Distribution Number

Applicable

Value

13

Dividend/ Distribution Type

Interim

Financial Year End

31/12/2020

Declared Dividend/ Distribution Rate (Per Share/ Unit)

SGD 0.02

Event Narrative

Narrative Type	Narrative Text
Additional Text	Please refer to the attached Notice of Record Date.

Event Dates

Record Date and Time

18/02/2021 17:00:00

Ex Date

17/02/2021

Dividend Details

Payment Type

Tax Exempted (1-tier)

Gross Rate (Per Share)

SGD 0.02

Net Rate (Per Share)

SGD 0.02

Pay Date

26/02/2021

Gross Rate Status

Actual Rate

Attachments

[FSGI - Notice of Record Date 2nd Interim Div.pdf](#)

Total size =113K MB

Applicable for REITs/ Business Trusts/ Stapled Securities



FIRST SPONSOR GROUP LIMITED
(Incorporated in the Cayman Islands)
(Registration No. AT-195714)

NOTICE OF RECORD DATE FOR SECOND INTERIM DIVIDEND

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of First Sponsor Group Limited (“**Company**”) will be closed at **5.00 p.m.** on **18 February 2021** for the purpose of determining shareholders’ entitlements to the second interim tax-exempt (one-tier) dividend of 2.0 Singapore cents per ordinary share for the financial year ending 31 December 2020 (“**Second Interim Dividend**”).

Shareholders who are Depositors (as defined in the Securities and Futures Act (Chapter 289)) and whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 18 February 2021 will be entitled to the Second Interim Dividend.

In respect of shareholders who are not Depositors, duly completed and stamped registrable transfers received by the Company’s Share Registrar, Tricor Barbinder Share Registration Services (a business division of Tricor Singapore Pte. Ltd.), at 80 Robinson Road, #02-00 Singapore 068898, up to 5.00 p.m. on 18 February 2021 will be registered to determine shareholders’ entitlements to the Second Interim Dividend.

The Second Interim Dividend will be paid on or about 26 February 2021.

BY ORDER OF THE BOARD
FIRST SPONSOR GROUP LIMITED

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
23 October 2020

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::THIRD QUARTER RESULTS

Issuer & Securities

Issuer/ Manager

FIRST SPONSOR GROUP LIMITED

Securities

FIRST SPONSOR GROUP LIMITED - KYG3488W1078 - ADN

Stapled Security

No

Announcement Details

Announcement Title

Financial Statements and Related Announcement

Date & Time of Broadcast

23-Oct-2020 17:19:00

Status

New

Announcement Sub Title

Third Quarter Results

Announcement Reference

SG201023OTHR84ER

Submitted By (Co./ Ind. Name)

Neo Teck Pheng

Designation

Group Chief Executive Officer and Executive Director

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please see attached.

Additional Details

For Financial Period Ended

30/09/2020

Attachments

[FSGL - 3Q2020 Results Announcement.pdf](#)

[FSGL - 3Q2020 Press Release.pdf](#)

[FSGL - 3Q2020 Investor Presentation.pdf](#)

Total size =5092K MB



FIRST SPONSOR GROUP LIMITED
(Incorporated in the Cayman Islands)
(Registration No. AT-195714)

UNAUDITED THIRD QUARTER AND NINE-MONTH FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2020

PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with comparative statement for the corresponding period of the immediately preceding financial year.

	The Group			The Group		
	Third quarter ended 30 September		Incr / (Decr)	9-month period ended 30 September		Incr / (Decr)
	2020 S\$'000	2019 S\$'000	%	2020 S\$'000	2019 S\$'000	%
Revenue	60,055	44,596	34.7	164,203	169,371	(3.1)
Cost of sales	(8,721)	(16,148)	(46.0)	(28,799)	(54,564)	(47.2)
Gross profit	51,334	28,448	80.4	135,404	114,807	17.9
Administrative expenses	(6,475)	(8,334)	(22.3)	(19,552)	(28,512)	(31.4)
Selling expenses	(1,778)	(2,145)	(17.1)	(4,587)	(5,586)	(17.9)
Other (expenses)/ income (net)	(2,072)	2,500	n.m.	7,917	(8,022)	n.m.
Other gains (net)	214	1,512	(85.8)	2,116	6,171	(65.7)
Results from operating activities	41,223	21,981	87.5	121,298	78,858	53.8
Finance income	7,505	6,353	18.1	18,854	15,101	24.9
Finance costs	(8,285)	(6,120)	35.4	(21,851)	(14,654)	49.1
Net finance (costs)/ income	(780)	233	n.m.	(2,997)	447	n.m.
Share of after-tax results of associates and joint ventures	(51)	15,107	n.m.	(5,752)	19,859	n.m.
Profit before tax	40,392	37,321	8.2	112,549	99,164	13.5
Tax expense	(2,954)	(4,768)	(38.0)	(18,106)	(27,656)	(34.5)
Profit for the period	37,438	32,553	15.0	94,443	71,508	32.1
Attributable to:						
Equity holders of the Company	38,180	33,321	14.6	96,251	72,178	33.4
Non-controlling interests	(742)	(768)	(3.4)	(1,808)	(670)	169.9
Profit for the period	37,438	32,553	15.0	94,443	71,508	32.1
Earnings per share (cents)						
- basic	4.56	4.00	14.0	11.49	9.45	21.6
- diluted	3.40	3.03	12.2	8.68	7.73	12.3

n.m.: not meaningful

Consolidated Statement of Comprehensive Income

	The Group		The Group	
	Third quarter ended		9-month period ended	
	30 September		30 September	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Profit for the period	37,438	32,553	94,443	71,508
Other comprehensive income items that are or may be reclassified subsequently to profit or loss:				
Translation differences on financial statements arising from liquidation of a foreign subsidiary reclassified to profit or loss	-	-	53	-
Share of translation differences on financial statements of foreign associates and joint ventures, net of tax	7,056	(4,260)	14,621	(4,820)
Translation differences on financial statements of foreign subsidiaries, net of tax	16,520	(12,891)	33,186	(24,925)
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	561	(1,232)	1,378	(1,468)
Other comprehensive income for the period, net of tax	24,137	(18,383)	49,238	(31,213)
Total comprehensive income for the period	61,575	14,170	143,681	40,295
Total comprehensive income attributable to:				
Equity holders of the Company	61,183	15,222	143,507	41,882
Non-controlling interests	392	(1,052)	174	(1,587)
Total comprehensive income for the period	61,575	14,170	143,681	40,295

Notes to the Group's Income Statement:

Profit before tax includes the following:

	The Group		The Group	
	Third quarter ended		9-month period ended	
	30 September		30 September	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Other gains/(losses) comprise:				
Gain/(loss) on disposal of:				
- assets held-for-sale	212	1,203	1,975	6,128
- investment properties	-	336	-	613
- other investments	-	76	229	76
- property, plant and equipment	1	(11)	(51)	(11)
- an associate	1	-	1	-
Property, plant and equipment written off	-	-*	(1)	(22)
Loss on liquidation of subsidiaries	-	-	(37)	-
Loss on deconsolidation of a subsidiary	-	(92)	-	(613)
Profit before tax includes the following (expenses)/income:				
Depreciation of property, plant and equipment	(2,500)	(3,081)	(7,222)	(7,340)
Exchange gain/(loss) (net)	25,674	(21,643)	51,323	(30,285)
Fair value (loss)/gain on:				
- derivative assets/liabilities (net)	(25,695)	25,751	(38,841)	27,129
- other investments	(967)	118	(1,347)	450
Hotel base stocks written off	(11)	15	(705)	(497)
Hotel pre-opening expenses	(134)	(178)	(444)	(779)

* Amount less than S\$1,000

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group		The Company	
	As at 30 September 2020 S\$'000	As at 31 December 2019 S\$'000	As at 30 September 2020 S\$'000	As at 31 December 2019 S\$'000
Non-current assets				
Property, plant and equipment	374,410	345,847	674	950
Investment properties	101,069	94,827	-	-
Subsidiaries	-	-	774,562	774,562
Interests in associates and joint ventures	312,655	298,062	9,680	9,680
Derivative assets	10,548	28,778	10,548	28,778
Other investments	88,205	74,594	-	-
Deferred tax assets	34,881	43,470	-	-
Trade and other receivables	897,437	824,848	223,903	860,557
	<u>1,819,205</u>	<u>1,710,426</u>	<u>1,019,367</u>	<u>1,674,527</u>
Current assets				
Development properties	487,079	390,046	-	-
Inventories	421	550	-	-
Trade and other receivables	535,747	315,255	1,389,440	483,451
Assets held-for-sale	13,272	18,285	-	-
Derivative assets	2,028	12,545	2,028	12,545
Other investments	11,284	-	-	-
Cash and cash equivalents	414,599	313,389	11,626	22,629
	<u>1,464,430</u>	<u>1,050,070</u>	<u>1,403,094</u>	<u>518,625</u>
Total assets	<u><u>3,283,635</u></u>	<u><u>2,760,496</u></u>	<u><u>2,422,461</u></u>	<u><u>2,193,152</u></u>
Equity				
Share capital	117,327	101,251	117,327	101,251
Reserves	1,574,468	1,320,670	1,336,612	1,080,079
Equity attributable to owners of the Company	1,691,795	1,421,921	1,453,939	1,181,330
Perpetual convertible capital securities	4,164	146,548	4,164	146,548
Non-controlling interests	76,159	30,120	-	-
Total equity	<u>1,772,118</u>	<u>1,598,589</u>	<u>1,458,103</u>	<u>1,327,878</u>
Non-current liabilities				
Loans and borrowings	504,707	369,943	490,814	369,943
Derivative liabilities	12,114	2,717	12,114	2,717
Other payables	52,210	49,431	-	-
Lease liabilities	73,689	69,358	158	466
Deferred tax liabilities	8,091	7,202	-	-
	<u>650,811</u>	<u>498,651</u>	<u>503,086</u>	<u>373,126</u>

	The Group		The Company	
	As at 30 September 2020 S\$'000	As at 31 December 2019 S\$'000	As at 30 September 2020 S\$'000	As at 31 December 2019 S\$'000
Current liabilities				
Loans and borrowings	130,449	251,220	130,449	251,220
Current tax payable	49,388	61,925	2,149	1,914
Trade and other payables	331,861	307,085	327,771	238,858
Contract liabilities	344,508	39,288	-	-
Receipts in advance	1,216	1,349	-	-
Lease liabilities	2,588	2,389	207	156
Derivative liabilities	696	-	696	-
	<u>860,706</u>	<u>663,256</u>	<u>461,272</u>	<u>492,148</u>
Total liabilities	<u>1,511,517</u>	<u>1,161,907</u>	<u>964,358</u>	<u>865,274</u>
Total equity and liabilities	<u>3,283,635</u>	<u>2,760,496</u>	<u>2,422,461</u>	<u>2,193,152</u>

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities.

The Group's net borrowings refer to aggregate borrowings from banks and financial institutions, after deducting cash and cash equivalents and structured deposits. Unamortised balance of transaction costs have not been deducted from the gross borrowings.

	The Group	
	As at 30 September 2020 S\$'000	As at 31 December 2019 S\$'000
Unsecured		
- repayable within one year	130,449	251,220
- repayable after one year	468,815	369,943
Total	<u>599,264</u>	<u>621,163</u>
Secured		
- repayable within one year	-	-
- repayable after one year	35,892	-
Total	<u>35,892</u>	<u>-</u>
Grand total	<u>635,156</u>	<u>621,163</u>
Gross borrowings	642,133	628,931
Less:		
(i) cash and cash equivalents	(414,599)	(313,389)
(ii) other investments (current) ^{Note 1}	(11,284)	-
Net borrowings	<u>216,250</u>	<u>315,542</u>

Note 1 Other investments (current) relate to principal-guaranteed structured deposits placed with financial institutions.

Details of any collateral

The secured borrowing is secured by a mortgage on a subsidiary's development property and guaranteed by the 40% non-controlling shareholder on a non-pro rata basis.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	The Group		The Group	
	Third quarter ended		9-month period ended	
	30 September		30 September	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit for the period	37,438	32,553	94,443	71,508
Adjustments for:				
Depreciation of property, plant and equipment	2,500	3,081	7,222	7,340
Fair value loss/(gain) on:				
- derivative assets/liabilities (net)	25,695	(25,751)	38,841	(27,129)
- other investments	967	(118)	1,347	(450)
Finance income	(7,505)	(6,353)	(18,854)	(15,101)
Finance costs	8,285	6,120	21,851	14,654
(Gain)/loss on disposal of:				
- an associate	(1)	-	(1)	-
- assets held-for-sale	(212)	(1,203)	(1,975)	(6,128)
- investment properties	-	(336)	-	(613)
- other investments	-	(76)	(229)	(76)
-property, plant and equipment (net)	(1)	11	51	11
Loss on deconsolidation of a subsidiary	-	92	-	613
Loss on liquidation of subsidiaries	-	-	37	-
Property, plant and equipment written off	-	-*	1	22
Share of after-tax loss/(profit) of associates and joint ventures	51	(15,107)	5,752	(19,859)
Tax expense	2,954	4,768	18,106	27,656
	70,171	(2,319)	166,592	52,448
Changes in:				
Development properties	(25,941)	(13,535)	(71,376)	(23,178)
Inventories	(6)	(6)	158	151
Trade and other receivables	(94,487)	(512,920)	(61,888)	(428,121)
Trade and other payables	(11,876)	535,786	(120,203)	555,582
Contract liabilities	142,152	11,070	298,904	(33,325)
Loans and borrowings	(9,074)	(3)	(20,296)	40,474
Cash generated from operations	70,939	18,073	191,891	164,031
Interest received	15,221	11,145	36,197	34,766
Interest paid	(44)	(7,320)	(7,133)	(18,212)
Tax paid	(3,032)	(2,644)	(23,749)	(6,891)
Net cash generated from operating activities	83,084	19,254	197,206	173,694

* Amount less than S\$1,000

	The Group		The Group	
	Third quarter ended		9-month period ended	
	30 September		30 September	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired	-	(940)	-	(157,610)
(Advances to)/repayment from associates (net)	(148,681)	19,940	(194,723)	(88,700)
Deposits received in respect of assets held-for-sale	-	1,735	-	4,127
Placement of other investments	6	(73,323)	(11,110)	(202,637)
Dividends received from an associate	155	-	11,948	-
Dividends received from a joint venture	(2)	268	159	432
Deconsolidation of a subsidiary	-	-	-	(2,323)
Interest received	5,909	3,940	16,064	11,127
Loan to a non-controlling interest	-	(265)	-	(32,123)
Payment for acquisition of other investments	(99)	(108)	(16,097)	(357)
Payment for additions to:				
- investment properties	-	12	-	(4,998)
- property, plant and equipment	(278)	(2,591)	(14,984)	(18,842)
Payment for investments in associates and joint ventures	-	(1,336)	(17,971)	(81,205)
Proceeds from disposal of:				
- assets held-for-sale	466	3,429	8,360	37,699
- investment properties	-	7,206	-	9,048
- other investments	-	3,235	2,785	3,235
- property, plant and equipment	6	2	275	2
Net cash used in investing activities	(142,518)	(38,796)	(215,294)	(523,125)

	The Group		The Group	
	Third quarter ended		9-month period ended	
	30 September		30 September	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from financing activities				
Advances from associates	54,656	37,106	72,852	108,568
Advances from a joint venture	2,768	-	2,768	-
Distributions to perpetual convertible capital securities ("PCCS") holders	-	-	(2,930)	(516)
Dividends paid to the owners of the Company	(10,044)	(8,747)	(22,858)	(19,078)
Interest paid	(6,137)	(4,207)	(15,825)	(7,936)
Issuance of shares	2,317	-	9,771	-
Loan from a third party	-	472	-	46,962
Loan from non-controlling interests	3	-	179	-
Capital contribution from a non-controlling interest	45,501	-	45,501	-
Payment of lease liabilities	(1,436)	(1,308)	(4,472)	(4,123)
Payment of transaction costs related to:				
- borrowings	(6)	(1,938)	(2,353)	(2,838)
- PCCS	-	-	-	(1,200)
Proceeds from issuance of PCCS	-	-	-	147,649
Proceeds from issuance of medium term notes	-	-	100,000	-
Repurchase of medium term notes	-	-	(22,000)	-
Proceeds from bank borrowings	467,395	829	903,713	323,049
Repayment of bank borrowings	(551,303)	123	(958,820)	(270,201)
Redemption of PCCS	-	-	-	(952)
Net cash from financing activities	3,714	22,330	105,526	319,384
Net (decrease)/increase in cash and cash equivalents	(55,720)	2,788	87,438	(30,047)
Cash and cash equivalents at beginning of the period	463,815	92,051	313,389	125,711
Effect of exchange rate changes on balances held in foreign currencies	6,504	(1,459)	13,772	(2,284)
Cash and cash equivalents at end of the period	414,599	93,380	414,599	93,380

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital S\$'000	Share premium S\$'000	Statutory reserve S\$'000	Capital reserve S\$'000	Distributable reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Perpetual convertible capital securities S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Group											
At 1 January 2020	101,251	150,313	39,959	245	655,029	(18,626)	493,750	1,421,921	146,548	30,120	1,598,589
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	96,251	96,251	-	(1,808)	94,443
Other comprehensive income											
Translation differences on financial statements arising from liquidation of a foreign subsidiary, net of tax	-	-	-	-	-	53	-	53	-	-	53
Share of translation differences on financial statements of foreign associates and joint ventures, net of tax	-	-	-	-	-	14,621	-	14,621	-	-	14,621
Translation differences on financial statements of foreign subsidiaries, net of tax	-	-	-	-	-	31,204	-	31,204	-	1,982	33,186
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	-	-	-	-	-	1,378	-	1,378	-	-	1,378
Total other comprehensive income	-	-	-	-	-	47,256	-	47,256	-	1,982	49,238
Total comprehensive income for the period	-	-	-	-	-	47,256	96,251	143,507	-	174	143,681

	Share capital S\$'000	Share premium S\$'000	Statutory reserve S\$'000	Capital reserve S\$'000	Distributable reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Perpetual convertible capital securities S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Transaction with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends paid to the owners of the Company	-	-	-	-	-	-	(22,858)	(22,858)	-	-	(22,858)
Issuance of new shares pursuant to - conversion of perpetual convertible capital securities ("PCCS")	15,030	127,354	-	-	-	-	-	142,384	(142,384)	-	-
- exercise of warrants	1,046	8,725	-	-	-	-	-	9,771	-	-	9,771
Distributions of PCCS	-	-	-	-	-	-	(2,930)	(2,930)	-	-	(2,930)
Liquidation of a subsidiary	-	-	(109)	-	-	-	109	-	-	-	-
Transfer from statutory reserve	-	-	(1,429)	-	-	-	1,429	-	-	-	-
Total contributions by and distributions to owners	16,076	136,079	(1,538)	-	-	-	(24,250)	126,367	(142,384)	-	(16,017)
Changes in ownership interests in subsidiaries											
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	364	364
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	45,501	45,501
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	45,865	45,865
Total transactions with owners	16,076	136,079	(1,538)	-	-	-	(24,250)	126,367	(142,384)	45,865	29,848
At 30 September 2020	117,327	286,392	38,421	245	655,029	28,630	565,751	1,691,795	4,164	76,159	1,772,118

	Share capital S\$'000	Share premium S\$'000	Statutory reserve S\$'000	Capital reserve S\$'000	Distributable reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Perpetual convertible capital securities S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Group											
At 1 January 2019, as previously stated	81,405	9,821	36,607	245	655,029	12,854	354,535	1,150,496	161,285	11,713	1,323,494
Adjustment on initial recognition of IFRS 16	-	-	-	-	-	-	(1,965)	(1,965)	-	-	(1,965)
Adjusted balance at 1 January 2019	81,405	9,821	36,607	245	655,029	12,854	352,570	1,148,531	161,285	11,713	1,321,529
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	72,178	72,178	-	(670)	71,508
Other comprehensive income											
Share of translation differences on financial statements of foreign associates and joint ventures, net of tax	-	-	-	-	-	(4,820)	-	(4,820)	-	-	(4,820)
Translation differences on financial statements of foreign subsidiaries, net of tax	-	-	-	-	-	(24,008)	-	(24,008)	-	(917)	(24,925)
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	-	-	-	-	-	(1,468)	-	(1,468)	-	-	(1,468)
Total other comprehensive income	-	-	-	-	-	(30,296)	-	(30,296)	-	(917)	(31,213)
Total comprehensive income for the period	-	-	-	-	-	(30,296)	72,178	41,882	-	(1,587)	40,295

	Share capital S\$'000	Share premium S\$'000	Statutory reserve S\$'000	Capital reserve S\$'000	Distributable reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Perpetual convertible capital securities S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Transaction with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends paid to the owners of the Company	-	-	-	-	-	-	(19,078)	(19,078)	-	-	(19,078)
Issuance of new shares pursuant to conversion of PCCS	19,846	140,492	-	-	-	-	-	160,338	(160,338)	-	-
Distributions of PCCS	-	-	-	-	-	-	(516)	(516)	-	-	(516)
Redemption of PCCS	-	-	-	-	-	-	-	-	(948)	-	(948)
Issuance of PCCS	-	-	-	-	-	-	-	-	147,649	-	147,649
PCCS issue expenses	-	-	-	-	-	-	-	-	(1,100)	-	(1,100)
Total contributions by and distributions to owners	19,846	140,492	-	-	-	-	(19,594)	140,744	(14,737)	-	126,007
Changes in ownership interests in subsidiaries											
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	32,564	32,564
Derecognition of a subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	(11,734)	(11,734)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	20,830	20,830
Total transactions with owners	19,846	140,492	-	-	-	-	(19,594)	140,744	(14,737)	20,830	146,837
At 30 September 2019	101,251	150,313	36,607	245	655,029	(17,442)	405,154	1,331,157	146,548	30,956	1,508,661

	Share capital S\$'000	Share premium S\$'000	Capital reserve S\$'000	Distributable reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Perpetual convertible capital securities S\$'000	Total equity S\$'000
The Company								
At 1 January 2020	101,251	150,525	(5,988)	655,029	280,513	1,181,330	146,548	1,327,878
Total comprehensive income for the period								
Profit for the period	-	-	-	-	146,247	146,247	-	146,247
Total comprehensive income for the period	-	-	-	-	146,247	146,247	-	146,247
Transaction with owners, recognised directly in equity								
Contribution by and distributions to owners								
Dividends paid to the owners of the Company	-	-	-	-	(22,863)	(22,863)	-	(22,863)
Issuance of new shares pursuant to								
- conversion of PCCS	15,030	127,354	-	-	-	142,384	(142,384)	-
- exercise of warrants	1,046	8,725	-	-	-	9,771	-	9,771
Distributions of PCCS	-	-	-	-	(2,930)	(2,930)	-	(2,930)
Total contributions by and distributions to owners	16,076	136,079	-	-	(25,793)	126,362	(142,384)	(16,022)
Total transactions with owners of the Company	16,076	136,079	-	-	(25,793)	126,362	(142,384)	(16,022)
At 30 September 2020	117,327	286,604	(5,988)	655,029	400,967	1,453,939	4,164	1,458,103

	Share capital S\$'000	Share premium S\$'000	Capital reserve S\$'000	Distributable reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Perpetual convertible capital securities S\$'000	Total equity S\$'000
The Company								
At 1 January 2019, as previously stated	81,405	10,033	(5,988)	655,029	209,692	950,171	161,285	1,111,456
Adjustment on initial recognition of IFRS 16	-	-	-	-	(9)	(9)	-	(9)
Adjusted balance at 1 January 2019	81,405	10,033	(5,988)	655,029	209,683	950,162	161,285	1,111,447
Total comprehensive income for the period								
Profit for the period	-	-	-	-	34,036	34,036	-	34,036
Total comprehensive income for the period	-	-	-	-	34,036	34,036	-	34,036
Transaction with owners, recognised directly in equity								
Contribution by and distributions to owners								
Dividends paid to the owners of the Company	-	-	-	-	(19,085)	(19,085)	-	(19,085)
Issuance of new shares pursuant to conversion of PCCS	19,846	140,492	-	-	-	160,338	(160,338)	-
Distributions of PCCS	-	-	-	-	(516)	(516)	-	(516)
Redemption of PCCS	-	-	-	-	-	-	(948)	(948)
Issuance of PCCS	-	-	-	-	-	-	147,649	147,649
PCCS issue expenses	-	-	-	-	-	-	(1,100)	(1,100)
Total contributions by and distributions to owners	19,846	140,492	-	-	(19,601)	140,737	(14,737)	126,000
Total transactions with owners of the Company	19,846	140,492	-	-	(19,601)	140,737	(14,737)	126,000
At 30 September 2019	101,251	150,525	(5,988)	655,029	224,118	1,124,935	146,548	1,271,483

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares	Share Capital (S\$'000)
Balance at 30 June 2020	801,120,542	102,054
Issuance of new shares from:		
- conversion of PCCS	110,345,917	15,030
- exercise of Warrants (2019)	1,782,578	243
Balance at 30 September 2020	913,249,037	117,327

The total number of issued ordinary shares of US\$0.10 each, excluding treasury shares as at 30 September 2020 and 30 September 2019 was 913,249,037 and 795,384,155 respectively.

As at 30 September 2020 and 30 September 2019, a subsidiary of the Company held 307,682 ordinary shares, representing 0.03% and 0.04% of the Company's total number of issued ordinary shares on the two dates respectively.

As at 30 September 2020, there were:

- (a) 3,227,630 unconverted PCCS (30 September 2019: 113,576,237); and
- (b) the following unexercised warrants:

	Number	Exercise Period	Exercise Price
Warrants (2019)	185,281,571 (30 September 2019: 192,797,846)	31 May 2019 to 30 May 2024	S\$1.30
Warrants (2020)	227,618,864 (30 September 2019: nil)	24 March 2021 to 21 March 2029	S\$1.08

As at 30 September 2020, the maximum number of ordinary shares that may be issued upon full conversion/exercise of all the PCCS, Warrants (2019) and Warrants (2020) was 416,128,065 (30 September 2019: 306,374,083), which would increase the total number of issued ordinary shares to 1,329,377,102 (30 September 2019: 1,101,758,238).

As at 30 September 2020, a subsidiary of the Company held 30,768 Warrants (2019) (30 September 2019: 30,768) and 76,920 Warrants (2020) (30 September 2019: nil).

The Company did not hold any treasury shares as at 30 September 2020 and 30 September 2019.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued ordinary shares excluding treasury shares as at 30 September 2020 and 31 December 2019 was 913,249,037 and 795,384,155 respectively.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of treasury shares during the three months ended 30 September 2020.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of subsidiary holdings during the three months ended 30 September 2020.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the financial year ended 31 December 2019.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted various new standards, amendments to standards and interpretations that are effective for the financial period beginning on 1 January 2020. The adoption of these IFRSs did not result in any significant impact on the financial statements of the Group.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Third quarter ended 30 September		9-month period ended 30 September	
	2020	2019	2020	2019
Earnings per share (cents)				
- basic	4.56	4.00	11.49	9.45
- diluted	3.40	3.03	8.68	7.73
Profit attributable to ordinary shareholders (S\$'000)	38,138	31,840	93,279	70,181
Profit attributable to ordinary shareholders and PCCS holders (S\$'000)	38,180	33,321	96,251	72,178
Weighted average number of ordinary shares in issue:				
- basic	836,210,251 ¹	795,076,473 ¹	811,601,222 ¹	742,961,556 ¹
- diluted	1,123,717,619 ¹	1,101,450,556 ¹	1,108,927,088 ¹	933,457,460 ¹

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:—**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	As at 30 September 2020	As at 31 December 2019	As at 30 September 2020	As at 31 December 2019
Net asset value per ordinary share (cents)	185.77	197.27	159.66	166.95
Number of issued ordinary shares (excluding treasury shares)	912,941,355 ¹	795,076,473 ¹	913,249,037	795,384,155

¹ Excludes 307,682 shares in the Company held by a subsidiary which are accounted for as treasury shares in the consolidated financial statements of the Group in accordance with IAS 32 *Financial Instruments: Presentation*.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:—

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

Group performance

Revenue and cost of sales

The breakdown of our revenue (net of business tax/value added tax) for the period under review is as follows:

	Third quarter ended 30 September		9-month period ended 30 September	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2018 S\$'000
Revenue from sale of properties	25,860	7,457	48,293	58,455
Rental income from investment properties	2,294	1,765	6,288	7,912
Hotel operations	10,891	16,416	23,678	42,374
Revenue from property financing	21,010	18,958	85,944	60,630
Total	<u>60,055</u>	<u>44,596</u>	<u>164,203</u>	<u>169,371</u>

3Q 2020 vs 3Q 2019

Revenue increased by S\$15.5 million or 34.7%, from S\$44.6 million in 3Q 2019 to S\$60.0 million in 3Q 2020. This was due mainly to increase in revenue from sale of properties, rental income from investment properties and revenue from property financing of S\$18.4 million, S\$0.5 million and S\$2.1 million respectively. The increase was partially offset by the decline in revenue from hotel operations of S\$5.5 million.

Revenue from sale of properties increased by S\$18.4 million, from S\$7.5 million in 3Q 2019 to S\$25.9 million in 3Q 2020. This was due mainly to the higher number of car park lots sold in the current period, which included bulk sales of Plots A and C carpark lots of the Millennium Waterfront project of 1,091 and 882 respectively (3Q 2020: 4 commercial units and 2,218 car park lots, 3Q 2019: 1 residential unit and 11 commercial units).

Revenue from hotel operations decreased by S\$5.5 million or 33.7%, from S\$16.4 million in 3Q 2019 to S\$10.9 million in 3Q 2020 arising from lower occupancies and average room rates as the operations continued to be impacted by the travel restrictions imposed due to the Covid-19 outbreak.

Revenue from property financing increased by S\$2.1 million or 10.8%, from S\$19.0 million in 3Q 2019 to S\$21.0 million in 3Q 2020. The increase was due mainly to higher interest income of S\$1.8 million generated from a higher average PRC loan portfolio in the current period.

Cost of sales comprise mainly land costs, development expenditure and cost adjustments (if any), borrowing costs, depreciation charge and other related expenditure. Cost of sales decreased by S\$7.4 million or 46.0%, from S\$16.1 million in 3Q 2019 to S\$8.7 million in 3Q 2020. The decrease was due mainly to the change of sales mix whereby the car park lots of the Millennium Waterfront project were carried at nil book costs.

The Group's gross profit increased by S\$22.9 million or 80.4%, from S\$28.4 million in 3Q 2019 to S\$51.3 million in 3Q 2020. The increase was due mainly to the higher gross profit from sale of properties, rental income from investment properties and property financing of S\$23.5 million, S\$0.7 million and S\$3.2 million respectively. This was partially offset by lower gross profit from hotel operations of S\$4.5 million in 3Q 2020.

The Group achieved higher overall gross profit margin of 85.5% in 3Q 2020 compared to 63.8% in 3Q 2019. This was due mainly to the bulk Millennium Waterfront car park sales in the current quarter which generated 91.5% gross profit margin.

Administrative expenses

Administrative expenses comprise mainly staff costs, depreciation charge in relation to non-hotel assets, professional fees, and other expenses such as office, telecommunications and travelling expenses, stamp duties and other indirect PRC taxes. The reduction in administrative expenses of S\$1.9 million or 22.3% is due mainly to lower expenses recorded by the hotels as well as lower payroll costs including provision for bonus.

Selling expenses

Selling expenses comprise mainly staff costs of the Group's sales and marketing staff, advertising and promotion expenses, sales commissions paid to external sales agents and other related expenses.

Other (expenses)/income (net)

In 3Q 2020, the Group recorded other expenses of S\$2.1 million which comprised mainly net fair value loss on financial derivatives of S\$25.7 million, net fair value loss on quoted investments of S\$1.0 million and hotel management fees of S\$0.5 million. This was partially offset by net foreign exchange gain of S\$25.7 million.

In 3Q 2019, the Group recorded other income of S\$2.5 million which comprised mainly net fair value gain on financial derivatives of S\$25.8 million. This was partially offset by net foreign exchange loss of S\$21.6 million, hotel management fees of S\$0.8 million and hotel pre-opening expenses of S\$0.2 million.

Other gains (net)

In 3Q 2020, the Group recorded other gains of S\$0.2 million which comprised mainly S\$0.2 million gain from the disposal of certain commercial spaces of the Chengdu Cityspring project classified as assets held-for-sale.

In 3Q 2019, the Group recorded other gains of S\$1.5 million which comprised mainly S\$1.2 million gain from the disposal of certain commercial spaces of the Chengdu Cityspring project classified as assets held-for-sale and S\$0.3 million gain on disposal of investment properties.

Net finance (costs)/income

Net finance costs for 3Q 2020 comprise S\$0.9 million (3Q 2019: S\$0.8 million) of amortisation of lease liabilities recorded under IFRS 16.

Share of after-tax results of associates and joint ventures

Share of after-tax results of associates and joint ventures decreased by S\$15.2 million from a profit of S\$15.1 million in 3Q 2019 to a loss of S\$0.1 million in 3Q 2020. This was due mainly to the handover of the remaining four residential blocks of the 30%-owned Star of East River project in September 2019, which resulted in a much higher share of profits of associates and joint ventures in 3Q 2019, and lower hotel profit contribution from the Bilderberg hotels due to the Covid-19 pandemic.

YTD September 2020 vs YTD September 2019

Revenue of the Group decreased by S\$5.2 million or 3.1%, from S\$169.4 million in YTD September 2019 to S\$164.2 million in YTD September 2020. This was due mainly to a S\$10.2 million, S\$18.7 million and S\$1.6 million decrease in revenue from sale of properties, hotel operations and rental income from investment properties respectively. The decrease was partially offset by the increase in revenue from property financing of S\$25.3 million.

Revenue from sale of properties decreased by S\$10.2 million or 17.4%, from S\$58.5 million in YTD September 2019 to S\$48.3 million in YTD September 2020. The was due mainly to no handover of residential units and a lower number of commercial units handed over in the Millennium Waterfront project in YTD September 2020 compared to YTD September 2019. This was partially offset by the higher number of car park lots sold in the current period. (YTD September 2020: 4 commercial units and 3,390 car park lots, YTD September 2019: 3 residential units, 121 commercial units and 183 car park lots).

Revenue from hotel operations decreased by S\$18.7 million or 44.1%, from S\$42.4 million in YTD September 2019 to S\$23.7 million in YTD September 2020. The significant decrease was due to the weaker performance of the hotel portfolio as a whole due to the impact of Covid-19 which resulted in lower tourist arrivals and reduction in business travel.

Revenue from property financing increased by S\$25.3 million or 41.8%, from S\$60.6 million in YTD September 2019 to S\$85.9 million in YTD September 2020. The increase was due mainly to loan restructuring income of S\$15.8 million, establishment fee of S\$3.4 million earned in respect of the future debt funding of the redevelopment of the City Tattersalls Club in Sydney in which the Group has a 39.9% equity interest, and higher interest income of S\$4.3 million generated from a higher average PRC loan portfolio in the current period.

The Group's gross profit increased by S\$20.6 million or 17.9%, from S\$114.8 million in YTD September 2019 to S\$135.4 million in YTD September 2020. The increase was due mainly to the higher gross profit generated from sale of properties and property financing of S\$8.3 million and S\$26.3 million respectively. This was partially offset by lower gross profit from rental income from investment properties and hotel operations of S\$1.0 million and S\$13.0 million in YTD September 2020 respectively.

The Group achieved higher overall gross profit margin of 82.5% in YTD September 2020 as compared to 67.8% in YTD September 2019. This was due mainly to the change of sales mix, particularly the bulk sale of car parks of Plots A, B and C of the Millennium Waterfront project which were carried at nil costs.

Administrative expenses

Administrative expenses decreased by S\$9.0 million or 31.4%, from S\$28.5 million to S\$19.6 million in YTD September 2020. The decrease was due mainly to lower staff costs in the current period and the inclusion of professional fees incurred by the Group in relation to the acquisition of the Bilderberg Bellevue Hotel Dresden in March 2019.

Other (expenses)/income (net)

In YTD September 2020, the Group recorded other income of S\$7.9 million which comprised mainly net foreign exchange gain of S\$51.3 million, partially offset by net fair value loss on financial derivatives of S\$38.8 million, net fair value loss on quoted investments of S\$1.3 million, hotel base stocks written off and hotel pre-opening expenses of S\$1.1 million in total, hotel management fees of S\$0.9 million and bank charges of S\$0.6 million.

In YTD September 2019, the Group recorded other expenses of S\$8.0 million which comprised mainly net foreign exchange loss of S\$30.3 million, hotel management fees of S\$2.1 million, bank charges of S\$0.9 million, hotel pre-opening expenses of S\$0.8 million and hotel base stocks written off of S\$0.5 million, partially offset by net fair value gain on financial derivatives of S\$27.1 million.

Other gains (net)

In YTD September 2020, the Group recorded other gains of S\$2.1 million which comprised mainly S\$2.0 million gain from the disposal of certain commercial spaces of the Chengdu Cityspring project classified as assets held-for-sale and S\$0.2 million gain on disposal of other investments.

In YTD September 2019, the Group recorded other gains of S\$6.2 million which comprised mainly the gain from the disposal of certain commercial spaces of the Chengdu Cityspring project classified as assets held-for-sale.

Net finance (costs)/income

Net finance costs for YTD September 2020 of S\$3.0 million comprise S\$2.7 million (YTD September 2019: S\$2.5 million) of amortisation of lease liabilities recorded under IFRS 16.

Share of after-tax results of associates and joint ventures

The Group recorded a share of after-tax loss of associates and joint ventures of S\$5.8 million in YTD September 2020 compared to a share of after-tax profit of associates and joint ventures of S\$19.9 million in YTD September 2019. The significant decrease was due mainly to the Group's share of loan restructuring expenses incurred by the 33%-owned FSMC Group and lower hotel profit contribution from the 31.4%-owned Bilderberg hotels due to the Covid-19 pandemic. The YTD September 2019 results also included profit recognition from the handover of six residential blocks of the Star of East River project in Dongguan and the profit on the disposal of three Bilderberg hotels in January 2019.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Non-current assets

Property, plant and equipment increased by S\$28.6 million or 8.3%, from S\$345.8 million as at 31 December 2019 to S\$374.4 million as at 30 September 2020. The increase was due mainly to the refurbishment of the Crowne Plaza Utrecht Centraal Station Hotel which commenced operations in early June 2020, as well as room renovations carried out for the Bilderberg Bellevue Hotel Dresden.

Other investments increased by S\$13.6 million or 18.2%, from S\$74.6 million as at 31 December 2019 to S\$88.2 million as at 30 September 2020. The increase was due mainly to the net acquisition of quoted equity investments of S\$14.4 million in the current period.

Current assets

Development properties increased by S\$97.0 million or 24.9%, from S\$390.0 million as at 31 December 2019 to S\$487.1 million as at 30 September 2020. The increase was due mainly to the development of the Pinnacle project in Dongguan and Plot F of the Millennium Waterfront project in Chengdu.

Trade and other receivables increased by S\$220.5 million or 69.9%, from S\$315.3 million as at 31 December 2019 to S\$535.7 million as at 30 September 2020. The increase was due mainly to the advances provided by the Group to an associate for the land tender of a mixed-use, transit-oriented development in Humen of S\$236.4 million in August 2020. This was partially offset by the repayment of loan to a third party of S\$39.5 million.

Other investments of S\$11.3 million relate to principal-guaranteed structured deposits placed with financial institutions.

Current liabilities

Contract liabilities increased by S\$305.2 million, from S\$39.3 million as at 31 December 2019 to S\$344.5 million as at 30 September 2020. This was due mainly to amounts received from the pre-sale of six residential blocks and ground level retail for five blocks of The Pinnacle project of S\$285.6 million, and pre-sale of SOHO loft units of Plot F of Millennium Waterfront project of S\$26.9 million.

Loans and borrowings

Gross borrowings increased by S\$13.2 million or 2.1%, from S\$628.9 million as at 31 December 2019 to S\$642.1 million as at 30 September 2020. This was due mainly to the issuance of S\$100.0 million in principal amount of 3.29% fixed rate notes due 2025 in February 2020, of which S\$22.0 million was repurchased by the Group in June 2020. This was partially offset by the repayment of loans which were funded by the amounts received from the capital reduction of an associate in the current period.

The Group maintained a net gearing ratio of 0.12 as at 30 September 2020.

Foreign currency risk management

The Group is exposed to volatility of the RMB due to its operations in the PRC. Therefore, any depreciation in the RMB against the S\$ will adversely affect the Group's earnings, net assets, value of any dividends we pay to our shareholders in S\$ or require us to use more RMB funds to service the same amount of any S\$ debt. Fluctuations in RMB exchange rates are affected by, amongst others, changes in political and economic conditions and the PRC's foreign exchange regime and policy.

Since the Group's entry to the Dutch and German property markets in February 2015 and January 2018 respectively, the Group has hedged its currency exposure to Euro by financing all its Dutch and German acquisitions with a combination of Euro-denominated borrowings and/or financial derivatives involving cross currency swaps ("CCSs"), forex swaps ("FCS") and forex forward contracts ("FXF") whereby the end result is also to achieve a corresponding Euro liability. The Group takes an economic hedge rather than an accounting hedge approach with regard to the management of its Euro asset exposure.

In November 2018, the Group entered into the property financing market in Australia via a 50-50 owned joint venture with Tai Tak. In January 2020, the Group subscribed for units in a 39.9%-owned project development trust to redevelop the City Tattersalls Club in Sydney. The Group has also adopted the same approach as its European assets, which is to fully hedge its Australian dollar cost base.

As at 30 September 2020, the Group had 16 CCSs outstanding with an aggregate notional amount of €356.2 million, A\$36.1 million, RMB530.6 million and US\$25.0 million; five FCS with aggregate notional amounts of i) €218.1m million and ii) RMB100.0 million, and three FXF with an aggregate notional amount of €50.0 million. These financial instruments are measured at fair value with changes in fair value recognised in the profit and loss account. The fair values of the instruments are mainly dependent on the forward foreign exchange rates, discount rates and yield curves of the notional amounts, as applicable. On the other hand, the changes in fair value of the instruments will be largely offset by the corresponding changes in fair values of the underlying foreign currency denominated assets when the respective instruments approach their maturity dates and foreign currency denominated borrowings are taken up to close out the instruments, thereby resulting in a minimal cumulative impact to the profit or loss. The cumulative net positive impact to the retained earnings arising from the various financial derivatives and underlying foreign currency denominated assets as at 30 September 2020 amounted to approximately S\$13.7 million.

As at 30 September 2020, the Group recorded a cumulative net translation gain of S\$28.6 million as part of reserves in its shareholders' equity. This arose from the translation of the net assets and income and expenses of the Group's foreign operations in the PRC, Europe and Australia to S\$ at the exchange rates prevailing at the end of the reporting period.

We currently do not have a formal hedging policy with respect to our RMB foreign exchange exposure and have not used any financial hedging instruments to actively manage our RMB foreign exchange risk. The cost of entering into such hedging instruments to manage the Group's exposure to RMB remains fairly expensive. However, the Group has started to hedge its new exposure to the PRC property development and property financing operations to the extent that these are not funded by onshore RMB assets by drawing CNH-denominated borrowings and/or executing the appropriate financial derivative instrument(s). We will continue to monitor our foreign exchange exposure vis-à-vis the associated hedging costs and take appropriate actions when necessary. There is no assurance as to the effectiveness and success of any hedging action that we might or might not take.

Statement of cash flows of the Group

3Q 2020

Net cash from operating activities amounted to S\$83.1 million for 3Q 2020 and was due mainly to the cash proceeds collected of S\$133.2 million in the current quarter from the pre-sale of The Pinnacle project in Dongguan which was launched progressively since April 2020. This was partially offset by payment of construction costs for The Pinnacle and the Millennium Waterfront projects.

Net cash used in investing activities amounted to S\$142.5 million for 3Q 2020 due mainly to the advances to an associate of S\$143.8 million to fund the Group's participation in the Humen transit-oriented development joint venture project in Dongguan. This was partially offset by interest received of S\$5.9 million in the current quarter.

Net cash from financing activities amounted to S\$3.7 million for 3Q 2020. This was due mainly to net advances from associates and a joint venture of S\$54.7 million and S\$2.8 million respectively, capital contributed by a non-controlling interest of S\$45.3 million, and the gross proceeds from the issuance of shares of S\$2.3 million arising from the exercise of warrants in 3Q 2020. This was partially offset by net repayment of bank borrowings of S\$83.9 million, payment of interim dividends to the shareholders of the Company of S\$10.0 million, and payment of interest expense and lease liabilities of S\$6.1 million and S\$1.4 million respectively.

YTD September 2020

Net cash from operating activities amounted to S\$197.2 million for YTD September 2020. This was due mainly to the cash proceeds collected of S\$281.5 million from the pre-sale of six residential blocks and ground level retail for five blocks of The Pinnacle project in Dongguan which were launched since April 2020. This was partially offset by the payment of construction costs for The Pinnacle and the Millennium Waterfront projects.

Net cash used in investing activities of S\$215.3 million for YTD September 2020 was due mainly to the (i) advances to associates of S\$232.7 million to fund the Group's participation in the Humen transit-oriented development joint venture in Dongguan, (ii) placement of structured deposits of S\$11.1 million, (iii) net acquisition of quoted equity investments of S\$16.1 million, (iv) payments for additions of property, plant and equipment of S\$15.0 million in relation to the fit out of the Crowne Plaza Utrecht Centraal Station Hotel and rooms renovation of the Bilderberg Bellevue Hotel Dresden, and (v) the subscription of units in the 39.9%-owned project development trust amounting to S\$18.0 million to redevelop the iconic 125-year old City Tattersalls Club in Sydney. This was partially offset by (i) repayment of advance and dividends received from the 30%-owned associated company that owns the Star of East River project company of S\$38.9 million and S\$11.9 million respectively, (ii) interest received of S\$16.1 million and (iii) proceeds from disposal of assets held-for-sale and other investments of S\$11.1 million in aggregate.

Net cash from financing activities amounted to S\$105.5 million for YTD September 2020 due mainly to net proceeds from 5-year medium term notes issued amounting to S\$78.0 million, net advances from associates and a joint venture of S\$72.9 million and S\$2.8 million respectively, capital contributed by a non-controlling interest of S\$45.3 million and gross proceeds from the issuance of ordinary shares of S\$9.8 million arising from the exercise of warrants. This was partially offset by net repayment of bank borrowings of S\$55.1 million, payment of interim dividends to the shareholders of the Company of S\$22.9 million, payment of interest expense, transaction costs related to borrowings, and lease liabilities of S\$15.8 million, S\$2.4 million and S\$4.5 million respectively, and distributions to PCCS holders of S\$2.9 million.

Note:

The figures stated in our statement of financial position have been translated based on the exchange rates at the end of each reporting period; and the figures in our income statement, statement of comprehensive income and statement of cash flows have been translated based on the average exchange rate for the relevant period and exchange rate at the date of the transaction, where applicable.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement for the current reporting period has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Industry Outlook

People's Republic of China ("PRC")

The PRC National Bureau of Statistics ("NBS") reported GDP growth of 4.9% in 3Q2020 compared to a year earlier, accelerating from 3.2% growth in 2Q2020 and 6.8% contraction in 1Q2020. According to an article by the South China Morning Post ("SCMP"), China's official manufacturing Purchasing Managers' Index ("PMI") was 51.5 in September 2020, up from 51.0 in August 2020, signifying faster growth in factory output. The official non-manufacturing PMI, which measures market sentiment in the services and construction sectors was 55.9 in September 2020, up from 55.2 in August 2020. The indices showed positive economic activity for seven consecutive months since the collapse in February 2020 that saw manufacturing and non-manufacturing PMI fall to 35.7 and 29.6 respectively. The Hongkong and Shanghai Banking Corporation and international rating agencies, Moody's and Fitch, have revised their forecasts for China's 2020 GDP upwards, from 1.7%, 1.0% and 1.2% to 2.4%, 1.9% and 2.7% respectively.

The Business Times reported that new home prices in the PRC rose at a slightly faster monthly pace in August 2020. Average new home prices in 70 major cities rose by 0.6% in August 2020, marginally better than the 0.5% increase in July. On an annual basis, home prices rose by 4.8% in August, the same as July's pace. Based on a report by the SCMP, Guangzhou and Huizhou, cities in the Greater Bay Area ("GBA"), reported good monthly gains in home transactions and prices. Huizhou was recorded to have the highest monthly price increase of 1.9% in August 2020. The report attributes the growth to a positive outlook enjoyed by the GBA development zone and proximity of these cities to Shenzhen which itself remained hot despite Covid-19 with prices of existing homes surging by 18.7% and new homes gaining by 4.7% for the first 8 months of 2020 compared to last year. Government regulators said that they would be instituting new policies to control liquidity in the real estate market and to contain property developers' debt levels to reduce risks to the financial system.

Despite the positive figures, an aggregate index combining eight indicators tracked by Bloomberg saw the month of September 2020 slipping into contraction as compared to the accelerated expansion in August 2020. Bloomberg reports that the initial recovery was driven by strong industrial output although recent data shows signs that consumption had only started to catch up. This suggests that a strong and broad spurt in spending is needed for a more meaningful economic rebound.

The Netherlands

According to the second estimate conducted by Statistics Netherlands (“CBS”), Dutch GDP contracted by 8.5% for 2Q2020 relative to the first quarter and 9.4% relative to a year ago. CBS attributes the decline mainly to falling household consumption, investments and trade balance. According to CBS, the Dutch economy entered into recession in May 2020 and is still deep in recession in September 2020.

In its September 2020 Dutch Housing Quarterly Report, Rabobank stated that 6.7% more homes were sold for the first seven months of 2020 compared to a year ago. According to the report, home transactions and prices in July 2020, which reflect houses that were sold during the rise in Covid-19 cases around the end of March 2020 and early April 2020 due to the time lag between the signing of the provisional purchase agreement and actual notarial transfer of ownership, were up by 7.3% and 7.4% respectively compared to a year ago. Rabobank anticipates home prices to increase by an average of around 7% in 2020 but sees a fall in 1Q2021. Rabobank expects unemployment or the fear of unemployment to be the main factor affecting the housing market and that unemployment will peak later when the government gradually phases out its stimulus packages. Unemployment is expected to rise from 3.4% in 2019 to an average of 4.3% to 6.6% in 2020 and 2021 respectively. CBS reported that as of August 2020, unemployment rates stood at approximately 4.6%.

CBS reported a 64% decline in accommodation services in 2Q2020 compared to 1Q2020 which already saw a decline of nearly 15%. For hotels, the decline in 2Q2020 was even more severe with a drop of over 75% relative to 1Q2020. The Netherlands' office for Tourism and Conventions (“NBTC”) expects 70% fewer foreign tourists in 2020 compared to 2019. NBTC further reported a 36% decline in domestic tourism compared to 2019. Comparing regional against main cities in Europe, a report by STR observes a divide with the main cities lagging in their recovery. Regional markets are driving performance as consumers swap city experiences for more spacious and less crowded regional leisure destinations. A director of NBTC commented that NBTC does not expect a recovery in the sector until 2024.

The values of real estate in the Netherlands is still expected to remain positive with a growth of 1.5% for 2020 but to decrease between 4% and 7% in 2021 due to real estate sector's delayed response to economic decline according to economists at ABN Amro. Retail properties are expected to be hit the hardest.

Company Outlook

Property Development

For the Group's various property development projects in Dongguan, namely, Star of East River, Emerald of the Orient and The Pinnacle, most of the inventory eligible for pre-sale was sold as at 30 September 2020, reflecting the strong underlying demand in Dongguan. Sales launch for four residential apartment blocks in Skyline Garden and the last two residential apartment blocks of The Pinnacle is expected to take place in late October/November 2020 and late 2020/early 2021 respectively. Barring any unforeseen circumstances, buyer interest is expected to be strong.

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.

Over in Chengdu, subsequent to the bulk sale of the remaining 883 carpark lots on Plot B in June 2020, the Group has sold the remaining 1,973 carpark lots on Plots A and C in September 2020 in a similar bulk sale to the same buyer. The Group is working to sell the remaining approximately 390 carpark lots on Plot D in a bulk sale to the same buyer in 4Q2020. In addition, the Company has been approached by an independent third party with regard to the Group's interests in the Chengdu Millennium Waterfront project, including Plot E, the last development plot of the project. The Company regularly conducts strategic reviews of, and considers various proposals in relation to, its business and operations with a view to enhancing and unlocking shareholder value. The Company is accordingly considering this approach. As discussions are on-going, there is no assurance that this approach will result in any definitive agreement or transaction. The Company will make further announcements as appropriate when there are any material updates or developments on this matter.

In Australia, the design competition for the City Tattersalls Club redevelopment project at Pitt Street, Sydney has concluded recently with Australian architectural firm BVN emerging as the winner out of 6 competing firms. Preparation work for the Stage 2 development application is underway. The Group expects construction work to commence in 2022.

Property Holding

Despite the Covid-19 backdrop, the Wenjiang hotels managed to achieve a positive performance for 3Q2020, recording a combined gross operating profit (“**GOP**”) of RMB6.7 million which was 39% higher than that of 3Q2019. While occupancy and ADR recorded for the quarter were generally in line with that of prior year, tighter cost control implemented had a direct positive impact on GOP. Bolstered by the good 3Q2020 results, the cumulative 9 months results turned profitable with an overall GOP of RMB5.6 million.

Over in Europe, rental income for the Group's 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.

The performance of the Group's 15 European operating hotels (including 11 Bilderberg hotels owned by 33%-owned FSMC and the Hilton Rotterdam hotel leased from the 33%-owned FSMCR) was mixed. While the 8 non-core city Bilderberg hotels and Bilderberg Europa Hotel in The Hague (under FSMC) in the Netherlands, and Bilderberg Bellevue Hotel Dresden in Germany benefited from the local leisure demand during the summer holidays, the two core city Bilderberg hotels in Amsterdam and Rotterdam (under FSMC), Hilton Rotterdam and the 2 Utrecht hotels were adversely affected by low corporate demand. Overall, the Group's European operating hotels achieved a GOP of EUR3.9 million for 3Q2020 (EUR7.5 million for 3Q2019) and GOP of EUR0.3 million for YTD September 2020 (EUR17.9 million for YTD September 2019). The GOP for YTD September 2020 was inclusive of estimated government subsidies of EUR4.9 million. The Group expects the performance of its European operating hotel portfolio to remain weak compared with 2019 and uncertain due to the impact of the current Covid-19 situation in Europe. In addition, 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.

In Germany, the consortium which owns the Le Méridien Frankfurt hotel has obtained a favourable court ruling in September 2020 to set aside the preliminary injunction obtained by the lessee which prevented the lessor from drawing on a first demand guarantee for overdue rental payments. As a result, the lessor has received approximately EUR1.9 million (approximately S\$3.0 million) in overdue rental payments for April 2020 to September 2020, including penalty interest computed at 8.12% per annum.

Property Financing

Pursuant to the loan agreement concluded in June 2020, FSMC has the right to defer its interest payment to the Group should its operating cashflow be insufficient to service its debt obligations. However, the FSMC group, which owns 95% of the Dutch Bilderberg hotel portfolio, has been able to service its interest obligations up-to-date although the fourth quarter may prove challenging given that this is a traditionally weak quarter for hotel trading and the hospitality business in the Netherlands seems to be adversely impacted by the second wave of Covid-19 currently hitting Europe.

The loan conduct of customers of the Group's property financing business is satisfactory notwithstanding the current market conditions. The Group will seek to expand its property financing loan book prudently.

Treasury

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.

11. If a decision regarding dividend has been made:—

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of dividend	Second interim tax-exempt (one-tier) dividend
Dividend Type	Cash
Dividend Amount	2.0 Singapore cents per ordinary share

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividend was declared for the corresponding period of the immediately preceding financial year.

(c) Date payable

26 February 2021.

(d) Record date

18 February 2021.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a shareholders' general mandate for IPTs.

- 14. Confirmation that the issuer has procured undertakings from all of its directors and executive officers (in the format set out in appendix 7.7) under rule 720(1)**

The Company confirms that it has procured undertakings from all of its directors and executive officers in the format set out in Appendix 7.7 under Rule 720 (1) of the Listing Manual.

BY ORDER OF THE BOARD

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
23 October 2020

FIRST SPONSOR GROUP LIMITED

(Registration No. AT-195714)

CONFIRMATION BY THE BOARD

The Directors of the Company hereby confirm, to the best of their knowledge, that nothing has come to the attention of the Board of Directors which may render the Group's unaudited financial results for the third quarter and the nine-month period ended 30 September 2020 to be false or misleading in any material respect.

On behalf of the Board of Directors

Ho Han Leong Calvin
Non-Executive Chairman

Neo Teck Pheng
Group Chief Executive Officer and Executive Director

23 October 2020



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\$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.

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.”

- End -

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:

Mr Zhang Jiarong
Senior Vice President – Financial Planning & Analysis
First Sponsor Group Limited
Email: ir@1st-sponsor.com.sg
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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.



First Sponsor Group Limited Investor Presentation 23 October 2020



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Section 1

Key Message

Key Message

1. Net profit for the Group was S\$38.2 million for 3Q2020, a 14.6% growth from 3Q2019. This is the 23rd reported periodic growth out of the 26 periodic results reporting since the Group's IPO in July 2014.
2. 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, 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.

Key Message

3. For the Group's various property development projects in Dongguan, namely, Star of East River, Emerald of the Orient and The Pinnacle, most of the inventory eligible for pre-sale was sold as at 30 September 2020, reflecting the strong underlying demand in Dongguan. Sales launch for four residential apartment blocks in Skyline Garden and the last two residential apartment blocks of The Pinnacle is expected to take place in late October/November 2020 and late 2020/early 2021 respectively. Barring any unforeseen circumstances, buyer interest is expected to be strong. 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.

Key Message

4. The Company has been approached by an independent third party with regard to the Group's interests in the Chengdu Millennium Waterfront project, including Plot E, the last development plot of the project. The Company regularly conducts strategic reviews of, and considers various proposals in relation to, its business and operations with a view to enhancing and unlocking shareholder value. The Company is accordingly considering this approach. As discussions are on-going, there is no assurance that this approach will result in any definitive agreement or transaction. The Company will make further announcements as appropriate when there are any material updates or developments on this matter.
5. The design competition for the City Tattersalls Club redevelopment project at Pitt Street, Sydney has concluded recently with Australian architectural firm BVN emerging as the winner out of 6 competing firms. Preparation work for the Stage 2 development application is underway. The Group expects construction work to commence in 2022.

Key Message

6. The performance of the Group's 15 European operating hotels (including 11 Bilderberg hotels owned by 33%-owned FSMC and the Hilton Rotterdam hotel leased from the 33%-owned FSMCR) was mixed. While the 8 non-core city Bilderberg hotels and Bilderberg Europa Hotel in The Hague (under FSMC) in the Netherlands, and Bilderberg Bellevue Hotel Dresden in Germany benefited from the local leisure demand during the summer holidays, the two core city Bilderberg hotels in Amsterdam and Rotterdam (under FSMC), Hilton Rotterdam and the 2 Utrecht hotels were adversely affected by low corporate demand. Overall, the Group's European operating hotels achieved a gross operating profit ("GOP") of €3.9 million for 3Q2020 (€7.5 million for 3Q2019) and GOP of €0.3 million for YTD September 2020 (€17.9 million for YTD September 2019). The GOP for YTD September 2020 was inclusive of estimated government subsidies of €4.9 million. The Group expects the performance of its European operating hotel portfolio to remain weak compared with 2019 and uncertain due to the impact of the current Covid-19 situation in Europe. In addition, 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.

Key Message

7. The loan conduct of customers of the Group's property financing business is satisfactory notwithstanding the current market conditions. The Group will seek to expand its property financing loan book prudently.
8. The Group has refinanced S\$50.5 million and further upsized its committed revolving credit facilities by S\$124.5 million in October 2020. 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.

Section 2

Financial Updates 3Q2020

2.1 Statement of Profit or Loss - Highlights

Statement of Profit or Loss - Highlights

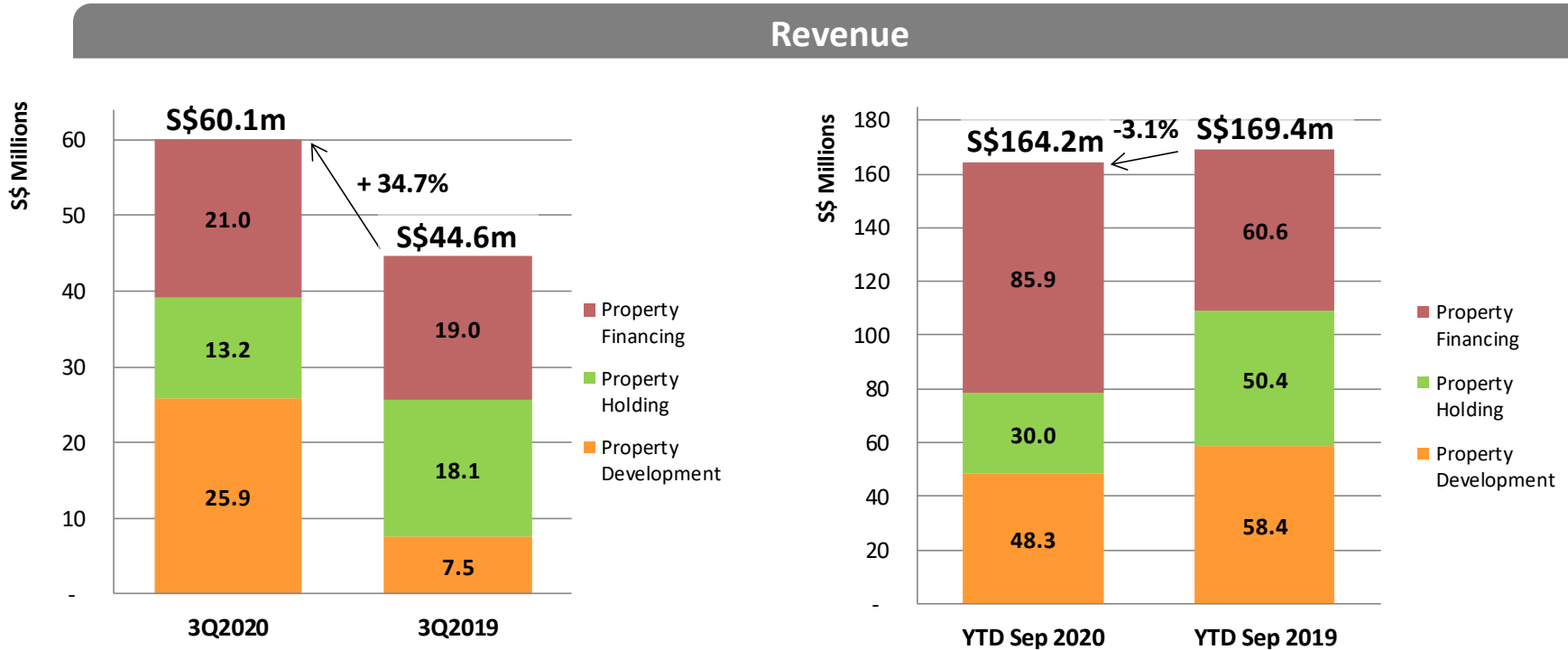
In S\$'000	3Q2020	3Q2019	Change %	YTD Sep 2020	YTD Sep 2019	Change %
Revenue	60,055	44,596	34.7%	164,203	169,371	(3.1%)
Gross profit	51,334	28,448	80.4%	135,404	114,807	17.9%
Profit before tax	40,392	37,321	8.2%	112,549	99,164	13.5%
Attributable profit ⁽¹⁾	38,180	33,321	14.6%	96,251	72,178	33.4%
Basic EPS (cents)	4.56	4.00	14.0%	11.49	9.45	21.6%
Diluted EPS (cents) ⁽²⁾	3.40	3.03	12.2%	8.68	7.73	12.3%
Interest cover ⁽³⁾	38.7x	43.9x	n.a.	22.5x	49.0x	n.a.

(1) "Attributable profit" refers to profit attributable to equity holders of the Company.

(2) Dilutive effect arising from assumed conversion of all perpetual convertible capital securities and exercise of all warrants.

(3) Interest cover = PBT (excluding accounting interest due to or from financial institutions) ÷ net accounting interest expense due to or from financial institutions.

2.2 Statement of Profit or Loss – Revenue



Property Development

The increase was due mainly to the higher number of carpark lots sold (3Q2020: 4 commercial units and 2,218 car park lots; 3Q2019: 1 residential unit, 11 commercial units).

Property Holding

The decrease was due mainly to lower European hotel revenue arising from the impact of the Covid-19 pandemic.

Property Financing

The increase was due mainly to income from a higher average PRC loan portfolio in 3Q2020.

2.3 Statement of Financial Position – Highlights

Statement of Financial Position - Highlights			
In S\$'000	30-Sep-20	30-Jun-20	Change %
Total assets	3,283,635	3,096,821	6.0%
Cash and structured deposits ⁽¹⁾	425,883	474,875	(10.3%)
Total debt ⁽²⁾	635,156	731,154	(13.1%)
Net asset value (NAV) ⁽³⁾	1,695,959	1,642,503	3.3%
NAV per share (cents)	185.77	205.10	(9.4%)
Adjusted NAV per share (cents) ⁽⁴⁾	164.22	171.20	(4.1%)
Gearing ratio ⁽⁵⁾	0.12x	0.16x	n.a.

(1) Relates to principal-guaranteed structured deposits placed with financial institutions classified as other investments (current).

(2) Comprises gross borrowings of S\$642.1m net of unamortised upfront fee of S\$7.0m and S\$739.2m net of unamortised upfront fee of S\$8.0m as at 30 September 2020 and 30 June 2020 respectively.

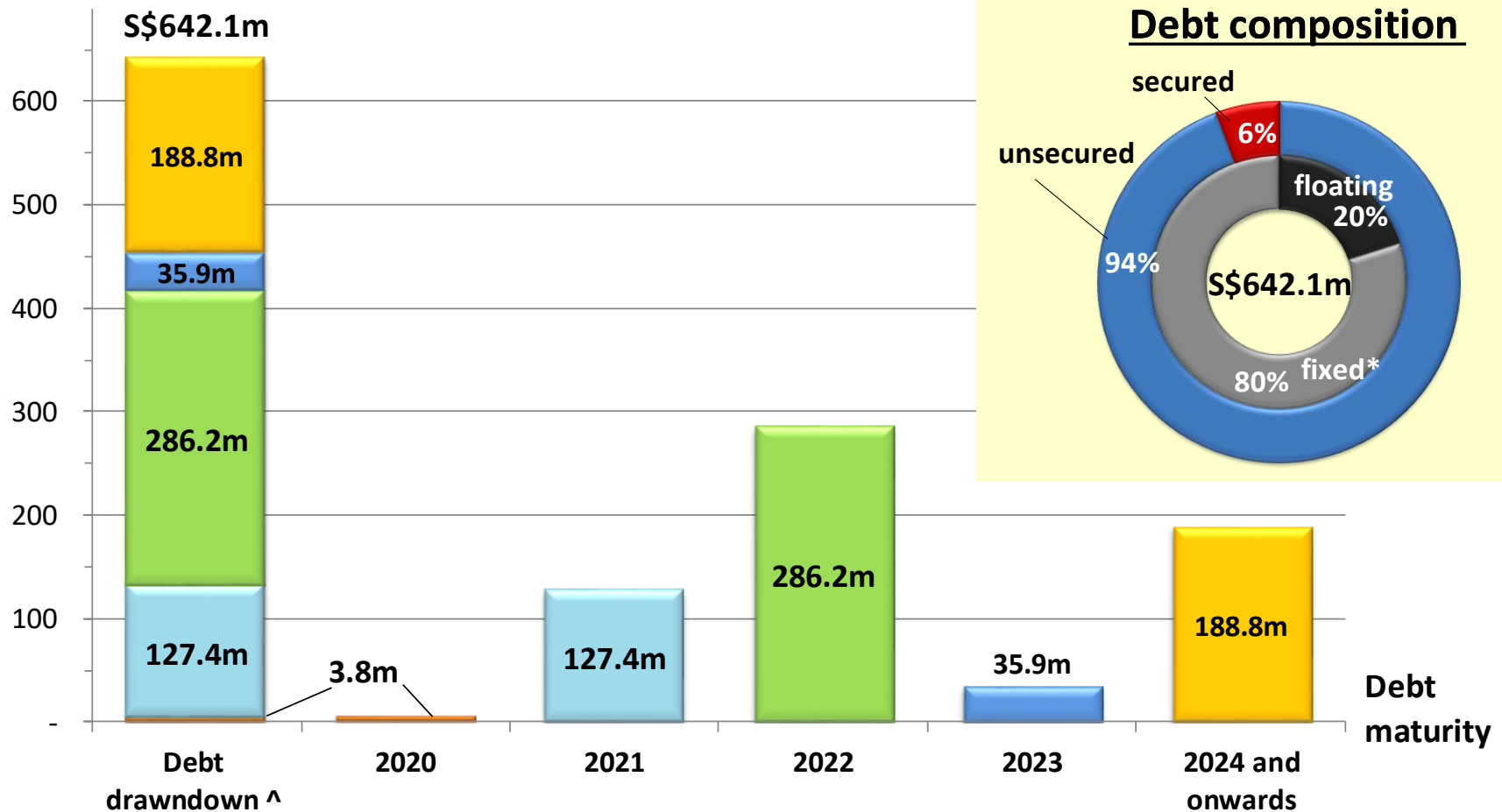
(3) NAV includes Series-2 perpetual convertible capital securities (“Series-2 PCCS”) of S\$4.2m and translation gain of S\$28.6m (Jun 2020: translation gain of S\$5.6m), and excludes non-controlling interests.

(4) Represents NAV per share adjusted for the full conversion of Series-2 PCCS and exercise of all warrants to ordinary shares.

(5) Computed as net debt ÷ total equity including non-controlling interests.
Net debt = gross borrowings – cash and structured deposits.

2.4 Debt Maturity and Composition as at 30 September 2020

S\$ Millions



* Mainly via cross currency swaps, medium term notes and a secured bank loan.

^ Remaining headroom of S\$408.9m of committed credit facilities.

In October 2020, the Group further increased its committed unsecured credit facilities by an additional S\$124.5m.

Section 3

Business Updates 3Q2020 – Property Development

3.1 Property Development – Star of East River Project, Dongguan

SOHO Blocks

- Two blocks of 2,328 SOHO units (75,000 sqm)
- All except one of the SOHO units have been sold³
- One block was handed over in March 2020, with the other block expected to be handed over around 1Q2021

Office Block

- 250m high office tower block with 778 office units (102,000 sqm)
- Expected start of handover in late 2020/early 2021

Residential Blocks

- Six blocks of 1,221 residential units (132,000 sqm)
- 100% sold and largely handed over

91.3% SOLD³

86.9% OF
27,100 SQM LAUNCHED
RETAIL LFA LEASED

Commercial Podium

- approx. 30,100 sqm lettable floor area (“LFA”) of retail mall, of which approx. 27,100 sqm has commenced operations since September 2019.
- Due to the impact of the Covid-19 pandemic, several tenants have made requests for concessions in relation to their rental obligations under the lease contracts.

Notes:

1. This diagram is not drawn to scale.
2. Based on artist’s impression which may not be fully representative of the actual development.
3. As at 30 September 2020 and includes sales under option agreements or sale and purchase agreements, as the case may be.

3.2 Property Development – Emerald of the Orient, Dongguan

Others

To be built for the municipal as per the land tender conditions

Saleable High-rise Residential Apartments

- All except two of the 854 saleable residential units (95,639 sqm) have been sold
- Sold apartments are expected to be handed over from late 2020/early 2021

Units with 5-year Holding Period

222 units (24,605 sqm) to be kept for a minimum holding period of 5 years as per land tender conditions of which 132 units have been reserved by interested buyers

Units with 5-year Holding Period

31 villas (4,452 sqm) to be kept for a minimum holding period of 5 years as per land tender conditions of which 14 villas have been reserved by interested buyers

Saleable Residential Villa Cluster

All 137 saleable villas are fully sold, and expected to be handed over from late 2020/early 2021



1. This diagram is not drawn to scale.
2. Based on artist's impression which may not be fully representative of the actual development.
3. As at 30 September 2020 and includes sales under option agreements or sale and purchase agreements, as the case may be. % sold excludes units to be kept for minimum holding period of 5 years after the housing title certificates have been obtained.

3.3 Property Development – The Pinnacle, Dongguan

Residential Blocks

- Eight blocks of approx. 606 residential units (63,600 sqm)
- Six blocks comprising 438 units have been launched for pre-sales in phases from April 2020 and were 100% sold³
- Remaining two blocks of approx. 168 residential units (17,500 sqm) are expected to be launched for pre-sale in late 2020/early 2021

- The project is expected to be handed over in phases from 2021.



SOHO Cluster

- Comprises 226 SOHO units (8,900 sqm)
- Expected to be launched for pre-sale in 2Q2021

Ground Level Retail:

- Approx. 3,000 sqm of retail space located at ground level of residential and SOHO blocks

1. This diagram is not drawn to scale.
2. Based on artist's impression which may not be fully representative of the actual development.
3. As at 30 September 2020 and includes sales under option agreements or sale and purchase agreements, as the case may be.

3.4 Property Development – Skyline Garden, Dongguan

- The pre-sale of the residential component is expected to commence in October/November 2020. Buying interest is expected to be good.

Artist's impression

Residential Blocks

Five blocks of 1,163 residential units (134,000 sqm)

SOHO Blocks

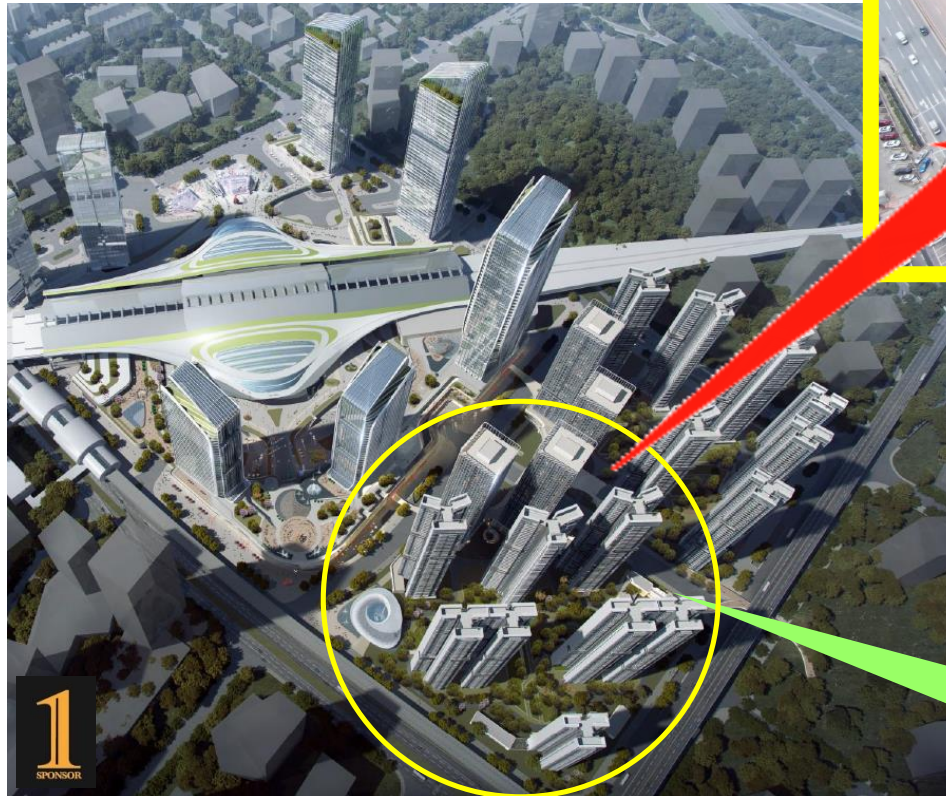
SOHO Blocks

- Seven blocks of 1,715 SOHO units (71,300 sqm) and 4,400 sqm of commercial space
- All SOHO units and commercial space are to be kept for a minimum holding period of 2 years as per land tender conditions



3.5 Property Development – Humen TOD Project, Dongguan

- Construction has commenced on the first sector (“Sector 1”) of the Humen TOD project. Sector 1 has a land area of approx. 46,300 sqm and constitutes approximately 231,500 sqm of the 1 million sqm GFA project.
- Progressive sales launch of the project is expected to commence from the second half of 2021.



Sector 1 comprises of:-

- 6 blocks of residential units (approx. 162,000 sqm)
- 2 blocks of SOHO units (approx. 57,700 sqm)
- approx. 4,100 sqm of commercial and retail space, including a commercial building (approx. 2,100 sqm)
- approx. 7,700 sqm of public facility areas including a kindergarten (approx. 3,200 sqm)

3.6 Property Development – Millennium Waterfront, Chengdu

- The Plot F development is expected to be completed around 1Q2021.

- Comprises 15 floors of 807 SOHO loft units (49,350 sqm), 5 floors of over 25,000 sqm of saleable retail space
- % SOHO GFA sold¹: 87.4%*

* includes 156 units or 17.9% which were sold to a bulk buyer in mid-January 2020 under instalment payment terms

¹As at 30 September 2020 and includes sales under option agreements or sale and purchase agreements, as the case may be.

- Subsequent to the bulk sale of the remaining 883 carpark lots on Plot B in June 2020, the Group has sold the remaining 1,973 carpark lots on Plots A and C in September 2020 in a similar bulk sale to the same buyer. The Group is working to sell the remaining approximately 390 carpark lots on Plot D in a bulk sale to the same buyer in 4Q2020.



Plot F, Millennium Waterfront

3.6 Property Development – Millennium Waterfront, Chengdu

- The Company has been approached by an independent third party with regard to the Group's interests in the Chengdu Millennium Waterfront project, including Plot E, the last development plot of the project. The Company regularly conducts strategic reviews of, and considers various proposals in relation to, its business and operations with a view to enhancing and unlocking shareholder value.
- The Company is accordingly considering this approach. As discussions are ongoing, there is no assurance that this approach will result in any definitive agreement or transaction. The Company will make further announcements as appropriate when there are any material updates or developments on this matter.



Section 4

Business Updates 3Q2020 – Property Holding

4.1 Property Holding – Chengdu Wenjiang hotels and Bilderberg Bellevue Hotel Dresden



Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring Hotel, PRC

- Despite the Covid-19 backdrop, the Wenjiang hotels managed to achieve a positive performance for 3Q2020, recording a combined GOP of RMB6.7m which was 39% higher than that of 3Q2019. While occupancy and ADR recorded for the quarter were generally in line with that of prior year, tighter cost control implemented had a direct positive impact on GOP.
- Bolstered by the good 3Q2020 results, the cumulative 9 months results turned profitable with an overall GOP of RMB5.6m.



Bilderberg Bellevue Hotel Dresden, Germany

- Despite the Covid-19 pandemic which had crippled worldwide hospitality sector, the hotel recorded a modest GOP of €0.9m and occupancy of 59.4% in 3Q2020 (3Q2019: 66.1%).
- The strong summer leisure demand during the quarter, coupled with subsidies from the German government, has allowed the hotel to turnaround from a GOP loss position to an overall GOP of €0.3m for YTD September 2020.

4.2 Property Holding – Hilton Rotterdam and Utrecht Centraal Station Hotels



Hilton Rotterdam, the Netherlands

- The core city hotel has been hit hard by the Covid-19 pandemic with a significant decrease in occupancy for 3Q2020 to 27.9% (3Q2019: 77.9%).
- The hotel manager has in turn adopted a business strategy introducing special offers targeting leisure business sector to offset the drastic decrease in corporate demand. Such strategy has paid off and allowed the hotel to minimise GOP loss to €0.4m for 3Q2020 (3Q2019: GOP of €1.1m) and a GOP loss of €0.4m for YTD September 2020.



Hampton by Hilton and Crowne Plaza Utrecht Centraal Station, the Netherlands

- Similar to other Dutch core city hotels, demand for the Hampton by Hilton and Crowne Plaza Utrecht Centraal Station has decreased drastically due to the Covid-19 pandemic.
- The hotels jointly recorded a GOP loss of €0.2m in 3Q2020 and a GOP loss of €0.2m for YTD September 2020. Operations of the Crowne Plaza hotel was partially suspended in mid-September 2020 to reduce overhead costs.

4.3 Property Holding – Bilderberg Hotel Portfolio in The Netherlands



Bilderberg Hotel Portfolio ⁽¹⁾	3Q2020	3Q2019	Change	YTD Sep 2020	YTD Sep 2019	Change
Occupancy	61.8%	77.0%	(15.2%)	39.6%	69.3%	(29.7%)
ADR	€ 99	€ 108	(7.9%)	€ 96	€ 105	(8.5%)
RevPAR	€ 61	€ 83	(26.1%)	€ 38	€ 73	(47.7%)
TRevPAR	€ 115	€ 153	(24.6%)	€ 75	€ 138	(46.0%)

(1) The trading results of Bilderberg Hotel Portfolio comprises 11 owned hotels. The prior year comparatives have been restated to conform with such presentation.

- Demand for the quarter was mainly driven by leisure business, with conference and leisure hotels outside of the Randstad area being outperformers whereas Dutch core city hotels in general suffers from low corporate demands. The Bilderberg Kasteel Vaalsbroek in Vaals, a conference and leisure hotel at the southern tip of the Netherlands, was the best performing hotel in the Bilderberg Hotel Portfolio with an occupancy of 84.0% in 3Q2020.
- The hotel portfolio recorded a GOP of €3.7m in 3Q2020 and achieved a GOP of €0.6m for YTD September 2020.
- While the Group has received subsidies from the Dutch and German authorities under the relevant wage subsidy programs, some of the subsidies may be reduced and returned to the authorities arising from the better than expected performance from some of these hotels.

4.3 Property Holding – Bilderberg Hotel Portfolio in The Netherlands

Core city hotels (Randstad area) comprises 3 owned hotels in Amsterdam, Rotterdam and The Hague

<i>Core City Hotels</i>	3Q2020	3Q2019	Change	YTD Sep 2020	YTD Sep 2019	Change
Occupancy	35.9%	82.1%	(46.2%)	30.3%	73.1%	(42.8%)
ADR	€ 114	€ 119	(3.9%)	€ 107	€ 120	(11.0%)
RevPAR	€ 41	€ 97	(57.9%)	€ 32	€ 88	(63.1%)
TRevPAR	€ 57	€ 135	(57.4%)	€ 49	€ 125	(60.9%)

- The core city hotels recorded an occupancy of 35.9% in 3Q2020, a significant drop from 82.1% in 3Q2019. While the Bilderberg Europa hotel in The Hague achieved 67.3% occupancy for 3Q2020 (3Q2019: 79.5%) driven by leisure business due to its seaside location, the Bilderberg Garden hotel in Amsterdam and the Bilderberg Park hotel in Rotterdam recorded significant decrease in occupancy to 7.7% (3Q2019: 90.1%) and 26.0% (3Q2019: 79.3%) respectively.
- The core city hotels recorded a GOP breakeven in 3Q2020 and an overall GOP loss of €1.1m for YTD September 2020.

Non-core city hotels - Conference and leisure hotels, comprises 8 owned hotels outside Randstad area

<i>Non-Core City Hotels</i>	3Q2020	3Q2019	Change	YTD Sep 2020	YTD Sep 2019	Change
Occupancy	78.1%	73.8%	4.3%	45.5%	66.8%	(21.3%)
ADR	€ 95	€ 100	(5.0%)	€ 92	€ 94	(3.0%)
RevPAR	€ 74	€ 74	0.5%	€ 42	€ 63	(34.0%)
TRevPAR	€ 152	€ 165	(7.9%)	€ 91	€ 147	(37.8%)

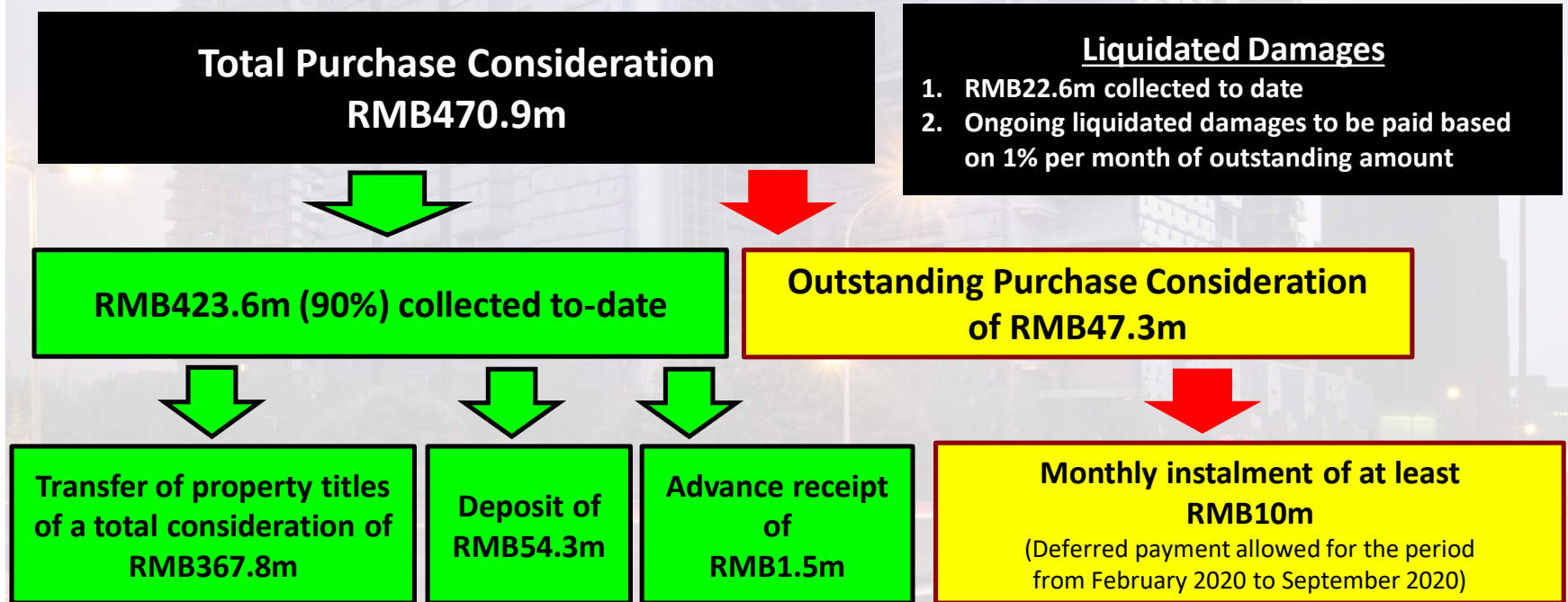
- Stronger than before leisure demand during the summer holidays period and stringent cost savings measures were the main profitability drivers of the conference and leisure hotels outside Randstad area during the quarter.
- The non-core city hotels recorded a 18.4% increase in GOP to €3.7m for 3Q2020 compared to 3Q2019. Overall YTD September 2020 GOP was €1.7m.

4.4 Property Holding – Le Méridien Frankfurt

- In September 2020, a favourable court ruling was obtained. The preliminary injunction obtained by the lessee of the 50%-owned Le Méridien Frankfurt hotel, which prevented the lessor from drawing on a first demand guarantee for overdue rental payments, was set aside.
- As a result, the lessor has received approximately €1.9 million (approximately S\$3.0 million) in overdue rental payments for April 2020 to September 2020, including penalty interest computed at 8.12% per annum.

4.5 Property Holding – Update on Sale of Certain Parts of Chengdu Cityspring

- The Group entered into a sale and purchase agreement on 30 May 2018 and subsequent various supplemental agreements¹ in relation to the disposal of certain parts of Chengdu Cityspring, including the 196-room M Hotel Chengdu, bare shell commercial spaces and basement car park lots. Pursuant to the supplemental agreement entered in June 2020, additional 268 car park spaces were sold and the total purchase consideration for all of the related assets amounts to RMB470.9m.



For details of this transaction, please refer to the announcements dated 30-May-18, 12-Jul-18, 25-Sep-18, 23-Nov-18, 28-Jan-19, 22-May-19, 26-Aug-19, 18-May-2020 and 23-Jun-2020.

Section 5

Business Updates 3Q2020 – Property Financing

5.1 Property Financing - Overview of Financial Performance

In S\$'000	3Q2020	3Q2019	Change %	YTD Sep 2020	YTD Sep 2019	Change %
Secured PRC PF loans to third parties	11,520	9,720	18.5%	37,318	29,893	24.8%
PF loans to the Group's members						
- European associates and JV ⁽¹⁾	9,130	9,137	(0.1%)	43,178 ⁽²⁾	25,864	66.9%
- Star of East River Project Co ⁽³⁾	-	-	n.m.	-	3,096	n.m.
- Australian associate ^{(1),(4)}	78	-	n.m.	3,482	-	n.m.
Unsecured PF loan to third party	246	-	n.m.	725	-	n.m.
Others	36	102	(64.6%)	1,241	1,777	(30.2%)
Total Revenue from PF	21,010	18,959	10.8%	85,944	60,630	41.8%
Share of interest income from secured Australian PF loan to third party ^{(1),(5)}	310	297	4.5%	883	892	(1.0%)

(1) Relates to non-PRC PF businesses.

(2) Includes one-off loan restructuring income of S\$15.5m.

(3) Repaid in March 2019.

(4) Relates to the establishment fee earned in respect of the future debt funding of the redevelopment of the City Tattersalls Club in Sydney in which the Group has a 39.9% equity interest.

(5) Income recognised through share of joint venture's profit.

5.2 Property Financing – PRC Loan Book

	Average PRC PF loan book for the quarter ended	Average PRC PF loan book for the year to date ended	PRC PF loan book as at
30 September 2020	RMB2,295.3m (S\$455.4m)	RMB2,519.3m (S\$499.8m)	RMB2,295.3m (S\$462.5m)
30 June 2020	RMB2,648.3m (S\$525.7m)	RMB2,632.6m (S\$522.6m)	RMB2,295.4m (S\$453.3m)

- In connection with the economic difficulties resulting from the Covid-19 pandemic, the Group consented to the short term deferral of interest payments to a borrower with a RMB580m loan and another borrower group with two cross collateralized loans amounting to RMB330m.
- The RMB580m loan is secured on a Guangzhou city hotel with a 44% LTV. The borrower was allowed to defer 50% of the monthly interest payments for a few months from 2Q2020 on the condition that the borrower contributes additional equity to a bank account jointly controlled by the borrower and the Group. The borrower has complied with the condition and has been servicing interest since August 2020. The deferred interests will be due in 2021.
- The RMB330m loans are secured on a residential villa (RMB50m @ 46% LTV) and a 5-floor retail mall (RMB280m @ 55% LTV) in Shanghai. The related borrower group was given consent to defer interest payment for one month.

5.3 Property Financing – European Loan Book and Growth

- Pursuant to the loan agreement concluded in June 2020, FSMC has the right to defer its interest payment to the Group should its operating cashflow be insufficient to service its debt obligations. However, the FSMC group, which owns 95% of the Dutch Bilderberg hotel portfolio, has been able to service its interest obligations up to-date although the fourth quarter may prove challenging given that this is a traditionally weak quarter for hotel trading and the hospitality business in the Netherlands seems to be adversely impacted by the second wave of Covid-19 currently hitting Europe.
- The loan conduct of customers of the Group's property financing business is satisfactory notwithstanding the current market conditions. The Group will continue to monitor the performance of its PF loan portfolio, especially with regard to the two PRC loans with the short term deferral interest payments, while seeking to grow its property financing loan book prudently.

Thank You

For enquiries, please contact:

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First Sponsor Group Limited

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Disclaimer

This document may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, customers and partners, expected levels of occupancy rate, property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

Issuer & Securities

Issuer/ Manager

FIRST SPONSOR GROUP LIMITED

ASSET ACQUISITIONS AND DISPOSALS::ANNOUNCEMENT PURSUANT TO RULE 706A OF THE SGX-ST LISTING MANUAL

Stapled Security

No

Announcement Details

Announcement Title

Asset Acquisitions and Disposals

Date & Time of Broadcast

23-Oct-2020 17:26:51

Status

New

Announcement Sub Title

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE SGX-ST LISTING MANUAL

Announcement Reference

SG201023OTHR9SNG

Submitted By (Co./ Ind. Name)

Neo Teck Pheng

Designation

Group Chief Executive Officer and Executive Director

Description (Please provide a detailed description of the event in the box below)

Please see attached.

Attachments

[FSGL - Announcement of Incorporation Change in subsidiaries assoc.pdf](#)

Total size = 139K MB

FIRST SPONSOR GROUP LIMITED
(Incorporated in the Cayman Islands)
(Company Registration No.: AT-195714)

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE SGX-ST LISTING MANUAL

Pursuant to Rule 706A of the SGX-ST Listing Manual, First Sponsor Group Limited (“**Company**”, and collectively with its subsidiaries, “**Group**”) wishes to announce the following transactions that occurred during the third quarter ended 30 September 2020:

A. Incorporation of a subsidiary

FS Dongguan No. 8 Investment Consultancy Co., Ltd. (“**FSDG 8**”), an indirect wholly-owned subsidiary of the Company, has incorporated the following wholly-owned subsidiary:

Name of company	: FS Dongguan No. 11 Investment Consultancy Co., Ltd. (“ FSDG 11 ”) (东莞市首铸十一号投资咨询有限公司)
Date of incorporation	: 18 August 2020
Country of incorporation	: People’s Republic of China (“ PRC ”)
Registered capital	: RMB3 million
Principal activity	: Investment holding

As at the date of this announcement, FSDG 8 has not made any capital contribution to FSDG 11.

B. Decrease in equity interest in a subsidiary

On 12 August 2020, First Sponsor (Guangdong) Group Limited (“**FSGD**”), an indirect wholly-owned subsidiary of the Company, contributed RMB237.66 million in cash to the registered capital of its PRC-incorporated subsidiary, FS Dongguan No. 6 Investment Consultancy Co., Ltd. (“**FSDG 6**”). On the same day, an unrelated third party contributed RMB228.34 million in cash to the registered capital of FSDG 6. Following the capital contributions, the Group’s equity interest in FSDG 6 decreased from 100% to 51%.

C. Increase in equity interest in an associated company and acquisition of new associated company

On 28 July 2020, FSDG 6 contributed RMB49.47 million in cash to the registered capital of Dongguan Shou Ye Investment Consultancy Co., Ltd. (“**DGSY**”). Following the capital contribution:

- (a) the Group’s equity interest in DGSY increased from 49% to 97% and DGSY became a subsidiary of the Group; and
- (b) Dongguan China Railway Poly Industrial Development Co., Ltd (“**DGCRP**”) (东莞国铁保利实业发展有限公司), which is 35%-owned by DGSY, became an associated company of the Group. However, there is no significant change in the Group’s effective equity interest in DGCRP, which remains at approximately 17.3%, due to the decrease in the Group’s equity interest in FSDG 6.

DGCRP is a PRC-incorporated company with a registered capital of RMB190 million. The principal activities of DGCRP are property development, property investment, hotel management and property management. As at the date of this announcement, DGSY has not made any capital contribution to DGCRP.

None of the above transactions is expected to have a material impact on the consolidated earnings per share or the consolidated net tangible assets per share of the Group for the current financial year.

BY ORDER OF THE BOARD

Neo Teck Pheng

Group Chief Executive Officer and Executive Director

23 October 2020