General Announcement::Announcement by First Sponsor Group Limited, an associate of Millennium & Copthorne Hotels plc

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	25-Apr-2018 07:33:52
Status	New
Announcement Sub Title	Announcement by First Sponsor Group Limited, an associate of Millennium & Copthorne Hotels plc
Announcement Reference	SG180425OTHR66YK
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 ("FSGL"), an associate of Millennium & Copthorne Hotels plc, has on 25 April 2018 released an announcement relating to the Unaudited First Quarter Financial Statements for the period ended 31 March 2018 together with a press release and investor presentation slides. For details, please refer to the announcement released by FSGL on the SGX website www.sgx.com.

Financial Statements and Related Announcement::First 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	25-Apr-2018 06:55:29
Status	New
Announcement Sub Title	First Quarter Results
Announcement Reference	SG180425OTHRHE20
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	31/03/2018

Attachments	FSGL - 1Q2018 Results Announcement.pdf FSGL - 1Q2018 Investor Presentation.pdf FSGL - 1Q2018 Press Release.pdf Total size =3979K

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

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2018

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

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

	The Group Three months ended 31 March 2018 S$'000	 2017 S$'000 (Restated)[1]	Incr / (Decr) %
Revenue	47,804	83,285	(42.6)
Cost of sales	(17,148)	(58,923)	(70.9)
Gross profit	30,656	24,362	25.8
Administrative expenses	(6,048)	(6,694)	(9.7)
Selling expenses	(1,492)	(2,814)	(47.0)
Other income (net)	403	885	(54.5)
Results from operating activities	23,519	15,739	49.4
Finance income	3,895	4,614	(15.6)
Finance costs	(2,153)	(1,598)	34.7
Net finance income	1,742	3,016	(42.2)
Share of after-tax (loss)/profit of associates and joint ventures	(3,367)	500	n.m.
Profit before tax	21,894	19,255	13.7
Tax expense	(4,658)	(5,133)	(9.3)
Profit for the period	17,236	14,122	22.1
Attributable to:			
Equity holders of the Company	17,122	14,235	20.3
Non-controlling interests	114	(113)	n.m.
Profit for the period	17,236	14,122	22.1
Earnings per share (cents)			
- **Basic**	2.90	2.41	20.3
- **Diluted**	2.90	2.41	20.3

n.m. not meaningful

[1] Comparatives have been restated. Please see paragraph 5.

Consolidated Statement of Comprehensive Income

	The Group Three months ended 31 March	
	2018 S$'000	2017 S$'000
Profit for the period	17,236	14,122
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Share of translation differences on financial statements of foreign associates and joint ventures, net of tax	424	(89)
Translation differences on financial statements of foreign subsidiaries, net of tax	13,945	(23,126)
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	720	(1,671)
Total other comprehensive income for the period, net of tax	15,089	(24,886)
Total comprehensive income for the period	32,325	(10,764)
Total comprehensive income attributable to:		
Equity holders of the Company	32,123	(10,073)
Non-controlling interests	202	(691)
Total comprehensive income for the period	32,325	(10,764)

Notes to the Group's Income Statement:

Profit before tax includes the following:

	The Group Three months ended 31 March	
	2018 S$'000	2017 S$'000
Profit before income tax includes the following expenses/(income):		
Depreciation of property, plant and equipment	2,257	1,301
Exchange (gain)/loss (net)	(10,402)	2,310
Operating lease expense	164	95
Net investment return from a PRC government linked entity	-	(214)

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 31 March 2018 S$'000	**As at 31 December 2017 S$'000**	**As at 31 March 2018 S$'000**	**As at 31 December 2017 S$'000**
Non-current assets				
Property, plant and equipment	232,702	230,844	366	389
Investment properties	287,019	282,634	-	-
Interests in subsidiaries	-	-	653,581	653,581
Interests in associates and joint ventures	79,914	64,361	-	-
Derivative assets	-	350	-	350
Other investments	23,800	23,380	-	-
Deferred tax assets	26,845	25,905	-	-
Trade and other receivables	260,040	284,455	477,302	370,608
	910,320	911,929	1,131,249	1,024,928
Current assets				
Development properties	402,119	390,704	-	-
Inventories	308	175	-	-
Trade and other receivables	669,217	445,534	661,442	570,997
Other investments	257,769	38,863	-	-
Cash and cash equivalents	105,274	319,298	1,381	4,527
	1,434,687	1,194,574	662,823	575,524
Total assets	2,345,007	2,106,503	1,794,072	1,600,452
Equity				
Share capital	73,640	73,640	73,640	73,640
Reserves	1,038,637	1,006,514	821,925	807,067
Equity attributable to owners of the Company	1,112,277	1,080,154	895,565	880,707
Non-controlling interests	6,929	6,727	-	-
Total equity	1,119,206	1,086,881	895,565	880,707
Non-current liabilities				
Loans and borrowings	747,918	609,988	709,942	574,171
Derivative liabilities	21,647	13,122	21,647	13,122
Other payable	12,981	12,811	-	-
Deferred tax liabilities	3,703	3,870	-	-
	786,249	639,791	731,589	587,293
Current liabilities				
Loans and borrowings	32,363	-	32,363	-
Current tax payable	28,040	30,306	213	145
Trade and other payables	175,570	166,093	129,764	128,139
Receipts in advance	199,001	179,264	-	-
Derivative liabilities	4,578	4,168	4,578	4,168
	439,552	379,831	166,918	132,452
Total liabilities	1,225,801	1,019,622	898,507	719,745
Total equity and liabilities	2,345,007	2,106,503	1,794,072	1,600,452

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. Unamortised balance of transaction costs have not been deducted from the gross borrowings.

	The Group	
	As at 31 March 2018 S$'000	**As at 31 December 2017 S$'000**
Unsecured		
- repayable within one year	32,363	-
- repayable after one year	709,874	572,513
Total	742,237	572,513
Secured		
- repayable within one year	-	-
- repayable after one year	38,044	37,475
Total	38,044	37,475
Grand total	**780,281**	**609,988**
Gross borrowings	791,527	619,869
Less:		
(i) cash and cash equivalents	(105,274)	(319,298)
(ii) other investments (current) (Note 1)	(257,769)	(38,863)
Net borrowings	428,484	261,708

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

Details of any collateral

The secured borrowing is secured by a mortgage on a subsidiary's investment property, assignment of its bank accounts, lease receivables and insurance proceeds (where applicable).

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.

	Three months ended 31 March	
	2018	**2017**
	S$'000	**S$'000**
		(Restated)[1]
Cash flows from operating activities		
Profit for the period	17,236	14,122
Adjustments for:		
Depreciation of property, plant and equipment	2,257	1,301
Fair value loss/(gain) on derivative assets/liabilities	9,285	(3,093)
Finance costs	2,153	1,598
Finance income	(3,895)	(4,614)
Share of after-tax loss/(profit) of associates and joint ventures	3,367	(500)
Tax expense	4,658	5,133
	35,061	13,947
Changes in:		
- Development properties	(9,545)	37,561
- Inventories	(129)	(224)
- Trade and other receivables	(191,676)	(27,199)
- Trade and other payables	(26,748)	(25,155)
- Loans and borrowings	165,358	10,892
- Receipts in advance	16,525	17,133
Cash (used in)/ generated from operations	(11,154)	26,955
Interest received	11,353	6,801
Interest paid	(3,292)	(470)
Tax paid	(6,748)	(1,028)
Net cash (used in)/from operating activities	(9,841)	32,258
Cash flows from investing activities		
Interest received	3,385	11,757
Payment for additions to:		
- investment properties	(514)	(11)
- property, plant and equipment	(11)	(72)
Payment for investments in associates and joint ventures	(20,097)	-
Payment for other investments	(218,130)	-
Repayment of loans by a third party	-	68,053
Advances from/(to) associates	21,080	(627)
Net cash (used in)/from investing activities	(214,287)	79,100
Cash flows from financing activities		
Decrease in restricted cash	-	263
Interest paid	(680)	(727)
Payment of transaction costs related to borrowings	(2,217)	-
Proceeds from bank borrowings	12,001	195,278
Repayment of bank borrowings	(4,464)	(275,862)
Net cash from/(used in) financing activities	4,640	(81,048)

[1] Comparatives have been restated. Please see paragraph 5.

	Three months ended 31 March	
	2018	2017
	S$'000	S$'000
Net (decrease)/increase in cash and cash equivalents	(219,488)	30,310
Cash and cash equivalents at beginning of the period	319,298	280,304
Effect of exchange rate changes on balances held in foreign currencies	5,464	(6,473)
Cash and cash equivalents at end of the period	105,274	304,141

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$'000	Fair value reserve S$'000	Foreign currency translation reserve S$'000	Retained earnings S$'000	Total attributable to equity holders of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
The Group											
At 1 January 2018, as previously stated	73,640	9,609	33,447	225	662,764	(3,949)	36,950	267,468	1,080,154	6,727	1,086,881
Impact of adoption of IFRS 9	-	-	-	-	-	3,949	-	(3,949)	-	-	-
At 1 January 2018, as restated	73,640	9,609	33,447	225	662,764	-	36,950	263,519	1,080,154	6,727	1,086,881
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	17,122	17,122	114	17,236
Other comprehensive income											
Share of translation differences on financial statements of foreign associates and joint ventures, net of tax	-	-	-	-	-	-	424	-	424	-	424
Translation differences on financial statements of foreign subsidiaries, net of tax	-	-	-	-	-	-	13,857	-	13,857	88	13,945
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	-	-	-	-	-	-	720	-	720	-	720
Total other comprehensive income	-	-	-	-	-	-	15,001	-	15,001	88	15,089
Total comprehensive income for the period	-	-	-	-	-	-	15,001	17,122	32,123	202	32,325
At 31 March 2018	**73,640**	**9,609**	**33,447**	**225**	**662,764**	**-**	**51,951**	**280,641**	**1,112,277**	**6,929**	**1,119,206**

	Share capital S$'000	Share premium S$'000	Statutory reserve S$'000	Capital reserve S$'000	Foreign currency translation reserve S$'000	Retained earnings S$'000	Total attributable to equity holders of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
The Group									
At 1 January 2017	736,404	9,609	27,445	225	53,923	196,983	1,024,589	5,108	1,029,697
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	14,235	14,235	(113)	14,122
Other comprehensive income									
Share of translation differences on financial statements of foreign associates, net of tax	-	-	-	-	(89)	-	(89)	-	(89)
Translation differences on financial statements of foreign subsidiaries, net of tax	-	-	-	-	(22,548)	-	(22,548)	(578)	(23,126)
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	-	-	-	-	(1,671)	-	(1,671)	-	(1,671)
Total other comprehensive income	-	-	-	-	(24,308)	-	(24,308)	(578)	(24,886)
Total comprehensive income for the period	-	-	-	-	(24,308)	14,235	(10,073)	(691)	(10,764)
At 31 March 2017	736,404	9,609	27,445	225	29,615	211,218	1,014,516	4,417	1,018,933

	Share capital S$'000	Share premium S$'000	Capital reserve S$'000	Distributable reserve S$'000	Retained earnings S$'000	Total equity S$'000
The Company						
At 1 January 2018	73,640	9,821	(5,988)	662,764	140,470	880,707
Total comprehensive income for the period						
Profit for the period	-	-	-	-	14,858	14,858
Total comprehensive income for the period	-	-	-	-	14,858	14,858
At 31 March 2018	**73,640**	**9,821**	**(5,988)**	**662,764**	**155,328**	**895,565**
At 1 January 2017	736,404	9,821	(5,988)	-	78,678	818,915
Total comprehensive income for the period						
Profit for the period	-	-	-	-	34,833	34,833
Total comprehensive income for the period	-	-	-	-	34,833	34,833
At 31 March 2017	736,404	9,821	(5,988)	-	113,511	853,748

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

There was no change in the Company's issued share capital during the three months ended 31 March 2018.

There were also no outstanding convertible instruments and treasury shares as at 31 March 2018 and 31 March 2017.

Bonus shares issue

On 18 April 2018, 58,981,032 bonus shares were allotted and issued pursuant to the 1-for-10 bonus issue undertaken by the Company.

Rights issue of up to S$162.2 million in aggregate principal amount of 3.98% perpetual convertible capital securities ("PCCS") in the denomination of S$1.10 for each PCCS

On 19 April 2018, the Company issued 147,453,737 PCCS on the basis of one PCCS for every four existing ordinary shares at an issue price of S$1.10 for each PCCS. Each PCCS shall entitle the PCCS holder to convert such PCCS into one new ordinary share of the Company at a conversion price of S$1.10 (subject to adjustments under certain conditions).

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 31 March 2018 and 31 December 2017 is 589,814,949.

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the three months ended 31 March 2018.

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.

Except as disclosed in Note 5 below, 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 2017.

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 2018. Except as disclosed below, the adoption of these IFRSs did not result in any significant impact on the financial statements of the Group.

IFRS 9

For financial assets previously designated as available-for-sale financial assets, the Group has designated these assets as financial assets measured at fair value through profit or loss upon adoption of IFRS 9.

Accordingly, the fair value reserve had been reclassified to retained earnings as at 1 January 2018, resulting in a decrease in retained earnings by S$3,949,000.

Comparatives

As highlighted in the FY2017 full year results announcement, the Group has changed the classification of interest income and expenses for loans extended to its Dutch associates to be part of its property financing income and expenses. In addition, interest income from counterparties in respect of the cross-currency swaps ("CCSs") taken up to hedge the Group's investments in its subsidiaries previously offset against the corresponding interest costs incurred on bank borrowings, has been reclassified to finance income. The comparatives had been restated accordingly to follow the same classification.

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.**

	Three months ended 31 March	
	2018	**2017**
Basic and diluted earnings per share (cents)	2.90	2.41
a) Profit attributable to equity holders of the Company (S$'000)	17,122	14,235
b) Weighted average number of ordinary shares in issue:		
- basic and diluted	589,814,949	589,814,949

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 31 March 2018	**As at 31 December 2017**	**As at 31 March 2018**	**As at 31 December 2017**
Net asset value per ordinary share (cents) based on 589,814,949 issued ordinary shares (excluding treasury shares)	188.58	183.13	151.84	149.32

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

<u>**Group performance**</u>

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:

	Three months ended 31 March	
	2018	**2017**
	S$'000	**S$'000**
Revenue from sale of properties	13,930	74,372
Rental income from investment properties	3,619	2,975
Revenue from hotel operations	9,182	3,097
Revenue from property financing	21,073	2,841
Total	47,804	83,285

Revenue of the Group decreased by S$35.5 million or 42.6%, from S$83.3 million in 1Q2017 to S$47.8 million in 1Q2018. The decrease in 1Q2018 was due mainly to the decrease in revenue from sale of properties by S$60.4 million. The decrease was offset by the increase in revenue from property financing, hotel operations and rental income from investment properties of S$18.2 million, S$6.1 million and S$0.6 million respectively.

Revenue from sale of properties is recognised when the construction of the properties has been completed and ready for delivery to the purchasers pursuant to the sale and purchase agreements and collectability of related receivables is reasonably assured. The significant decrease in revenue from sale of properties in 1Q2018 compared to 1Q2017 was due mainly to the recognition of revenue from fewer residential units in the Millennium Waterfront project (1Q2018: 62 residential units, 1Q2017: 600 residential units).

Rental income from investment properties increased by S$0.6 million or 21.6%, from S$3.0 million in 1Q2017 to S$3.6 million in 1Q2018. The increase was due mainly to service income of S$0.4 million charged to a joint venture.

Revenue from hotel operations increased by S$6.1 million or 196.5%, from S$3.1 million in 1Q2017 to S$9.2 million in 1Q2018. The increase was due mainly to the contribution from the recent acquisition of Hilton Rotterdam hotel in February 2018, and the commencement of the hotspring operations in October 2017, which complemented the two Wenjiang hotels' operations.

Revenue from property financing increased by S$18.2 million or 641.7%, from S$2.8 million in 1Q2017 to S$21.1 million in 1Q2018. The significant increase mainly arose from the recognition of net penalty interest of S$7.7 million (RMB36.9 million) on the receipt of net auction proceeds by the court in March 2018 in relation to the successful enforcement on one of the defaulted PRC loans. Higher interest income was also generated from loans to the associates and joint ventures in Europe and the PRC amounting to S$6.0 million and S$3.8 million respectively. The interest from PRC property financing loans had also contributed to an increase of S$0.7 million due mainly to additional property financing loans disbursed in December 2017.

Cost of sales mainly comprises land costs, development expenditure and cost adjustments (if any), borrowing costs, hotel-related depreciation charge, rental expense and other related expenditure. Cost of sales decreased by S$41.8 million or 70.9%, from S$58.9 million in 1Q2017 to S$17.1 million in 1Q2018. The decrease in cost of sales was in line with the decrease in revenue from sale of properties in 1Q2018 by S$47.6 million. The decrease was partially offset by the increase of hotel operations and property financing costs of S$4.2 million and S$1.6 million respectively.

The Group's gross profit increased by S$6.3 million or 25.8%, from S$24.4 million in 1Q2017 to S$30.7 million in 1Q2018. The increase was due mainly to the higher gross profit generated from property financing, hotel operations and profit generated from investment properties of S$16.7 million, S$1.9 million and S$0.6 million respectively. This was partially offset by lower gross profit from sale of properties of S$12.8 million in 1Q2018. Out of the property financing gross profit growth of S$16.7 million, the gross profit in respect of defaulted loans, loans to associates and joint ventures in Europe and associates in the PRC, and secured PRC property financing loans contributed S$7.4 million, S$4.3 million, S$4.0 million and S$1.0 million respectively.

The gross profit generated from property financing for 1Q2018 amounted to S$19.0 million, of which the net penalty interest of defaulted loans contributed S$7.4 million. Gross profit generated from net interest income from loans to Dongguan East Sun Limited ("East Sun"), associates and joint ventures in Europe and associates in the PRC, and secured PRC property financing loans amounted to S$0.4 million, S$6.2 million, S$4.0 million and S$8.4 million respectively.

The Group's gross profit margin increased from 29.3% in 1Q2017 to 64.1% in 1Q2018. This reflected the change in the profit composition as 62.1% of the Group's gross profit for 1Q2018 was from the higher yielding property financing segment which has a close to 90% gross profit margin whereas only 9.7% of the total gross profit in 1Q2017 was generated by the property financing segment.

Administrative expenses

Administrative expenses mainly comprise staff costs, rental expenses and 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.

Administrative expenses remained fairly constant at S$6.0 million (1Q2017: S$6.7 million) for both financial periods.

Selling expenses

Selling expenses decreased by 47.0% or S$1.3 million, from S$2.8 million in 1Q2017 to S$1.5 million in 1Q2018. These expenses mainly comprise staff costs of our sales and marketing staff, advertising and promotion expenses, sales commissions paid to external sales agents and other expenses. The decrease was in line with the decrease in development sale activity.

Other income (net)

In 1Q2018, the Group recorded S$0.4 million of other income mainly comprising foreign exchange gain of S$10.4 million, partially offset by fair value loss on derivatives, hotel management fees and maintenance expenses of S$9.3 million, S$0.3 million and S$0.3 million respectively.

In 1Q2017, the Group recorded S$0.9 million of other income mainly comprising fair value gain on derivatives of S$3.1 million, partially offset by foreign exchange loss of S$2.3 million.

Net finance income

Net finance income decreased by 42.2% or S$1.3 million, from S$3.0 million in 1Q2017 to S$1.7 million in 1Q2018. This was due mainly to the absence of finance income from loans to the Chengdu Wenjiang government of S$3.1 million as a result of the full repayment of loan principal by the Chengdu Wenjiang Government in the course of 2017.

Share of after-tax (loss)/profit of associates and joint ventures

Share of after-tax results of associates and joint ventures decreased by S$3.9 million from a profit of S$0.5 million in 1Q2017 to a loss of S$3.4 million in 1Q2018. This was attributable mainly to the share of loss of S$3.5 million from associates offset by the positive contribution from the 50% owned joint venture holding the Le Méridien Frankfurt hotel of S$0.1 million. The share of loss from associates arose mainly from the interest expenses incurred by the associates to finance the acquisition of the Bilderberg Portfolio and refinancing of bank loans of the 31.4% owned Queens Bilderberg Nederland ("QBN"), and additional loans taken up by the project company of the Star of East River project.

Income tax expense

The Group recorded total income tax expense of S$4.7 million on the profit before tax of S$21.9 million. After adjusting for the share of after-tax profit of associates and joint ventures and the tax effect of non-deductible expenses of S$3.3 million and non-taxable income of S$4.6 million, the effective tax rate of the Group would be approximately 24.8% for 1Q2018.

(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

Interests in associates and joint ventures increased by S$15.5 million or 24.2%, from S$64.4 million as at 31 December 2017 to S$79.9 million as at 31 March 2018. The increase was due mainly to the Group's acquisition of 24.7% interest in FSMCR Hilton Rotterdam B.V. which owns the Hilton Rotterdam hotel.

Trade and other receivables decreased by S$24.5 million, from S$284.5 million as at 31 December 2017 to S$260.0 million as at 31 March 2018. This was due mainly to the reclassification of a property financing loan of S$124.9 million (RMB600.0 million) due on 19 March 2019 to current assets. The decrease was partially offset by the increase of loans to associates and a joint venture of S$75.2 million and S$20.2 million respectively.

Current assets

Trade and other receivables increased by S$223.7 million, from S$445.5 million as at 31 December 2017 to S$669.2 million as at 31 March 2018. The increase was due mainly to the reclassification of property financing loan of S$124.9 million from non-current assets as mentioned above, new loans disbursed to FSMC group of S$67.6 million, accrued penalty interest of S$7.7 million (RMB36.9 million) as mentioned above, increase in loan receivables of S$5.6 million due to the appreciation of Euro and RMB against the Singapore dollar, additional prepaid taxes of S$4.4 million, and loans to East Sun for the purpose of its acquisition of the Wanli portfolio amounting to S$3.5 million.

Other investments of S$257.8 million relate to principal-guaranteed structured deposits placed with the financial institutions.

Current liabilities

Receipts in advance increased by S$19.7 million, from S$179.3 million as at 31 December 2017 to S$199.0 million as at 31 March 2018, due mainly to sales proceeds received in advance from pre-sale of Plot D of the Millennium Waterfront project during the period.

Loans and borrowings

Gross bank borrowings increased by S$171.6 million, from S$619.9 million as at 31 December 2017 to S$791.5 million as at 31 March 2018. This was due mainly to the net drawdown of the Group's borrowings to fund the acquisition of the Hilton Rotterdam and Le Méridien Frankfurt hotels, refinancing of bank loans of QBN, as well as the construction of the Oliphant and Boompjes in the Netherlands.

The Group maintained a net gearing ratio of 0.41 as at 31 March 2018.

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 property market in February 2015, the Group has hedged its currency exposure by financing all its Dutch acquisitions with a combination of euro-denominated borrowings and financial derivatives involving cross currency swaps and forward contracts whereby the end result is also to achieve a corresponding euro liability. The Group has 'locked in' a certain portion of its annual net profit from its Dutch operations in S$ terms by taking a short position in euros equivalent to the amount of forward profit that it attempts to 'lock in' in S$ terms. The Group takes an economic hedge rather than an accounting hedge approach with regard to the management of its euro asset exposure.

As at 31 March 2018, the Group had 11 CCSs with an aggregate notional amount of €333.2 million. The CCSs are measured at fair value with changes in fair value recognised in the profit and loss account. The fair values of the CCSs are mainly dependent on the forward foreign exchange rates, discount rates and yield curves of the notional amounts. On the other hand, the changes in fair value of the CCSs will be largely offset by the corresponding changes in fair values of the underlying Euro-denominated assets when the respective CCS approaches their maturity dates and Euro-denominated borrowings are taken up to close out the CCS, thereby resulting in a minimal cumulative impact to the profit or loss. The cumulative negative impact to the retained earnings arising from the CCSs and underlying Euro-denominated assets as at 31 March 2018 was approximately S$0.7 million.

As at 31 March 2018, the Group has a cumulative translation gain of S$52.0 million recorded as part of the reserves in its shareholders' equity. This has mainly arisen from the translation of the net assets and income and expenses of the Group's foreign operations in the PRC to S$ at the exchange rates prevailing at the end of each reporting period.

We do not currently have a formal hedging policy with respect to our foreign exchange exposure and have not used any financial hedging instruments to actively manage our foreign exchange risk. The cost of entering into such hedging instruments to manage the Group's exposure to RMB remains fairly expensive. We will continue to monitor our foreign exchange exposure 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

Net cash used in operating activities of S$9.8 million in 1Q2018 was due mainly to the net drawdown of bank borrowings of S$165.4 million for on-lending to associates and a joint venture, tax paid of S$6.7 million and payment of construction costs for the Millennium Waterfront project.

Net cash used in investing activities of S$214.3 million in 1Q2018 was due mainly to placement of structured deposits of S$218.1 million.

Net cash from financing activities amounted to S$4.6 million in 1Q2018 due mainly to the net drawdown of bank borrowings of S$7.5 million, offset by payment of transaction costs and interests of S$2.2 million and S$0.7 million respectively.

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 financial period has been previously disclosed to the 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.

People's Republic of China ("PRC")

Fears of a trade war between the PRC and the United States created some uncertainties for the global economic market. Despite achieving a growth of 6.9% in 2017, Premier Li Keqiang announced at the annual parliamentary gathering a modest growth target of around 6.5% for 2018. In a survey conducted by China Beige Book International, most analysts attributed the expectation of tapered economic growth mainly to cooling property market and higher borrowing costs.

On the residential housing market, based on data from the National Bureau of Statistics ("NBS"), Reuters reported that average new home prices grew by 0.2% in February 2018 from the previous month, a slowdown as compared to a 0.3% growth in January 2018. In a statement released by NBS, it was stated that the slowdown of home prices in the first and second tier cities was more pronounced while the third tier cities contributed substantially to the price increase. The minister of housing and urban-rural development said at the annual parliamentary gathering that the momentum of excessive gains in housing had been curbed and the PRC will maintain a consistent housing policy. It was also mentioned that the PRC government will step up property market regulation and fight illegal conduct by property companies and intermediaries.

The Netherlands

Netherlands Bureau for Economic Policy Analysis ("CPB") projects better performance by the Dutch economy compared to the Eurozone by 0.6 percentage points in each of 2018 and 2019 backed by expansionary monetary policy, low interest rates, strong housing market and favourable international economy.

Home prices in February 2018 were 9.5% higher than the same month last year, the highest increase since October 2001. In the same report, Statistics Netherlands ("CBS") reported that the home prices were still 1% lower than the peak in 2008. Rabobank predicted that home prices will increase by an average 8% in 2018 as compared to 7.6% in 2017.

In terms of offices, according to Cushman & Wakefield, yield compression will continue, vacancy will fall and prime office rental rates will increase due to a lack of supply of quality offices vis-à-vis demand. Savills also reported that yield gap in Amsterdam and other large cities such as Rotterdam will narrow in 2018 with continued investment interest from foreign investors to expand to other key cities in the Netherlands.

On the hospitality front, CBS reported in March 2018 that tourism has become a substantial sector of the Dutch economy with total tourist expenditure contributing €75.7 billion or 3.9% of the Dutch GDP. CBS further reported that the number of guests staying overnight in the Netherlands in 2017 saw a year-on-year growth rate of nearly 9%, the strongest growth since 2006. The Dutch tourism office said that the number of international visits may hit 18.5 million in 2018 (2017: 17.6 million) and over 20 million by 2020.

Company Outlook

Property Development

The Group expects to commence the handover of its fully pre-sold residential units in Plot D of the Millennium Waterfront project from 4Q2018 to 2019. Correspondingly, the development profit will be recognised progressively from late 2018 to 2019. The relevant construction permits for Plots E and F, which are the last development plots of the Millennium Waterfront project and which will encompass elderly living quarters along with a hospital and ancillary commercial facilities, had been obtained. Construction will commence in the second half of 2018.

1Q2018 saw the launch of two additional blocks of residential units in the Star of East River project which were also almost fully pre-sold owing to the strong demand. The two remaining residential blocks are expected to be launched for sale in late April 2018. Handover of these residential units is expected to commence from 1Q2019.

In the Netherlands, the Group's 33% owned FSMC is currently redeveloping the 1969-built Munthof office property in the city centre of Amsterdam. Construction is expected to commence soon and will involve the conversion of certain car park spaces into additional office space as well as the addition of an office loft at the top of the building. The redevelopment will increase the property's lettable floor area by 95% to 3,355 sqm.

Property Holding

The Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels continued to gain market share with a substantial quarter on quarter increase in occupancy. RevPar for both hotels more than doubled that achieved in the same period last year. The quarter also included the first income contribution from the Le Méridien Frankfurt and Hilton Rotterdam hotels. The Bilderberg Portfolio also traded well with an increase of 51.4% in operating profit compared to the same quarter last year.

Property Financing

On the defaulted loans recovery front, the Group recognised another S$7.7 million of penalty interest income during the quarter upon the receipt of net auction proceeds by the Court in respect of the successful enforcement on a RMB64.0 million defaulted loan under Case 2. Including the RMB64.0 million principal sum held by the Court pending release to the Group, RMB429.4 million out of the total RMB470.0 million defaulted loan principal (91% recovery) for Case 2 has been recovered as at 31 March 2018. The cumulative interest income earned on Case 2 defaulted loans to-date is RMB189.5 million.

Rights Issue

The Company successfully completed its 1-for-4 rights issue of 3.98% perpetual convertible capital securities in April 2018 which raised net cash proceeds of S$161.5 million. This equity fund raising exercise has further strengthened the Group's balance sheet so that it is able to capitalise on any acquisition opportunities.

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?

No.

(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

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

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
25 April 2018

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 three months ended 31 March 2018 to be false or misleading in any material respect.

On behalf of the Board of Directors

Ho Han Leong Calvin	Neo Teck Pheng
Non-Executive Chairman	Group Chief Executive Officer and Executive Director

25 April 2018

First Sponsor Group Limited
Investor Presentation
25 April 2018

Contents

Section 1 Key Message

Key Message

1. The Group achieved a net profit of S$17.1 million for 1Q2018, a 20.3% quarter on quarter growth.

2. Shareholders have approved a final tax-exempt (one-tier) dividend of 1.2 Singapore cents per share, bringing the total dividend for FY2017 to 2.2 Singapore cents per share. Taking into account the final dividend to be paid in respect of the bonus shares issued pursuant to the 1-for-10 bonus issue, the total dividend for FY2017 will amount to S$13.7 million, a 16.0% increase from FY2016.

3. The Group recognised another S$7.7 million of penalty interest income during the quarter upon the receipt of net auction proceeds by the Court in respect of the successful enforcement on a RMB64.0 million defaulted loan under Case 2. Including the RMB64.0 million principal sum held by the Court pending release to the Group, RMB429.4 million out of the total RMB470.0 million defaulted loan principal (91% recovery) for Case 2 has been recovered as at 31 March 2018. The cumulative interest income earned on Case 2 defaulted loans to-date is RMB189.5 million.

4. Demand for the residential units of the Star of the East River project continued to be strong with the two additional blocks of residential units launched in March 2018 almost fully pre-sold. The two remaining residential blocks are expected to be launched for sale in late April 2018. The handover of these residential units is expected to commence from 1Q2019.

Key Message

5. The Group's 33% owned FSMC is currently redeveloping the 1969-built Munthof building in the city centre of Amsterdam. The building will be fully refurbished with the addition of a new office loft at the top of the building and certain car park spaces will be converted into office space, resulting in a 95% increase to 3,355 sqm of lettable floor area.

6. The Company has successfully completed its equity fund raising exercise by way of a 1-for-4 rights issue of 3.98% perpetual convertible capital securities in April 2018 which raised net cash proceeds of S$161.5 million. The Group has further strengthened its balance sheet and is ready to capitalise on any acquisition opportunities.

Section 2 Financial Highlights

2.1 Statement of Profit or Loss - Highlights

Statement of Profit or Loss - Highlights			
In S$'000	1Q2018	1Q2017 (restated)	Change %
Revenue[1]	47,804	83,285	(42.6%)
Gross profit[1]	30,656	24,362	25.8%
Profit before tax	21,894	19,255	13.7%
Attributable profit [2]	17,122	14,235	20.3%
Basic EPS (cents)	2.90	2.41	20.3%
Interest cover [3]	n.m[4]	22.3x	n.a.

(1) Arising from a business review, the Group is of the view that it is more appropriate to classify interest income from loans extended to its associates and joint ventures as part of its property financing income given that such income would be earned on a recurrent basis. The associated financing costs for such loans are also reclassified to cost of sales. The prior period comparatives have been restated to conform with such presentation.

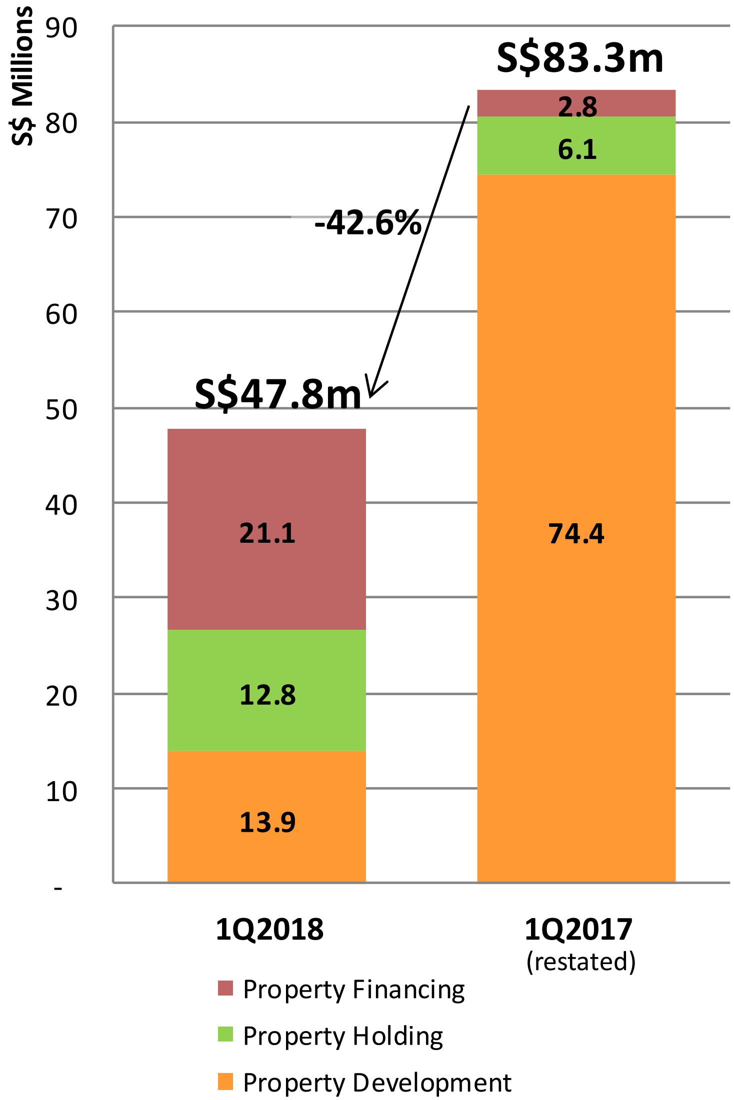
(2) "Attributable profit" refers to profit attributable to equity holders of the Company.

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

(4) The Group has net interest income from financial institutions.

2.2 Statement of Profit or Loss – Revenue

Revenue



Property Development

The decrease in 1Q2018 is due mainly to revenue recognised from fewer residential units of the Millennium Waterfront project in 1Q2018 (62 units) as compared to 1Q2017 (600 units).

Property Holding

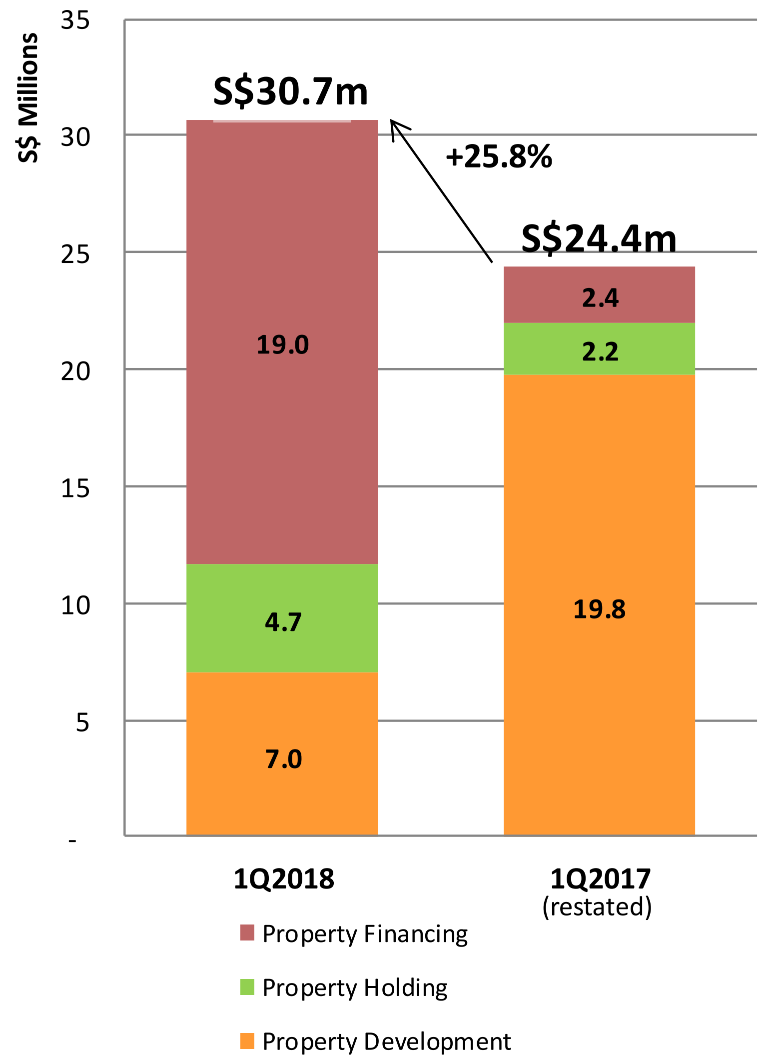
The increase in 1Q2018 is due largely to revenue contribution from the recently acquired Hilton Rotterdam hotel which was leased by the Group and higher revenue contributions from the Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels, as well as the hotspring operations.

Property Financing

The increase in 1Q2018 is due to the recognition of net penalty interest income of S$7.7m and increased interest income from a larger average loan portfolio.

2.3 Statement of Profit or Loss – Gross Profit

Gross Profit



Property Development

The decrease is consistent with the decline in revenue recognised in 1Q2018. However, gross margin has increased due to a higher proportion of commercial units and carpark revenue recognised from the Millennium Waterfront project in 1Q2018.

Property Holding

The increase is due mainly to the first-time income contribution from the Hilton Rotterdam hotel which was leased by the Group with effect from February 2018 and higher gross profit contributions from the Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels.

Property Financing

The increase in gross profit is consistent with the increase in revenue contribution from the business segment.

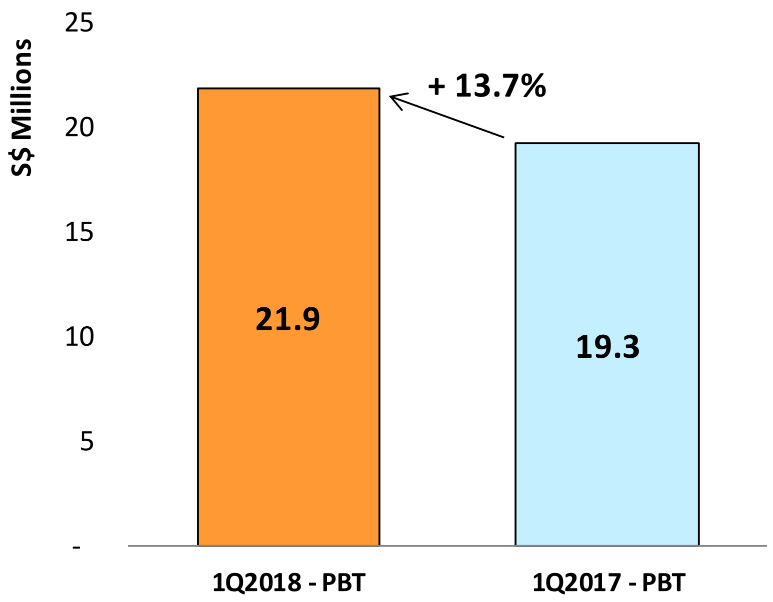
2.4 European Property Portfolio Performance

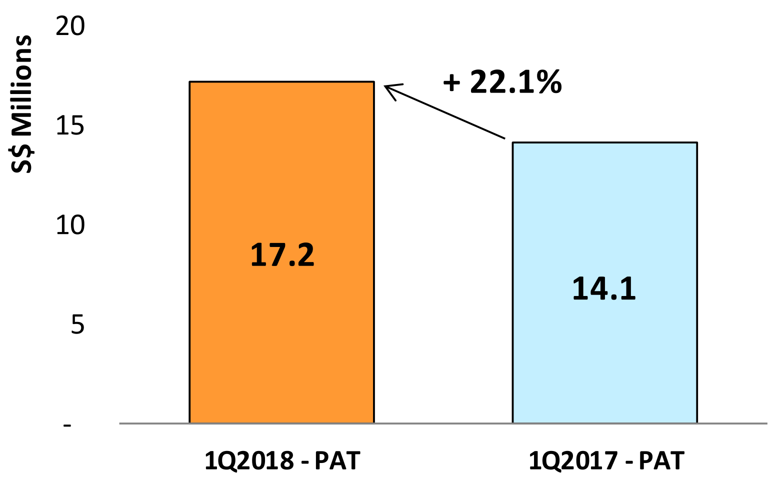
In S$'000	1Q2018	1Q2017	Change %
Dutch office income	**5,558**	**5,176**	**7.4%** (3)
European hotel income	**3,743**	**1,523**	**145.8%**
- Operating hotels (1)	900 (4)	-	n.m.
- Leased hotels (2)	2,843	1,523	86.7% (5)
Total	**9,301**	**6,699**	**38.8%**

(1) Includes the Bilderberg Portfolio and Hilton Rotterdam hotel.
(2) Includes the Le Méridien Frankfurt hotel and Arena Towers Amsterdam (Holiday Inn/Holiday Inn Express).
(3) Due mainly to the additional income contribution from the Meerparc office property which was acquired in late 2017.
(4) Relates to the performance of the Bilderberg Portfolio and Hilton Rotterdam hotel which were acquired in August 2017 and January 2018 respectively.
(5) Due mainly to contribution from Le Méridien Frankfurt hotel which was acquired in January 2018.

Excluding Poortgebouw, Boompjes, Dreeftoren, Oliphant and Munthof, the Dutch office portfolio and European leased hotels (LFA: 122,349 sqm, occupancy of 87%) have a WALT of approximately 10.3 years.

2.5 Statement of Profit or Loss – 1Q2018 vs 1Q2017





The increase in profit before tax is due mainly to:

- Higher gross profit contributions from the property financing and property holding business segments [S$19.1m increase]

The increase is partially offset by:

- Lower gross profit contribution from the property development business segment [S$12.8m decrease]

- Share of after tax loss from associates [S$4.0m decrease]

The adjusted effective tax rate is 24.8% for 1Q2018.

2.6 Statement of Financial Position – Highlights

Statement of Financial Position - Highlights			
In S$'000	**31-Mar-18**	**31-Dec-17**	**Change %**
Total assets	2,345,007	2,106,503	11.3%
Cash and structured deposits (1)	363,043	358,161	1.4%
Receipts in advance	199,001	179,264	11.0%
Total debt (2)	780,281	609,988	27.9%
Net asset value (NAV) (3)	1,112,277	1,080,154	3.0%
NAV per share (cents)	188.58	183.13	3.0%
Gearing ratio (4)	0.41x	0.26x	n.m.

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

(2) Comprises gross borrowings of S$791.5m and S$619.9m net of unamortised upfront fee of S$11.2m and S$9.9m for 31 March 2018 and 31 December 2017 respectively.

(3) NAV excluding non-controlling interests and includes translation reserve of S$52.0m (Dec 2017: S$37.0m).

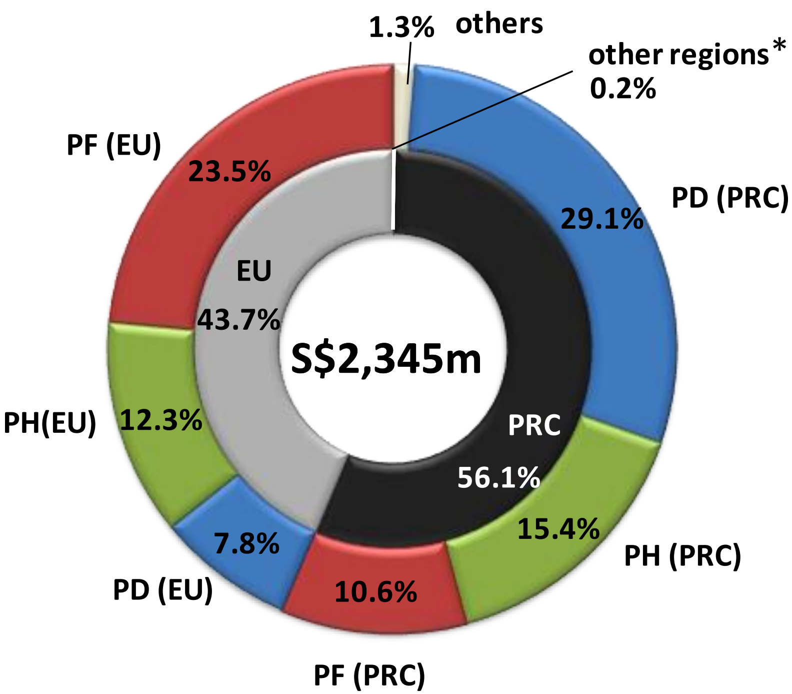
(4) Computed as net debt ÷ total equity including non-controlling interests.
Net debt = gross borrowings + derivative liabilities – cash and structured deposits.

2.7 Statement of Financial Position - Total Assets

Total Assets – by business and geographic segments

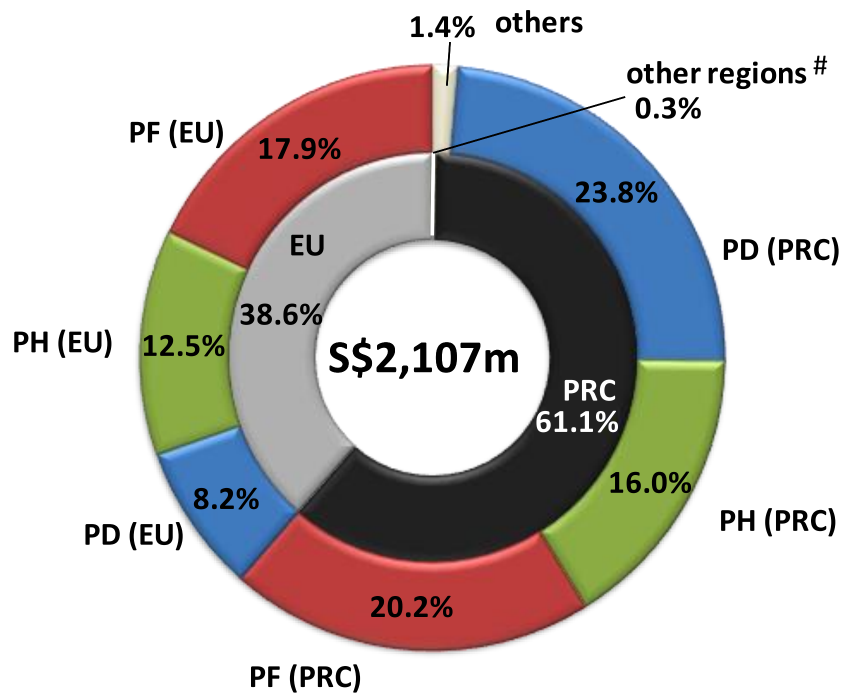
As at 31 March 2018

Total assets: S$2,345m



As at 31 December 2017

Total assets: S$2,107m

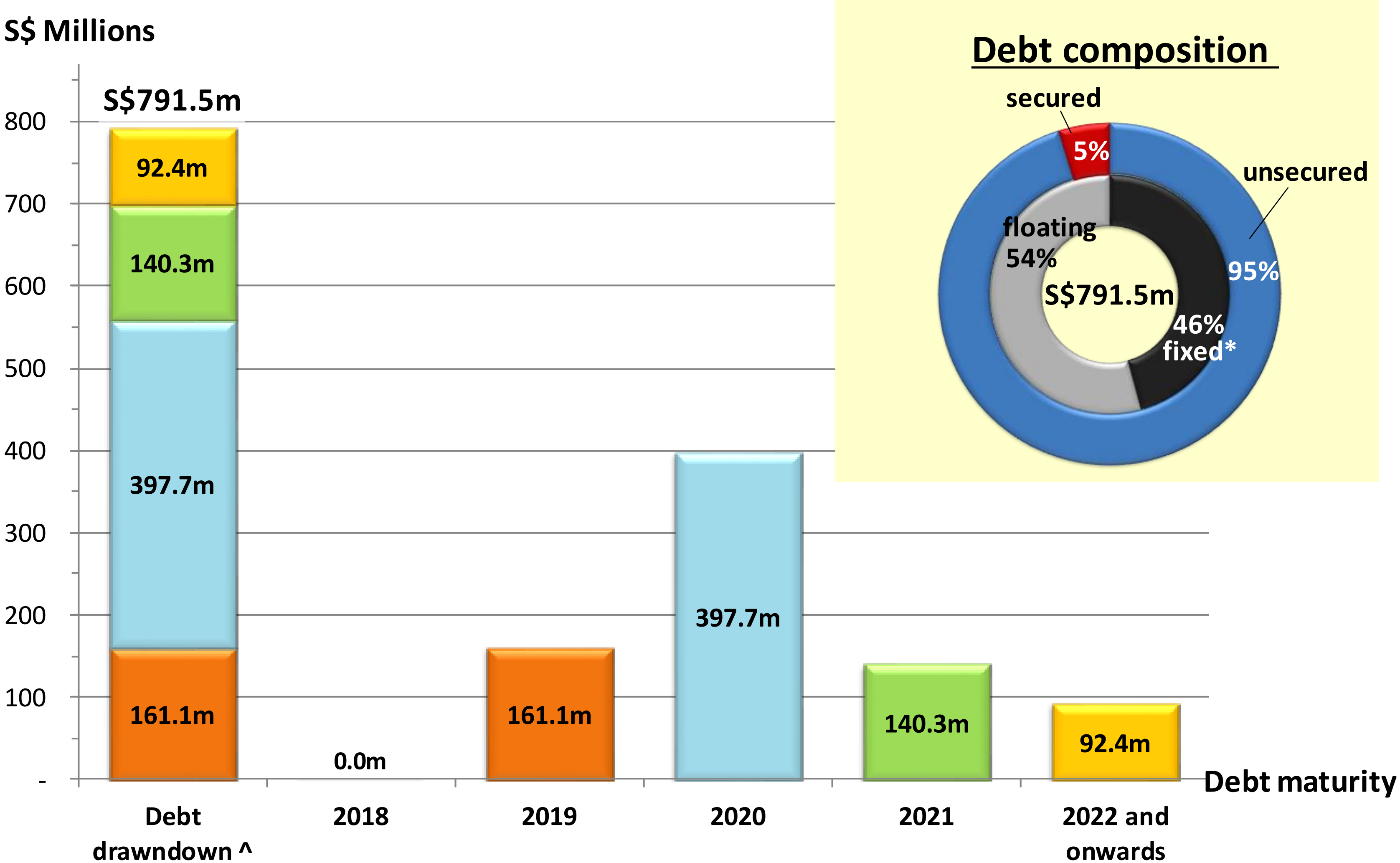


* Includes S$4.5m cash held in Singapore/Hong Kong bank accounts.

- EU = The Netherlands + Germany
- PRC = The People's Republic of China
- PD = Property Development
- PH = Property Holding
- PF = Property Financing

Includes S$4.5m cash held in Singapore bank accounts.

2.8 Debt Maturity and Composition as at 31 March 2018



* Done via cross currency swaps

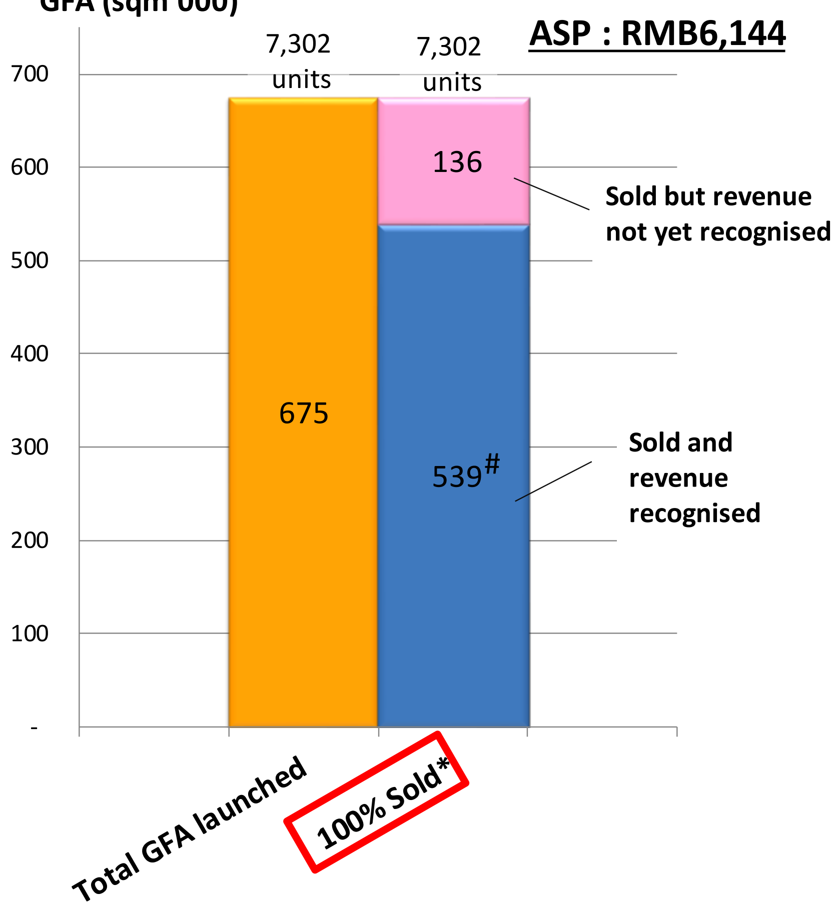
^ Available remaining headroom of S$190.3m comprises S$141.7m of committed and S$48.6m of uncommitted credit facilities

Section 3 Key Business Review 1Q2018 – Property Development

3.1 Property Development – Millennium Waterfront Project, Chengdu

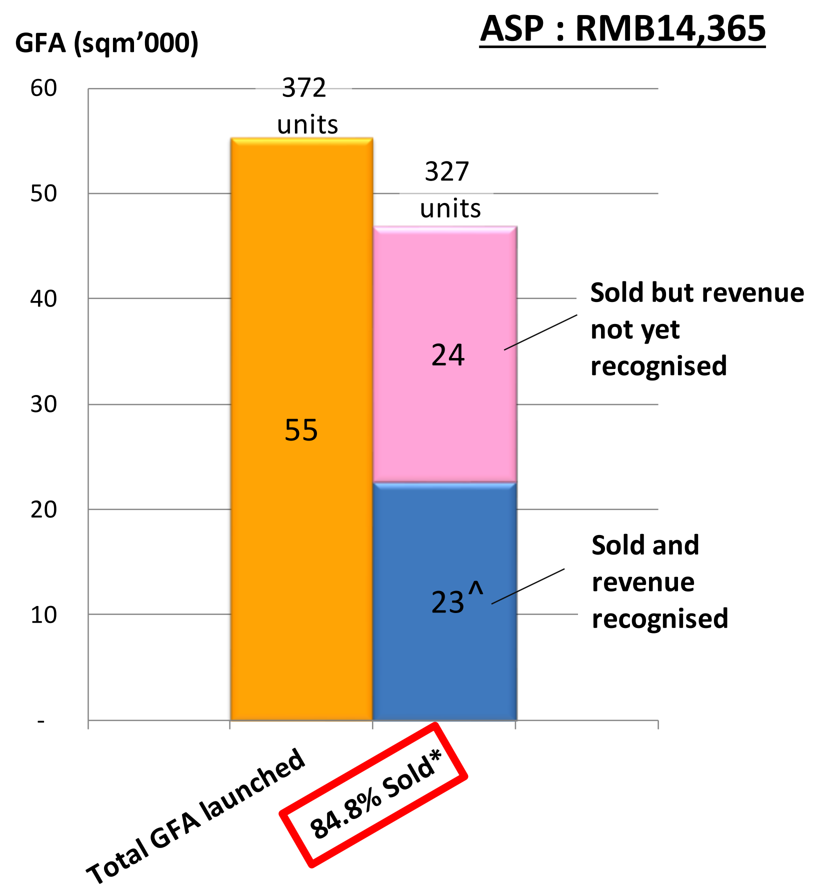
Pre-sale Performance as at 31 March 2018

Overall Residential



Commercial

(Plots A-D, excluding carparks)



\# Residential : recognised 5,850 units, 538,583 sqm GFA, S$665.9m gross sales value as at 31 March 2018.
^ Commercial : recognised 184 units, 22,663 sqm GFA, S$68.1m gross sales value as at 31 March 2018.
* Includes sales under option agreements or sale and purchase agreements, as the case may be.

3.1 Property Development – Millennium Waterfront Project, Chengdu

Plot A
- 2,000 residential units, 118 commercial units and 1,718 car park lots
- % of total saleable GFA launched for sale sold[3]:
  - Residential: 100.0%
  - Commercial: 81.6%
- Cumulative handover of 1,921 residential and 62 commercial units as at 31 March 2018

Plot D
- 1,274 residential units, 66 commercial units, 1,295 car park lots and two commercial blocks
- % of total saleable GFA launched for sale sold[3]:
  - Residential: 100.0%
  - Commercial: 90.4%
- Expected to commence handover of residential units in 4Q2018

Plot C
- 1,778 residential units, 91 commercial units and 1,508 car park lots
- % of total saleable GFA launched for sale sold[3]:
  - Residential: 100.0%
  - Commercial: 77.3%
- Cumulative handover of 1,771 residential and 47 commercial units as at 31 March 2018

Plot B
- 2,250 residential units, 96 commercial units, 1,905 car park lots and a three-storey commercial building
- % of total saleable GFA launched for sale sold[3]:
  - Residential: 100.0%
  - Commercial: 93.5%
- Cumulative handover of 2,158 residential and 75 commercial units as at 31 March 2018

Plot G
- Commencement of operations of Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels on 28 December 2016 and ancillary hotspring facility on 27 October 2017

Plots E&F
- Expected to comprise elderly care living quarters, a hospital and ancillary commercial facilities
- Construction will commence in the second half of 2018, with primary focus initially on Plot F

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 31 March 2018 and includes sales under option agreements or sale and purchase agreements, as the case may be.

3.2 Property Development – Star of East River Project, Dongguan

Residential Blocks

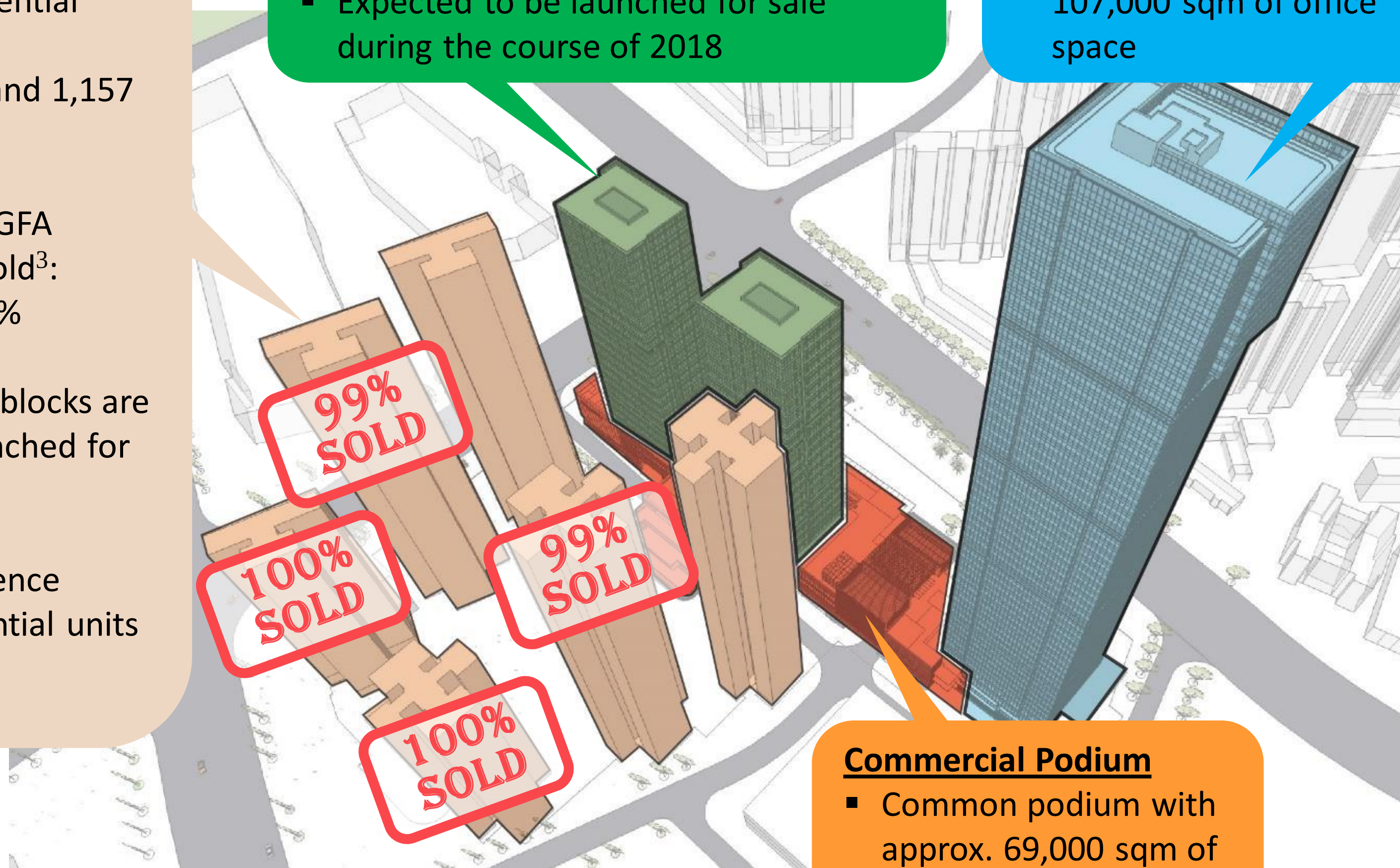
- Comprise six blocks of approx. 1,221 residential units, 2,011 sqm of commercial space and 1,157 car park lots
- % of total saleable GFA launched for sale sold[3]:
  - Residential: 99.5%
- The remaining two blocks are expected to be launched for sale in April 2018
- Expected to commence handover of residential units from 1Q2019

SOHO Blocks

- Comprise two blocks of approx. 2,332 SOHO apartment units
- Expected to be launched for sale during the course of 2018

Office Block

- 250m high office tower block with approx. 107,000 sqm of office space



Commercial Podium

- Common podium with approx. 69,000 sqm of commercial/retail space

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 31 March 2018 and includes sales under option agreements or sale and purchase agreements, as the case may be.

3.3 Property Development – Redevelopment of Boompjes, Rotterdam

- 75% of the residential units had been pre-sold on a forward funding basis in November 2016 to secure the funding and profitability of the project.

- Response for the remaining 25% or 82 residential units (launched for sale in December 2017) has been overwhelming with more than 600 potential buyers bidding for the residential units. Sale and purchase agreements for more than half of the 82 residential units have been signed.

- The project is expected to be completed in the course of 2020.

3.4 Property Development – Munthof, Amsterdam

Existing Munthof building, Amsterdam City Centre


Artist's impression

<u>Munthof Office Redevelopment</u>

- The Group's 33% owned FSMC is currently redeveloping the 1969-built Munthof office property in the city centre of Amsterdam. Construction is expected to commence soon and will involve the conversion of certain car park spaces into additional office space as well as the addition of an office loft at the top of the building. The redevelopment will increase the property's lettable floor area by 95% to 3,355 sqm. The façade of the building will be preserved given the monumental status of the building.

- Leasing activities for the office building have commenced and it is expected that the redevelopment will be completed by December 2018.

Section 4 Key Business Review 1Q2018 – Property Holding

4.1 Property Holding – Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring Hotels

Trading Performance	Crowne Plaza			Holiday Inn Express		
	YTD Mar 2018	YTD Mar 2017	Change	YTD Mar 2018	YTD Mar 2017	Change
Occupancy	47.1%	23.7%	23.4%	57.1%	35.4%	21.7%
ADR	RMB349	RMB308	13.3%	RMB282	RMB198	42.5%
RevPar	RMB164	RMB73	124.8%	RMB161	RMB70	130.3%

- The Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels continued to gain market share with a substantial quarter on quarter increase in occupancy. RevPar for both hotels more than doubled that achieved in the same period last year.

4.2 Property Holding – Dutch Operating Hotels

Bilderberg Portfolio	**YTD Mar 2018**	**YTD Mar 2017**	**Change**
Occupancy	54.0%	47.9%	6.1%
ADR	€ 95	€ 90	5.7%
RevPar	€ 51	€ 43	19.1%
TrevPar	€ 107	€ 94	13.7%

Hilton Rotterdam	**YTD Mar 2018**	**YTD Mar 2017**	**Change**
Occupancy	65.3%	68.1%	(2.8%)
ADR	€ 134	€ 129	4.0%
RevPar	€ 87	€ 88	(0.5%)

Despite the decrease in RevPar, the Hilton Rotterdam hotel achieved a quarter on quarter EBITDA growth of more than 10%.

Section 5 Key Business Review 1Q2018 – Property Financing

5.1 Property Financing - Overview of Financial Performance

In S$'000	1Q2018	1Q2017	Change %
Secured PRC entrusted loans to 3rd parties			
- interest	955	739	29.2%
- penalty interest	7,673	104	n.m.
Unsecured loans to the Group's members			
- FSMC Group (1)	7,974	1,938	311.4%
- Star of East River Project Co (2)	4,015	-	n.m.
- Dongguan East Sun Limited (1)(2)	383	-	n.m.
Others	73	60	22.0%
Total PF Revenue	**21,073**	**2,841**	**641.7%**

(1) Loans disbursed to the FSMC Group and Dongguan East Sun Limited.

(2) Disbursed as entrusted loans to the Group's members

5.2 PRC PF Entrusted Loans - Overview of Financial Performance

	Revenue (S$'m)	As a % of Group Revenue	Profit before tax (S$'m)	As a % of Group Profit before tax
1Q2018	13.1[(1)]	27.4%	12.8[(1)]	58.3%
1Q2017 **(restated)**	0.9	1.1%	1.3	6.9%

	Average Third Party Loan Balance[(2)] for the quarter ended	Third Party Loan Balance[(2)] as at
31 March 2018	RMB1,184.6m (S$246.6m)	RMB1,184.6m (S$246.6m)
31 March 2017	RMB667.0m (S$137.1m)	RMB660.0m (S$133.8m)

(1) The Group has recognised RMB36.9m (S$7.7m) of penalty interest from the foreclosure actions for Loan 2.4 in 1Q2018. The cumulative penalty interest of RMB130.5m (S$27.1m) as at 31 March 2018 for the remaining defaulted loans has not been recognised.

(2) Includes the defaulted loan cases.

5.3 Status of Problematic Loans – Summary

Loan No.	Date of First Disbursement	Date of Maturity	Principal (RMB'm)	Court	Status	Applicable Interest rate p.a. (%)	Loan to Value ratio [(a)] (%)	Interest yet to be recognised (S$'m* net of VAT) As of 31-3-2018	Interest yet to be recognised (S$'m* net of VAT) FY2018 Monthly
1	**Case 1** In default when interest due was not received on 21-Dec-15.		170.0	Shanghai First Intermediate Court	Foreclosure procedures suspended pending criminal proceedings involving a legal representative of the borrower.	24% (30.4% from 5-Aug-16)	50.9% (Adj. LTV: 85.1%)	21.9 [(d)]	0.9 [(d)]
2.4 [(c)]	**Case 2** In default when interest due was not received on 21-Jan-16. All loans under Case 2 were cross-collateralised.		64.0	Shanghai First Intermediate Court	Court received auction cash proceeds of RMB103.1m, pending disbursement.	24% (30.4% from 5-Dec-16)	3.7% [(b)] (Adj. LTV: 6.2%)	0.7	-
2.6			11.6	Shanghai Pudong New Area People's Court	Substantially recovered. Outstanding amount will be recovered from foreclosure of cross collaterised assets.	24% on outstanding principal		1.0	0.1
2.7			29.0		Foreclosure procedures commenced.	24% (30.4% from 29-Nov-16)		3.5	0.1
Case 2 Subtotal			104.6					5.2	0.2
Total (Case 1 + Case 2)			**274.6**					**27.1**	**1.1**

(a) Adjusted LTVs include the cumulative unrecognised interest as of 31 March 2018.

*RMB 1: S$0.2081

(b) The LTV for remaining outstanding Case 2 loans includes:

i. the value of the guarantors' unencumbered assets with first preservation order of RMB805m; and

ii. the value of the previously mortgaged properties under Loan 2.1 and Loan 2.8 which will be part of the collaterised assets pool for the outstanding loans for Case 2. The property under Loan 2.1 was subsequently auctioned off for RMB110.7m, and the cash proceeds have been received by the Court.

(c) Gross auction proceeds of RMB103.1m were received by the Court following the court auction of the mortgaged property. The Group had recognised the related penalty interest amounting to S$7.7m in 1Q2018 and will receive the net auction proceeds in due course thereby further reducing the Group's exposure to the Case 2 defaulted loans.

(d) The Group may have to compromise on a lower interest entitlement for Case 1 due to the need to balance public interest arising from the criminal charges involving the legal representative of the borrower.

Thank You

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.

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$17.1 MILLION, A 20.3% QUARTER ON QUARTER GROWTH

Singapore, 25 April 2018 – Singapore Exchange ("**SGX**") mainboard-listed First Sponsor Group Limited ("**First Sponsor**" or the "**Company**", and together with its subsidiaries, associated companies and joint ventures, the "**Group**"), a mixed property developer in the Netherlands and the People's Republic of China (the "**PRC**"), and owner of commercial properties (including hotels) as well as provider of property financing services in the Netherlands, Germany and PRC, today announced the Group's unaudited financial results for the first quarter ended 31 March 2018 ("**1Q2018**").

Financial Highlights

In S$'000	1Q2018	1Q2017	Change %
Revenue	47,804	83,285	(42.6%)
Profit attributable to equity holders of the Company	17,122	14,235	20.3%

- The Group achieved a net profit of S$17.1 million for 1Q2018, a 20.3% quarter on quarter growth.

- The Group recognised another S$7.7 million of penalty interest income during the quarter upon the receipt of net auction proceeds by the Court in respect of the successful enforcement on a RMB64 million defaulted loan under Case 2. Including the RMB64 million principal sum held by the Court pending release to the Group, RMB429.4 million out of the total RMB470.0 million defaulted loan principal (91% recovery) for Case 2 has been recovered as at 31 March 2018. The cumulative interest income earned on Case 2 defaulted loans to-date is RMB189.5 million.

- Demand for the residential units of the Star of the East River project continued to be strong with the two additional blocks of residential units launched in March 2018 being almost fully pre-sold. The two remaining residential blocks are expected to be launched for sale in late April 2018. The handover of these residential units is expected to commence from 1Q2019.

Mr Neo Teck Pheng, Group Chief Executive Officer, said

"The strong showing of the financial results for 1Q2018 was underpinned by income from the property financing and property holding business segments. The Group's investment activities in the Netherlands in the past years and more recently in Germany have translated into a significant increase in profit contributions from both business segments.

On the property development business front, the Group's 33% owned FSMC is currently redeveloping the Munthof office in the city centre of Amsterdam which involves the conversion of certain car park spaces into additional office space as well as the addition of an office loft at the top of the building. After the redevelopment, the lettable floor area of the property will increase by 95% to 3,355 sqm. In the PRC, demand for the residential units of the Star of the East River project continued to be strong with the two additional residential blocks launched in March 2018 being almost fully pre-sold. The Group is cautiously optimistic that the pre-sales for the remaining two residential blocks to be launched in late April 2018 will be as good.

The Group sees a number of new opportunities in the property financing business with bank credit tightening in the PRC. On the default loan recovery front, the Group made significant returns from the successful enforcement actions taken for Case 2.

The Board wishes to thank shareholders for their support for the recent rights issue which was oversubscribed, with the receipt of valid acceptances and excess applications for approximately 125.9% of the total number of convertible securities available under the rights issue. The successful equity fund raising exercise has further strengthened the Group's balance sheet so that it is able to capitalise on any acquisition opportunities."

- End -

Please refer to the Group's unaudited financial results announcement for 1Q2018 and the investor presentation slides dated 25 April 2018 for a detailed review of the Group's performance and prospects.

For media enquiries, please contact:

Mr Zhang Jiarong
Vice President – Financial Planning & Analysis
First Sponsor Group Limited
Email: ir@1st-sponsor.com.sg
Tel: (65) 6436 4920 Fax: (65) 6438 3170

About First Sponsor Group Limited

First Sponsor Group Limited (**"First Sponsor"**, and together with its subsidiaries, associated companies and joint ventures, the "**Group**"), a mixed property developer in the Netherlands and the People's Republic of China (the "PRC"), and owner of commercial properties (including hotels) as well as provider of property financing services in the Netherlands, Germany and the PRC, was listed on the Mainboard of the Singapore Exchange Securities Trading Limited on 22 July 2014. The Group is supported by both its established key controlling shareholders, the Hong Leong group of companies, through its shareholding interests in Millennium & Copthorne Hotels plc, 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.