General Announcement::Announcements 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	08-Feb-2018 07:50:15
Status	New
Announcement Sub Title	Announcements by First Sponsor Group Limited, an associate of Millennium & Copthorne Hotels plc
Announcement Reference	SG180208OTHR5ZRL
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 released the following announcements on 8 February 2018: 1. Final tax-exempt (one-tier) dividend - Notice of Books Closure 2. Unaudited Fourth Quarter and Full Year Financial Statements for the year ended 31 December 2017 3. Proposed Bonus Issue of Shares 4. Proposed Renounceable and Non-underwritten Rights Issue of Perpetual Convertible Capital Securities 5. Press release and investor presentation slides related to the 4Q2017/FY2017 financial results For details, please refer to the announcements released by FSGL on the SGX website www.sgx.com.

Cash Dividend/ Distribution::Mandatory

Issuer & Securities

Issuer/ Manager	FIRST SPONSOR GROUP LIMITED
Security	FIRST SPONSOR GROUP LIMITED - KYG3488W1078 - ADN

Announcement Details

Announcement Title	Mandatory Cash Dividend/ Distribution
Date & Time of Broadcast	08-Feb-2018 06:51:36
Status	New
Corporate Action Reference	SG180208DVCAMHRV
Submitted By (Co./ Ind. Name)	Neo Teck Pheng
Designation	Group Chief Executive Officer and Executive Director
Dividend/ Distribution Number	Applicable
Value	7
Dividend/ Distribution Type	Final
Financial Year End	31/12/2017
Declared Dividend/ Distribution Rate (Per Share/ Unit)	SGD 0.012

Event Narrative

Narrative Type	Narrative Text
Additional Text	Please refer to the attached Notice of Books Closure.

Event Dates

Record Date and Time	30/04/2018 17:00:00
Ex Date	26/04/2018

Dividend Details

Payment Type	Tax Exempted (1-tier)
Gross Rate (Per Share)	SGD 0.012
Net Rate (Per Share)	SGD 0.012
Pay Date	15/05/2018
Gross Rate Status	Actual Rate

Attachments	Notice of book closure.pdf Total size =105K

Applicable for REITs/ Business Trusts/ Stapled Securities

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

NOTICE OF BOOKS CLOSURE

NOTICE IS HEREBY GIVEN that the Register of Members and Share Transfer Books of the Company will be closed on 30 April 2018 at 5.00 p.m. to determine shareholders' entitlements to the proposed final tax-exempt (one-tier) dividend of 1.20 Singapore cents per ordinary share.

Duly completed registrable transfers of shares 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 30 April 2018 will be registered to determine shareholders' entitlements to the proposed dividend. Subject as aforesaid, shareholders 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 30 April 2018 will be entitled to the proposed dividend.

The proposed dividend, if approved by the members at the Annual General Meeting, will be paid on 15 May 2018.

BY ORDER OF THE BOARD

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
8 February 2018

Financial Statements and Related Announcement::Full Yearly 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	08-Feb-2018 06:52:55
Status	New
Announcement Sub Title	Full Yearly Results
Announcement Reference	SG180208OTHRJKQL
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	31/12/2017

Attachments	FSGL - 4Q2017 Results Announcement.pdf Total size =1022K

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

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 Fourth quarter ended 31 December		Incr / (Decr)	The Group Full year ended 31 December		Incr / (Decr)
	2017	2016 (Restated)		2017	2016 (Restated)	
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	180,279	23,711	660.3	384,392	199,051	93.1
Cost of sales	(105,081)	(28,756)	265.4	(231,360)	(147,300)	57.1
Gross profit/(loss)	75,198	(5,045)	n.m.	153,032	51,751	195.7
Administrative expenses	(8,591)	(10,871)	(21.0)	(24,146)	(27,008)	(10.6)
Selling expenses	(199)	(523)	(62.0)	(5,319)	(5,633)	(5.6)
Other expenses (net)	(11,416)	(25,218)	(54.7)	(13,998)	(24,468)	(42.8)
Other (losses)/gains (net)	(16)	98,842	n.m.	(56)	98,335	n.m.
Results from operating activities	54,976	57,185	(3.9)	109,513	92,977	17.8
Finance income	3,404	5,996	(43.2)	17,082	21,262	(19.7)
Finance costs	(1,323)	(2,440)	(45.8)	(9,010)	(8,128)	10.9
Net finance income	2,081	3,556	(41.5)	8,072	13,134	(38.5)
Share of after-tax profit of associates	2,640	5,073	(48.0)	3,648	12,278	(70.3)
Profit before tax	59,697	65,814	(9.3)	121,233	118,389	2.4
Tax (expense)/credit	(12,146)	7,872	n.m.	(27,940)	(3,473)	704.5
Profit for the period/year	47,551	73,686	(35.5)	93,293	114,916	(18.8)
Attributable to:						
Equity holders of the Company	42,660	72,915	(41.5)	88,283	113,089	(21.9)
Non-controlling interests	4,891	771	534.4	5,010	1,827	174.2
Profit for the period/year	47,551	73,686	(35.5)	93,293	114,916	(18.8)
Earnings per share (cents)						
- **basic**	7.23	12.36	(41.5)	14.97	19.17	(21.9)
- **diluted**	7.23	12.36	(41.5)	14.97	19.17	(21.9)

n.m.: not meaningful

Consolidated Statement of Comprehensive Income

	The Group Fourth quarter ended 31 December		The Group Full year ended 31 December	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Profit for the period/year	47,551	73,686	93,293	114,916
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, net of tax	(20)	58	893	(203)
Translation differences on financial statements of foreign subsidiaries, net of tax	(2,193)	19,816	(16,574)	(45,177)
Realisation of foreign currency translation differences arising from the dilution of interests in subsidiaries, net of tax, reclassified to profit or loss	-	(3,618)	-	(3,618)
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	(839)	1,302	(1,470)	(2,522)
Net change in fair value of available-for-sale financial asset, net of tax	(3,949)	-	(3,949)	-
Total other comprehensive income for the period/year, net of tax	(7,001)	17,558	(21,100)	(51,520)
Total comprehensive income for the period/year	40,550	91,244	72,193	63,396
Total comprehensive income attributable to:				
Equity holders of the Company	35,575	90,494	67,361	61,647
Non-controlling interests	4,975	750	4,832	1,749
Total comprehensive income for the period/year	40,550	91,244	72,193	63,396

Notes to the Group's Income Statement:

Profit before tax includes the following:

	The Group Fourth quarter ended 31 December		The Group Full year ended 31 December	
	2017 S$'000	**2016 S$'000**	**2017 S$'000**	**2016 S$'000**
Other (losses)/gains comprise:				
Gain on dilution of interests in subsidiaries	-	97,322	-	97,322
Property, plant and equipment written off	-	(1)	-	(5)
Gain/(loss) on disposal of:				
- property held for sale	-	1,836	-	1,836
- investment properties	(16)	(65)	(62)	(319)
- property, plant and equipment (net)	-	(2)	6	(2)
Others	-	(248)	-	(497)
	(16)	98,842	(56)	98,335
Profit before tax includes the following expenses/(income):				
Depreciation of property, plant and equipment	1,687	460	5,510	1,541
Exchange loss/(gain) - net	440	(519)	(10,933)	(1,002)
Fair value (gain)/loss on investment properties (net)	(4,038)	9,478	(4,038)	9,478
Impairment loss on:				
- development properties	987	-	987	-
- investment properties	-	-	602	-
- property, plant and equipment	9,345	10,312	9,345	10,312
- trade receivables	-	-	13	-
Hotel and hotspring pre-opening expenses	2,243	1,911	2,425	2,432
Hotel and hotspring base stocks written off	756	2,451	756	2,451
Operating lease expenses	130	101	450	415
Net investment return from a PRC government linked entity	-	(363)	(403)	(1,765)

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 December 2017 S$'000	As at 31 December 2016 S$'000	As at 31 December 2017 S$'000	As at 31 December 2016 S$'000
Non-current assets				
Property, plant and equipment	230,844	234,537	389	367
Investment properties	282,634	231,197	-	-
Interests in subsidiaries	-	-	653,581	694,808
Interests in associates and joint ventures	64,361	55,055	-	-
Financial assets	23,730	-	350	-
Deferred tax assets	25,905	16,694	-	-
Trade and other receivables	284,455	185,938	370,608	209,912
	911,929	723,421	1,024,928	905,087
Current assets				
Development properties	390,704	403,199	-	-
Inventories	175	80	-	-
Trade and other receivables	445,534	388,877	570,997	229,837
Financial assets	38,863	-	-	-
Cash and cash equivalents	319,298	280,567	4,527	99,896
	1,194,574	1,072,723	575,524	329,733
Total assets	2,106,503	1,796,144	1,600,452	1,234,820
Equity				
Share capital	73,640	736,404	73,640	736,404
Reserves	1,006,514	288,185	807,067	82,511
Equity attributable to owners of the Company	1,080,154	1,024,589	880,707	818,915
Non-controlling interests	6,727	5,108	-	-
Total equity	1,086,881	1,029,697	880,707	818,915
Non-current liabilities				
Deferred tax liabilities	3,870	6,446	-	-
Loans and borrowings	609,988	347,186	574,171	316,166
Derivative liabilities	13,122	2,763	13,122	2,763
Other payable	12,811	-	-	-
	639,791	356,395	587,293	318,929
Current liabilities				
Trade and other payables	166,093	196,254	128,139	87,512
Receipts in advance	179,264	189,735	-	-
Loans and borrowings	-	9,452	-	9,452
Derivative liability	4,168	-	4,168	-
Current tax payables	30,306	14,611	145	12
	379,831	410,052	132,452	96,976
Total liabilities	1,019,622	766,447	719,745	415,905
Total equity and liabilities	2,106,503	1,796,144	1,600,452	1,234,820

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

	The Group	
	As at 31 December 2017 S$'000	**As at 31 December 2016 S$'000**
Unsecured		
- repayable within one year	-	9,452
- repayable after one year	572,513	316,166
Total	572,513	325,618
Secured		
- repayable within one year	-	-
- repayable after one year	37,475	31,020
Total	37,475	31,020
Grand total	**609,988**	**356,638**
Gross borrowings	619,869	361,894
Less:		
(i) cash and cash equivalents as shown in the consolidated statement of financial position	(319,298)	(280,567)
(ii) financial assets (current) (Note 1)	(38,863)	-
Net borrowings	261,708	81,327

Note 1: Financial assets relate to principal-guaranteed structured deposits placed with financial institutions, with maturity period of 2 months.

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.

	The Group		The Group	
	Fourth quarter ended 31 December		Full year ended 31 December	
	2017	2016	2017	2016
	S$'000	S$'000 (Restated)	S$'000	S$'000 (Restated)
Cash flows from operating activities				
Profit for the period/year	47,551	73,686	93,293	114,916
Adjustments for:				
Depreciation of property, plant and equipment	1,687	460	5,510	1,541
Fair value (gain)/loss (net) on				
- investment properties	(4,038)	9,478	(4,038)	9,478
- derivative liabilities	917	997	14,177	(564)
Finance income	(3,404)	(5,996)	(17,082)	(21,262)
Finance costs	1,323	2,440	9,010	8,128
Gain on dilution of interests in subsidiaries	-	(97,322)	-	(97,322)
Impairment loss on:				
- development properties	987	-	987	-
- investment properties	-	-	602	-
- property, plant and equipment	9,345	10,312	9,345	10,312
- trade receivables	-	-	13	-
(Gain)/loss on disposal of:				
- property held for sale	-	(1,836)	-	(1,836)
- investment properties	16	65	62	319
- property, plant and equipment (net)	-	2	(6)	2
Property, plant and equipment written off	-	1	-	5
Share of after-tax profit of associates	(2,640)	(5,073)	(3,648)	(12,278)
Tax expense/(credit)	12,146	(7,872)	27,940	3,473
	63,890	(20,658)	136,165	14,912
Changes in:				
Development properties	(59,080)	(56,192)	5,910	(23,241)
Inventories	(11)	7	(97)	61
Trade and other receivables	(97,843)	12,238	(370,367)	115,231
Trade and other payables	22,488	61,419	(29,034)	41,464
Loans and borrowings	(19,804)	19,779	277,923	(49,976)
Receipts in advance	(91,542)	65,471	(6,877)	15,106
Cash (used in)/from operations	(181,902)	82,064	13,623	113,557
Interest received	31,950	6,828	54,611	18,061
Interest paid	(2,945)	(552)	(7,012)	(2,235)
Tax paid	(7,690)	(6,973)	(24,070)	(22,463)
Net cash (used in)/from operating activities	(160,587)	81,367	37,152	106,920

	The Group Fourth quarter ended 31 December		The Group Full year ended 31 December	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000 (Restated)**	**S$'000**	**S$'000 (Restated)**
Cash flows from investing activities				
Payment for investment in available-for-sale financial assets	(38,864)	-	(62,554)	-
Payment for investment in joint ventures	(6,187)	-	(6,187)	-
Interest received	4,653	517	16,179	19,973
Payment for additions to:				
- investment properties	(1,195)	(53)	(42,391)	(2,744)
- property, plant and equipment	(3,089)	(7,756)	(6,423)	(71,340)
Proceeds from disposals of:				
- investment properties	394	1,035	745	1,779
- property, plant and equipment	-	148	18	148
- property held for sale	-	3,968	-	3,968
Repayment of loans by third parties	24,922	14,779	139,168	27,952
Loans to a third party [Note 2]	(28,196)	-	(57,073)	-
Return of capital from an associate [Note 3]	527	701	1,533	10,775
Proceeds from disposal of a subsidiary	-	-	2,200	-
Receipt of deferred consideration from dilution of interest in subsidiaries	-	67,546	41,000	116,138
Receipt of investment principal and returns from a PRC government linked entity	-	2,172	9,663	4,263
Net cash (used in)/from investing activities	(47,035)	83,057	35,878	110,912
Cash flows from financing activities				
(Increase)/decrease in restricted cash	-	(263)	263	(263)
Dividends paid to the owners of the Company	-	-	(11,796)	(11,796)
Advances from associates	13,484	39,167	13,484	39,167
Interest paid	(3,362)	(2,042)	(7,255)	(4,773)
Payment of transaction costs related to borrowings	(2,650)	-	(7,545)	(4,605)
Proceeds from bank borrowings	156,324	85,389	766,308	288,997
Repayment of bank borrowings	(37,908)	(138,584)	(744,192)	(351,914)
Redemption of medium term notes	-	-	(50,000)	-
Loan from non-controlling interest	-	-	12,490	-
Return of capital to non-controlling interests	(3,213)	-	(3,213)	-
Net cash from/(used in) financing activities	122,675	(16,333)	(31,456)	(45,187)
Net (decrease)/increase in cash and cash equivalents	(84,947)	148,091	41,574	172,645
Cash and cash equivalents at beginning of the period/year	405,167	130,045	280,304	112,044
Effect of exchange rate changes on balances held in foreign currencies	(922)	2,168	(2,580)	(4,385)
Cash and cash equivalents at end of the period/year	319,298	280,304	319,298	280,304

	The Group Fourth quarter ended 31 December		The Group Full year ended 31 December	
	2017	**2016**	**2017**	**2016**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Cash and cash equivalents comprise:-				
Cash and cash equivalents as shown in the statement of financial position	319,298	280,567	319,298	280,567
Less: Restricted cash	-	(263)	-	(263)
Cash and cash equivalents at end of the period/year	319,298	280,304	319,298	280,304

Note 2: This relates to loans to Dongguan East Sun Limited ("East Sun"), which is accounted for as an available-for-sale financial asset.

Note 3: The return of capital by an associate of S$10,775,000 was offset against an advance of S$10,074,000 from the associate in 4Q 2016.

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.

The Group	**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**	**Fair value 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**
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 year											
Profit for the year	-	-	-	-	-	-	-	88,283	88,283	5,010	93,293
Other comprehensive income											
Share of translation differences on financial statements of foreign associates, net of tax	-	-	-	-	-	893	-	-	893	-	893
Translation differences on financial statements of foreign subsidiaries, net of tax	-	-	-	-	-	(16,396)	-	-	(16,396)	(178)	(16,574)
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	-	-	-	-	-	(1,470)	-	-	(1,470)	-	(1,470)
Net change in fair value of available-for-sale financial assets, net of tax	-	-	-	-	-	-	(3,949)	-	(3,949)	-	(3,949)
Total other comprehensive income	-	-	-	-	-	(16,973)	(3,949)	-	(20,922)	(178)	(21,100)
Total comprehensive income for the year	-	-	-	-	-	(16,973)	(3,949)	88,283	67,361	4,832	72,193
Transaction with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends paid to the owners of the Company	-	-	-	-	-	-	-	(11,796)	(11,796)	-	(11,796)
Capital distribution by a subsidiary	-	-	-	-	-	-	-	-	-	(3,213)	(3,213)
Disposal of a subsidiary	-	-	(1,261)	-	-	-	-	1,261	-	-	-
Transfer to statutory reserves	-	-	7,263	-	-	-	-	(7,263)	-	-	-
Total distributions to owners	-	-	6,002	-	-	-	-	(17,798)	(11,796)	(3,213)	(15,009)
Capital reduction (Note 4)	(662,764)	-	-	-	662,764	-	-	-	-	-	-
Total transactions with owners of the Company	(662,764)	-	6,002	-	662,764	-	-	(17,798)	(11,796)	(3,213)	(15,009)
At 31 December 2017	73,640	9,609	33,447	225	662,764	36,950	(3,949)	267,468	1,080,154	6,727	1,086,881

The Group	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
At 1 January 2016	736,404	9,609	22,680	225	105,365	100,455	974,738	3,359	978,097
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	113,089	113,089	1,827	114,916
Other comprehensive income									
Translation differences on financial statements of foreign subsidiaries, net of tax	-	-	-	-	(45,099)	-	(45,099)	(78)	(45,177)
Realisation of foreign currency translation differences arising from the dilution of interests in subsidiaries, net of tax, reclassified to profit or loss	-	-	-	-	(3,618)	-	(3,618)	-	(3,618)
Share of translation differences on financial statements of associates, net of tax	-	-	-	-	(203)	-	(203)	-	(203)
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	-	-	-	-	(2,522)	-	(2,522)	-	(2,522)
Total other comprehensive income	-	-	-	-	(51,442)	-	(51,442)	(78)	(51,520)
Total comprehensive income for the year	-	-	-	-	(51,442)	113,089	61,647	1,749	63,396
Transaction with owners, recognised directly in equity									
Contributions by and distributions to owners									
Dividends paid to the owners of the Company	-	-	-	-	-	(11,796)	(11,796)	-	(11,796)
Transfer to statutory reserves	-	-	4,765	-	-	(4,765)	-	-	-
Total contributions by and distributions to owners	-	-	4,765	-	-	(16,561)	(11,796)	-	(11,796)
Total transactions with owners of the year	-	-	4,765	-	-	(16,561)	(11,796)	-	(11,796)
At 31 December 2016	736,404	9,609	27,445	225	53,923	196,983	1,024,589	5,108	1,029,697

The Company	Share capital S$'000	Share premium S$'000	Capital reserve S$'000	Distributable reserve S$'000	Retained earnings S$'000	Total equity S$'000
At 1 January 2017	736,404	9,821	(5,988)	-	78,678	818,915
Total comprehensive income for the year						
Profit for the year	-	-	-	-	73,588	73,588
Total comprehensive income for the year	-	-	-	-	73,588	73,588
Transaction with owners, recognised directly in equity						
Distributions to owners						
Dividends paid to the owners of the Company	-	-	-	-	(11,796)	(11,796)
Total distributions to owners	-	-	-	-	(11,796)	(11,796)
Capital reduction (Note 4)	(662,764)	-	-	662,764	-	-
Total transactions with owners of the Company	(662,764)	-	-	662,764	(11,796)	(11,796)
At 31 December 2017	73,640	9,821	(5,988)	662,764	140,470	880,707
At 1 January 2016	736,404	9,821	(5,988)	-	33,804	774,041
Total comprehensive income for the year						
Profit for the year	-	-	-	-	56,670	56,670
Total comprehensive income for the year	-	-	-	-	56,670	56,670
Transaction with owners, recognised directly in equity						
Distributions to owners						
Dividends paid to the owners of the Company	-	-	-	-	(11,796)	(11,796)
Total distributions to owners	-	-	-	-	(11,796)	(11,796)
Total transactions with owners of the Company	-	-	-	-	(11,796)	(11,796)
At 31 December 2016	736,404	9,821	(5,988)	-	78,678	818,915

Note 4: The Company had undertaken a capital reduction exercise to reduce its issued and paid-up share capital from US$589,814,949 divided into 589,814,949 ordinary shares with a par value of US$1.00 to US$58,981,494.90 divided into 589,814,949 ordinary shares of US$0.10 each during the financial year ended 31 December 2017. The credit arising from such reduction of approximately US$530,833,000 (approximately S$662,764,000) was transferred to a distributable reserve account of the Company.

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 December 2017.

There were also no outstanding convertible instruments and treasury shares as at 31 December 2017 and 31 December 2016.

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 December 2017 and 31 December 2016 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 December 2017.

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 year ended 31 December 2016.

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 has financially supported the expansion plan of its 33% owned FSMC NL Property Group B.V. ("FSMC") via interest bearing loans disbursed pursuant to the acquisition of the Bilderberg Portfolio in August 2017. 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 Dutch associates 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. In addition, with effect from 4Q2017, interest income from counterparties in respect of the 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. Accordingly, the prior period comparatives have been restated to conform to such presentation.

The effect of this reclassification resulted in a change in presentation and had no effect on profit before tax, profit for the period or earnings per share for any period presented.

The comparative figures have been restated as follows:

	Fourth quarter ended 31 December 2016		**Full year ended 31 December 2016**	
	S$'000 As restated	**S$'000 As previously stated**	**S$'000 As restated**	**S$'000 As previously stated**
Revenue	23,711	21,596	199,051	189,715
Cost of sales	(28,756)	(28,204)	(147,300)	(145,065)
Finance income	5,996	7,491	21,262	28,470
Finance costs	(2,440)	(2,372)	(8,128)	(8,235)

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.**

	Fourth quarter ended 31 December		**Full year ended 31 December**	
	2017	**2016**	**2017**	**2016**
Basic and diluted earnings per share (cents)	7.23	12.36	14.97	19.17
a) Profit attributable to equity holders of the Company (S$'000)	42,660	72,915	88,283	113,089
b) Weighted average number of ordinary shares in issue: - basic and diluted	589,814,949	589,814,949	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 December 2017	As at 31 December 2016	As at 31 December 2017	As at 31 December 2016
Net asset value per ordinary share (cents) based on 589,814,949 issued ordinary shares (excluding treasury shares)	183.13	173.71	149.32	138.84

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:

	Fourth quarter ended 31 December		Full year ended 31 December	
	2017	2016 (Restated)	2017	2016 (Restated)
	S$'000	S$'000	S$'000	S$'000
Revenue from sale of properties	141,018	12,186	308,162	162,095
Rental income from investment properties	3,159	3,385	12,270	14,150
Hotel operations	5,445	1,131	16,176	3,969
Revenue from property financing	30,657	6,684	47,784	18,061
Others	-	325	-	776
Total revenue	180,279	23,711	384,392	199,051

<u>4Q 2017 vs 4Q 2016</u>

Revenue increased by 660.3% or S$156.6 million, from S$23.7 million in 4Q 2016 to S$180.3 million in 4Q 2017. The increase in 4Q 2017 was due mainly to higher revenue from sale of properties, property financing and hotel operations of S$128.8 million, S$24.0 million and S$4.3 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 increase in revenue from sale of properties in 4Q 2017 compared to 4Q 2016 was mainly attributable to the higher number of units in the Millennium Waterfront project being handed over in the current quarter (4Q 2017: 1,080 residential units, 45 commercial units and 100 car park lots; 4Q 2016: 58 residential units, 19 commercial units and 47 car park lots).

Revenue from hotel operations increased by 381.4% or S$4.3 million, from S$1.1 million in 4Q 2016 to S$5.4 million in 4Q 2017. This significant increase reflects a full quarter's revenue contribution from the Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels which commenced operations in December 2016.

Revenue from property financing increased by 358.7% or S$24.0 million from S$6.7 million in 4Q 2016 to S$30.7 million in 4Q 2017. The Group had recognised net penalty interest of S$22.0 million (RMB107.9 million) in 4Q 2017 upon the receipt of auction proceeds and settlement proceeds received by the Group in lieu of the Group lifting the first caveat on one of its property collaterals. The revenue from property financing also comprise interest income from loans to East Sun of S$0.3 million, associated companies in the Netherlands and the PRC of S$6.7 million and S$0.5 million respectively and secured PRC property financing loans of S$1.1 million. The Bilderberg Portfolio acquisition which was completed in August 2017 boosted the interest income from FSMC in 4Q 2017 as the Group generated a full quarter's interest income.

Cost of sales mainly comprises land costs, development expenditure and cost adjustments, borrowing costs, hotel-related depreciation charge, and other related expenditure. Cost of sales increased by 265.4% or S$76.3 million, from S$28.8 million in 4Q 2016 to S$105.1 million in 4Q 2017. The increase in cost of sales was in line with the increase in revenue from sale of properties in 4Q 2017, and higher borrowing costs in 4Q 2017 related to the increase in loans to the associated companies.

The Group's gross profit increased by S$80.2 million, from a gross loss of S$5.0 million in 4Q 2016 to a gross profit of S$75.2 million in 4Q 2017. The increase was due mainly to higher gross profit generated from sales of properties and property financing of S$58.6 million and S$22.0 million respectively. Out of the property financing gross profit growth of S$22.0 million, the gross profit in respect of defaulted loans, loans to the associated companies in the Netherlands and the PRC, and secured PRC property financing loans contributed S$17.6 million, S$3.5 million, S$0.5 million and S$0.4 million respectively. The gross loss in the prior period was attributable to a net increase in cost of S$18.8 million due to reallocation of all costs relating to car parks of the Millennium Waterfront project to their respective residential and commercial units.

The gross profit generated from property financing for 4Q 2017 amounted to S$28.1 million, of which the net penalty interest of defaulted loans contributed S$21.1 million. Gross profit generated from net interest income from loans to East Sun, the associated companies in the Netherlands and the PRC, and secured PRC property financing loans amounted to S$0.3 million, S$5.1 million, S$0.5 million and S$1.1 million respectively.

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.

The decrease during the period was due mainly to the lower staff costs and recovery of legal costs associated with the Group's defaulted property financing loans during the period.

Other expenses

In 4Q 2017, the Group recorded other expenses of S$11.4 million which comprised mainly impairment of property, plant and equipment of S$9.3 million, pre-opening expenses and base stocks written off relating to the Wenjiang hotspring of S$2.2 million and S$0.8 million respectively, impairment of carrying amounts of Chengdu Cityspring car parks included in development properties of S$1.0 million and net fair value loss on cross currency swaps ("CCSs") of S$0.9 million. This was partially offset by the net fair value gain on investment properties of S$4.0 million.

In 4Q 2016, the Group recorded S$25.2 million of other expenses. These comprised mainly net fair value loss on investment properties of S$9.5 million, impairment of property, plant and equipment of S$10.3 million, and hotel base stocks written off and pre-opening expenses relating to the two hotels in Wenjiang, Chengdu which had their soft opening on 28 December 2016, of S$2.5 million and S$1.9 million respectively.

Tax expense

The Group recorded tax expense of S$12.1 million on profit before tax of S$59.7 million in 4Q 2017, which included land appreciation tax of S$3.2 million. After adjusting for the share of after-tax profit of associates, the tax effect of non-deductible expenses of S$1.6 million and non-taxable income of S$4.5 million, the effective tax rate of the Group would be approximately 22.1%.

FY2017 vs FY2016

Group revenue increased by 93.1% or S$185.3 million, from S$199.1 million in FY2016 to S$384.4 million in FY2017. The increase was due mainly to higher revenue from sale of properties, hotel operations and property financing of S$146.1 million, S$12.2 million and S$29.7 million respectively. This was partially offset by the lower rental income from investment properties of S$1.9 million.

The growth in revenue from the sale of properties was due mainly to the recognition of sales on a higher number of Plot A residential units and Plot B riverfront residential units which have a higher net selling price and the higher number of commercial units in the Millennium Waterfront project being handed over in the current year (FY2017: 2,353 residential units, 93 commercial units and 213 car park lots; FY2016: 1,355 residential units, 45 commercial units and 165 car park lots).

Revenue from hotel operations increased by S$12.2 million or more than threefold, from S$4.0 million in FY2016 to S$16.2 million in FY2017. This increase was due mainly to the full year operations of the two Wenjiang hotels which opened in late December 2016.

Revenue from property financing increased by 164.6% or S$29.7 million, from S$18.1 million in FY2016 to S$47.8 million in FY2017. This was boosted by the recognition of net penalty interest income of S$26.4 million (RMB129.4 million) in FY2017 from the successful enforcement action for Case 2 of the defaulted loan during the year. The revenue from property financing also comprise interest income from loans to East Sun of S$0.3 million, associated companies in the Netherlands and the PRC of S$16.6 million and S$0.5 million respectively, and secured PRC property financing loans of S$3.6 million.

Rental income from investment properties decreased by 13.3% or S$1.9 million, from S$14.2 million in FY2016 to S$12.3 million in FY2017. The decrease was due mainly to lower rental revenue from the Zuiderhof I property as a result of lease incentives granted for a lease extension of another 7 years.

Cost of sales increased by 57.1% or S$84.1 million, from S$147.3 million in FY2016 to S$231.4 million in FY2017. The increase in cost of sales was in line with the increase in revenue from sale of properties in FY2017 and higher borrowing costs for the year related to the increase in loans to the associated companies.

The Group's gross profit increased by 195.7% or S$101.2 million, from S$51.8 million in FY2016 to S$153.0 million in FY2017. The increase was due mainly to the higher gross profit generated from sale of properties of S$77.8 million and higher property financing gross profit of S$27.1 million. Out of the property financing gross profit growth of S$27.1 million, the gross profit in respect of defaulted loans, loans to the associated companies in the Netherlands and the PRC, and secured PRC property financing loans contributed S$20.7 million, S$5.7 million, S$0.5 million and S$0.2 million respectively. This was partially offset by a decrease in gross profit from investment properties of S$2.4 million and decrease in gross profit from hotel operations of S$1.3 million.

The gross profit generated from property financing amounted to S$43.0 million for FY2017, of which net penalty interest of defaulted loans contributed S$25.5 million. Gross profit generated from net interest income from loans to East Sun, the associated companies in the Netherlands and the PRC, and secured PRC property financing loans amounted to S$0.3 million, S$12.7 million, S$0.5 million and S$3.6 million respectively.

The Group's gross profit margin had increased from 26.0% for FY2016 to 39.8% for FY2017. The increase was due mainly to higher margins achieved from the sale of properties as sales from more Plot B riverfront residential units and more commercial units were recognised. In addition, the higher yielding property financing business constituted a higher proportion of the Group's gross profit during the year.

Other expenses

In FY2017, the Group recorded other expenses of S$14.0 million. This mainly comprise impairment loss of property, plant and equipment of S$9.3 million, fair value loss on CCSs of S$14.2 million, hotspring pre-opening expenses and base stocks written off of S$2.4 million and S$0.8 million respectively, and impairment of development properties of S$1.0 million. This was partially offset by a net fair value gain on investment properties of S$4.0 million and net foreign exchange gain of S$10.9 million.

In FY2016, we recorded other expenses of S$24.5 million which comprised mainly impairment loss of property, plant and equipment and fair value loss on investment properties of S$10.3 million and S$9.5 million respectively, and hotel base stocks written off and pre-opening expenses of the two hotels in Wenjiang, Chengdu of S$2.5 million and S$2.4 million respectively.

Net finance income

Net finance income decreased by 38.5% or S$5.0 million, from S$13.1 million in FY2016 to S$8.1 million in FY2017. This was due mainly to the decrease in interest income from loans to the Chengdu Wenjiang government of S$12.8 million in FY2017 as a result of full repayment of loan principal by the Chengdu Wenjiang government in November 2017. This was partially offset by the higher interest income from RMB deposits of S$6.4 million during the year.

Share of after-tax profit of associates

Share of after-tax profit of associates decreased by 70.3% or S$8.7 million from S$12.3 million in FY2016 to S$3.6 million in FY2017. The decrease was due mainly to the Group's share of the gain on disposal of nine non-core properties by FSMC of S$9.7 million in FY2016.

Tax expense

The Group recorded tax expense of S$27.9 million on profit before tax of S$121.2 million in FY2017, which included land appreciation tax of S$8.5 million. After adjusting for the share of after-tax profit of associates, the tax effect of non-deductible expenses of S$6.2 million and non-taxable income of S$11.0 million, the effective tax rate of the Group would be approximately 22.6%.

(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

Investment properties increased by S$51.4 million or 22.2%, from S$231.2 million as at 31 December 2016 to S$282.6 million as at 31 December 2017. This was due mainly to the acquisition of the Poortgebouw Hoog Catharijne investment property in Utrecht, the

Netherlands amounting to S$42.0 million (EUR26.3 million) in July 2017 and net fair value gain of S$4.0 million during the year.

The Group acquired 90% equity interest in East Sun in April 2017, which is accounted for as an available-for-sale financial asset. East Sun principally owns a number of commercial and industrial properties in Dongguan for which the Group sees redevelopment potential in some of these properties.

Trade and other receivables increased by S$98.6 million or 53.0%, from S$185.9 million as at 31 December 2016 to S$284.5 million as at 31 December 2017. This was due mainly to a property financing loan of S$122.7 million (RMB600.0 million) provided to an associated company of the Group in December 2017, and vendor financing receivables of S$11.3 million. This was partially offset by a set off of an amount due from an associate with amounts due to the associate of S$39.2 million.

Interests in associates and joint ventures increased by S$9.3 million or 16.9%, from S$55.1 million as at 31 December 2016 to S$64.4 million as at 31 December 2017. Included in the 31 December 2017 balance was the Group's 50% interest in a German partnership of S$6.3 million. Together with its two key shareholders, City Developments Limited and Tai Tak Estates Sendirian Berhad, the Group via the partnership completed the acquisition of the Le Meridien Frankfurt Hotel in Frankfurt, Germany in January 2018.

In addition, on 31 January 2018, the Group and four other co-investors (the "Consortium") had acquired all of the issued shares in the capital of Hotelmaatschappij Rotterdam B.V. which owns the Hilton Rotterdam Hotel, valuing the hotel at approximately S$81.5 million (EUR51.0 million), including transaction costs.

Current assets

Trade and other receivables increased by S$56.6 million or 14.6%, from S$388.9 million as at 31 December 2016 to S$445.5 million as at 31 December 2017. The increase was due mainly to additional secured PRC property financing loans and net loans to East Sun granted during the year, and new loans disbursed to FSMC group arising from the acquisition of the Bilderberg Portfolio. The increase was partially offset by partial recovery of Case 2 defaulted loan principal during the year. The repayment of loans from the Chengdu Wenjiang government, receipt of deferred consideration in respect of the Group's dilution of interests in the Star of East River ("SoER") project in Dongguan and the receipt of investment principal and returns from a PRC government linked entity also partially offset the increase in receivables. As at 31 December 2017, secured PRC property financing loans, loans granted to associates, and loans to East Sun amounted to S$95.0 million, S$264.8 million and S$59.6 million respectively.

Current financial assets of S$38.9 million comprised principal-guaranteed structured deposits placed with financial institutions in the PRC.

Current liabilities

Trade and other payables decreased by S$30.2 million or 15.4%, from S$196.3 million as at 31 December 2016 to S$166.1 million as at 31 December 2017, due mainly to the payment of construction costs for the Millennium Waterfront project during the year.

The derivative liability relates to fair value loss on a CCS which will mature in June 2018. The derivative liabilities under non-current liabilities relate to fair value loss on CCSs which will mature beyond 2018. Refer to further details in the foreign currency risk management section below.

Receipts in advance decreased by S$10.5 million or 5.5%, from S$189.7 million as at 31 December 2016 to S$179.3 million as at 31 December 2017, due mainly to profit recognition of the Millennium Waterfront project net of new receipts received in advance from pre-sale of Plot D of the Millennium Waterfront project during the year.

Non-current liabilities

Other payable relates to a loan extended by a non-controlling interest of the Group.

Loans and borrowings

Loans and borrowings increased by S$253.4 million or 71.1%, from S$356.6 million as at 31 December 2016 to S$610.0 million as at 31 December 2017. This is due mainly to the net drawdown of the Group's borrowings to fund the acquisitions in the Netherlands which include the Bilderberg Portfolio, the Poortgebouw Hoog Catharijne investment property, the Meerparc property, as well as the Oliphant redevelopment. This is partially offset by the redemption of medium term notes and repayment of bank borrowings during the year. Such repayment was funded by cash proceeds from the dilution of interest in the SoER project and repayment of loans by FSMC upon its disposal of a non-core property in December 2016.

The Group maintained a healthy net gearing ratio of 0.26 as at 31 December 2017.

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 exposure to fluctuation in Euros against S$ by financing all its Dutch acquisitions with a combination of Euro-denominated borrowings and financial derivatives involving CCSs and forward contracts 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.

As at 31 December 2017, the Group had 11 CCSs with an aggregate notional amount of EUR333.2 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 December 2017 was approximately S$2.3 million.

As at 31 December 2017, the Group has a cumulative translation gain of S$37.0 million recorded as part of the reserves in its shareholders' equity. This has mainly arisen from the translation of the net assets and income and expenses of the Group's foreign operations in the PRC to S$ at the exchange rates prevailing at the end of each reporting period. The Group has been benefitting from cumulative favourable exchange rate movements between the RMB and S$ so far although the exchange rate has fluctuated against the Group during FY2017.

We do not currently have a formal hedging policy with respect to our exposure to RMB 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

4Q 2017

With the reclassification of interest income on loans to associates from finance income to property financing revenue, and the associated borrowing costs from finance costs to cost of sales, the Group's net cash from operating activities now capture the associated cash flows relating to the loans made to the associates. Total net cash used in operating activities amounted to S$160.6 million in 4Q 2017. This was mainly attributable to the disbursement of property financing loans to a PRC associated company of S$122.6 million (RMB600.0 million) and the payment of construction application fees for Plot E and Plot F of the Millennium Waterfront project. This was partially offset by recovery of loan principal amounting to S$48.1 million (RMB235.4 million) and related net penalty interest of S$22.0 million (RMB107.9 million) arising from the successful enforcement actions during the quarter.

Net cash used in investing activities of S$47.0 million in 4Q 2017 was due mainly to the net additions of available-for-sale financial assets (RMB denominated structured deposits) of S$38.9 million during the period, payments for investment in joint ventures and additions to property, plant and equipment of S$6.2 million and $3.1 million respectively, and loans to East Sun of S$28.2 million. This was partially offset by interest received, repayment of loan principal by the Chengdu Wenjiang Government and repayment of loans by East Sun, of S$4.7 million, S$2.8 million and S$22.1 million respectively.

Net cash from financing activities amounted to S$122.7 million in 4Q 2017. This included the net drawdown of bank borrowings of S$118.4 million and advances from associates of S$13.5 million, partially offset by payment of interest and transaction costs related to borrowings of S$3.4 million and S$2.7 million respectively, as well as a return of capital to non-controlling interests of S$3.2 million.

FY2017

Total net cash from operating activities amounted to S$37.2 million in FY2017. This was mainly attributable to recovery of loan principal amounting to S$74.7 million (RMB365.4 million) and related net penalty interest of S$30.9 million (RMB151.3 million) arising from the successful enforcement actions on Case 2 of the defaulted loan in the current financial year. The Group's acquisition of the Bilderberg Portfolio via FSMC also led to higher net interest received from the loans disbursed to FSMC group to fund such acquisition. This was partially offset by the additional loans provided to the Group's associates (both FSMC group and a PRC associate) and payment of construction costs for the Millennium Waterfront project during the year.

Net cash from investing activities of S$35.9 million in FY2017 was due mainly to interest received of S$16.2 million, repayment of loan principal of S$117.1 million by the Chengdu Wenjiang government, repayment of loan by East Sun of S$22.1 million, receipt of deferred consideration from dilution of interest in the SoER project of S$41.0 million and receipt of the investment principal and returns from a PRC government linked entity of S$9.7 million. This was partially offset by the additions of available-for-sale financial assets (including investment in East Sun) of S$62.6 million, loans to East Sun of S$57.1 million and payments for the purchase and additions to the Poortgebouw Hoog Catharijne investment property amounting to $42.4 million.

Net cash used in financing activities amounted to S$31.5 million in FY2017. This was due mainly to the redemption of medium term notes of S$50.0 million, interest paid, payment of transaction costs related to borrowings and payment of dividends to the owners of the Company of S$7.3 million, S$7.5 million and S$11.8 million respectively. The Group also returned capital of S$3.2 million to non-controlling interests. This was partially offset by the net drawdown of bank borrowings of S$22.1 million, advances from associates of S$13.5 million and loan from a non-controlling interest of S$12.5 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 financial 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

The Netherlands

The Dutch economy is growing at its fastest rate in 10 years and is expected to continue its growth trend with both the Netherlands Bureau for Economic Policy Analysis and Dutch central bank ("DNB") forecasting 3.1% growth in 2018. DNB said that the strong housing market where property prices have increased by 7.5% in 2017, coupled with an increase in global trade and rising domestic consumption underpinned by improving employment prospects, have contributed to the fast growing economy.

In the housing sector, RaboResearch attributed the strong demand in owner-occupied homes to rising employment and consumer confidence in its December research report. NL Times reported a massive 27,000 new homes built in just Amsterdam itself over the past 4 years and despite these additions, home prices are still increasing. In the same news article, it is reported that the Amsterdam coalition will build approximately 60,000 more homes in the region by 2020 to cope with the housing shortage.

Over to the Dutch hospitality sector, Colliers reported an unprecedented volume of over one billion euros in investments recorded in the first 10 months of 2017. Yield compression in the hotel investment market is observed with Amsterdam and other regions in the country seeing yields below 4% and 6.5% respectively.

People's Republic of China

According to a Reuters poll which surveyed 18 property analysts and economists in December 2017, the general sentiment indicates expectations that the rising property prices in China will taper off in 2018. Bloomberg reported that JPMorgan Chase & Co. expects a 6% decline in home sales next year driven by expected declines in demand in smaller cities where economic fundamentals are weaker and buyers are more sensitive to credit conditions. It was also indicated that the various curbs introduced, which varies city by city, are expected to be maintained and gradually extended to smaller cities at risk of overheating.

Company Outlook

Property Development

Given the complete sellout of all the residential units in the Chengdu Millennium Waterfront project in 2017 and barring any unforeseen delays in construction works, the Group expects to recognise a substantial part of the profit from Plot D in 4Q 2018. The Group has in December 2017 obtained the relevant construction permits for Plot E and F, the last development plots of the Millennium Waterfront project. This development is conceptualized with a focus on geriatric care facilities which encompass elderly care living quarters and a hospital with auxiliary commercial facilities. Development has since commenced with a primary focus on Plot F. In Dongguan, all 272 units of the two residential blocks that were launched for sale in 3Q2017 were sold and the remaining four blocks of the Star of East River project of approximately 949 residential units are expected to be launched for sale during the course of 2018.

In the Netherlands, the local municipality did not approve certain conditions which were pre-requisites to the conditional sale agreement signed previously for the Dreeftoren residential development in Amsterdam. The parties have since mutually agreed to terminate the agreement. Nevertheless, the Group remains confident of the Dutch residential market and will be pursuing development sales of the units in the residential tower. On the other hand, in December 2017, the Group through its 33% owned FSMC, launched the sale of 25% of the residential units of the Terraced Tower (Boompjes) project in Rotterdam. The sales launch has been met with overwhelming demand with buyers bidding for individual residential units at significant premiums. FSMC had pre-sold the other 75% on a forward funding basis earlier in November 2016. The project is expected to be completed in the course of 2020.

Property Holding

The Group's Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels showed encouraging results for FY2017, recording a small gross operating profit for their first year of operations. The commencement of the hotspring operations in October 2017 within the same premises of the abovementioned hotels had complemented and enhanced the performance of the hotels. In Dongguan, the Group's majority owned East Sun acquired a portfolio of four outdated commercial and two outdated industrial properties in Dongguan, PRC which are currently tenanted with a positive running yield. Some of the properties are located in prime city locations with redevelopment potential.

On the backdrop of improving European economic conditions, the Group's hotels in the Bilderberg Portfolio continue to perform well with its FY2017 EBITDA exhibiting a 15.5% year on year growth. Furthermore, the Group has executed three European acquisitions in the past two months. It made its first foray into the German real estate market via the Le Meridien Frankfurt acquisition together with its two key controlling shareholders, namely City Developments Limited and Tai Tak Estates Sendirian Berhad. In addition, the Group acquired another mixed-use office building in the South Axis, the main Central Business District in Amsterdam and, together with a group of investors, acquired the 254-room Hilton Rotterdam hotel, a freehold monumental property built in 1963 located in the heart of Rotterdam.

Property Financing

On the PRC property financing loan recovery front for Case 1 which relates to the RMB170 million defaulted loan principal, the court has suspended foreclosure procedures whilst awaiting closure of the criminal prosecution involving the legal representative of the borrower. Whilst the Group has secured favourable court ruling for the penalty interest, there is a need to balance public interest arising from the criminal charges and the Group may have to compromise by accepting a lower interest entitlement. There is no significant update during this quarter.

On a more positive note, the Group has successfully recovered approximately RMB365 million or 78% of the RMB470 million defaulted loan principal for Case 2 and recognized a cumulative net interest of RMB152.6 million (S$31.2 million) up to 31 December 2017. It is noteworthy that the cumulative net interest income earned on the Case 2 defaulted loans to-date is more than sufficient to cover the outstanding loan principal of RMB104.6 million. The Group expects the continual recovery of the remaining defaulted loan principal and related penalty interest in FY2018. The Group has also successfully disbursed new entrusted loans during the quarter with loan principal of RMB770 million in aggregate, bringing the Group's total entrusted loan portfolio to almost RMB1.2 billion as at 31 December 2017.

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.

The Company had paid the following tax exempt (one-tier) interim ordinary dividend to ordinary shareholders.

Name of Dividend	Interim Tax-exempt (One-tier) Ordinary Dividend
Date of Payment	20 September 2017
Dividend Type	Cash
Dividend Amount	1.0 Singapore cent per ordinary share

The Directors are pleased to recommend a final tax-exempt (one-tier) dividend in respect of the financial year ended 31 December 2017 of 1.2 Singapore cents per ordinary share for approval by the ordinary shareholders at the forthcoming Annual General Meeting of the Company.

Name of Dividend	Final Tax-exempt (One-tier) Ordinary Dividend
Dividend Type	Cash
Dividend Amount	1.2 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?

Yes.

Name of Dividend	Interim Tax-exempt (One-tier) Ordinary Dividend
Date of Payment	15 September 2016
Dividend Type	Cash
Dividend Amount	1.0 Singapore cent per ordinary share

Name of Dividend	Final Tax-exempt (One-tier) Ordinary Dividend
Date of Payment	26 May 2017
Dividend Type	Cash
Dividend Amount	1.0 Singapore cent per ordinary share

(c) Date payable

Subject to ordinary shareholders' approval at the forthcoming Annual General Meeting of the Company, the proposed final tax-exempt (one tier) dividend for the year ended 31 December 2017 will be payable on 15 May 2018.

(d) Books closure date

5pm on 30 April 2018.

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.

Part II Additional Information Required for Full Year Announcement

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Information about reportable segments

	Property development $'000	Property investment $'000	Property financing $'000	Hotel operations $'000	Total reportable segments $'000	Unallocated $'000	Total $'000
2017							
Segment revenue	308,162	12,273	47,784	16,500	384,719	7,517	392,236
Elimination of inter-segment revenue	-	(3)	-	(324)	(327)	(7,517)	(7,844)
External revenue	308,162	12,270	47,784	16,176	384,392	-	384,392
Profit/(loss) from operating activities	93,125	12,754	36,321	(20,266)	121,934	(12,421)	109,513
Finance income	10,241	1,232	4,971	7	16,451	631	17,082
Finance costs	(2,173)	(6,728)	-	-	(8,901)	(109)	(9,010)
Net finance income/(costs)	8,068	(5,496)	4,971	7	7,550	522	8,072
Share of after-tax profit of associates	1,433	4,574	-	(2,359)	3,648	-	3,648
Segment profit/(loss) before income tax	102,626	11,832	41,292	(22,618)	133,132	(11,899)	121,233
				<N1>			
2016 (restated)							
Segment revenue	162,222	14,930	18,061	4,025	199,238	8,504	207,742
Elimination of inter-segment revenue	(127)	(4)	-	(56)	(187)	(8,504)	(8,691)
External revenue	162,095	14,926	18,061	3,969	199,051	-	199,051
Profit/(loss) from operating activities	108,308	3,562	12,407	(16,129)	108,148	(15,171)	92,977
Finance income	17,067	2,128	1,702	1	20,898	364	21,262
Finance costs	(79)	(7,074)	-	-	(7,153)	(975)	(8,128)
Net finance income/(costs)	16,988	(4,946)	1,702	1	13,745	(611)	13,134
Share of after-tax profit of associates	9,334	2,944	-	-	12,278	-	12,278
Segment profit/(loss) before income tax	134,630	1,560	14,109	(16,128)	134,171	(15,782)	118,389
				<N1>			

<N1> The hotel operations segment includes an impairment charge of S$9.3 million (FY2016: S$10.3 million), depreciation charge of S$5.0 million (FY2016: S$1.1 million), hotel and hotspring pre-opening expenses incurred of S$2.4 million (FY2016: S$2.4 million) and hotel and hotspring base stocks written off of S$0.8 million (FY2016: S$2.5 million).

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Property development

Revenue from the property development segment increased by S$146.1 million or 90.1%, from S$162.1 million in FY2016 to S$308.2 million in FY2017. Pre-tax profit from this segment decreased by S$32.0 million or 23.8%, from S$134.6 million in FY2016 to S$102.6 million in FY2017. Excluding the impact of the S$97.3 million gain on dilution of the Group's interests in the SoER project in FY2016, the pre-tax profit from the property development segment increased by S$65.3 million or 174.9%.

This was boosted by the first time handover of Plot A during the year.

Property financing

Revenue from the property financing segment increased by S$29.7 million or 164.6%, from S$18.1 million in FY2016 to S$47.8 million in FY2017. Pre-tax profit from this segment increased by S$27.2 million or 192.7%, from S$14.1 million in FY2016 to S$41.3 million in FY2017.

The above mentioned material increase in the contribution by the property financing segment was due mainly to the recognition of net penalty interest income from the successful enforcement action on Case 2 of the defaulted loan. Higher interest income from further loans to the associated companies of the Group in part to fund the acquisition of the Bilderberg Portfolio also contributed to the increase.

Hotel operations

Revenue from the hotel operations segment increased by S$12.2 million or 307.6%, from S$4.0 million in FY2016 to S$16.2 million in FY2017. This increase was due mainly to the full year contribution from the two Wenjiang hotels which commenced operations in late December 2016.

The segment results were impacted by impairment charge of S$9.3 million, pre-opening expenses and base stocks written off for the hotspring of S$2.4 million and S$0.8 million respectively.

16. A breakdown of revenue as follows:–

Group	FY2017	FY2016 (restated)	% increase / (decrease)
	S$'000	S$'000	
(a) Revenue reported for first half year	139,293 (Note 5)	92,908	49.9
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	23,600	21,604	9.2
(c) Revenue reported for second half year	245,099	106,143	130.9
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	69,693	93,312	(25.3)

Note 5: As set out in paragraph 5, the interest income from loans extended to the Group's Dutch associates had been reclassified from finance income to revenue.

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:–

	FY2017 (S$'000)	FY2016 (S$'000)
Interim	5,898	5,898
Final	7,078	5,898
Total	12,976	11,796

The final tax-exempt (one-tier) ordinary dividend for the year ended 31 December 2017 of 1.2 Singapore cents per ordinary share is subject to the approval of ordinary shareholders at the forthcoming Annual General Meeting and the final dividend amount is based on the number of issued ordinary shares as at the books closure date. The total amount for FY2017 is hence subject to adjustments according to the number of ordinary shares existing as at the books closure date.

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

The Company confirms that there is no person occupying a managerial position in the Company who is related to a director, chief executive officer or substantial shareholder of the Company.

19. 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
8 February 2018

Bonus Issue/ Capitalisation Issue::Mandatory

Issuer & Securities

Issuer/ Manager	FIRST SPONSOR GROUP LIMITED
Security	FIRST SPONSOR GROUP LIMITED - KYG3488W1078 - ADN

Announcement Details

Announcement Title	Bonus Issue/ Capitalisation Issue
Date & Time of Broadcast	08-Feb-2018 06:56:00
Status	New
Corporate Action Reference	SG180208BONUI2JV
Submitted By (Co./ Ind. Name)	Neo Teck Pheng
Designation	Group Chief Executive Officer and Executive Director
Financial Year End	31/12/2018
Foreign Shareholder Eligibility	Yes
Foreign Shareholder Applicability	All

Event Narrative

Narrative Type	Narrative Text
Additional Text	Please see attached.

Disbursement Details

New Security Details	
New Security ISIN	KYG3488W1078
New Security Name	FIRST SPONSOR GROUP LIMITED
Security Not Found?	No
Fractional Disposition Method	Round down fraction to last full unit
Distribution Ratio (Additional: Old)	1:10

Attachments	FSGL - Bonus Issue announcement.pdf Total size =20K

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

PROPOSED BONUS ISSUE OF SHARES

---

1. INTRODUCTION

The board of directors (the "**Directors**") of First Sponsor Group Limited (the "**Company**") wishes to announce that the Company is proposing to allot and issue 58,981,494 ordinary shares with a par value of US$0.10 each in the capital of the Company ("**Bonus Shares**"), to be credited as fully paid at par by way of the capitalisation of S$7,776,592[1] standing to the credit of the Company's distributable reserve, and that such Bonus Shares are to be allotted and issued, credited as fully-paid at par, to the Entitled Shareholders (as defined herein) on the basis of one (1) Bonus Share for every 10 existing shares with a par value of US$0.10 each in the capital of the Company ("**Shares**") held by the Entitled Shareholders as at the Books Closure Date (being the time and date to be determined by the Directors and announced by the Company, at and on which the register of members and share transfer books of the Company will be closed to determine the provisional allotments of the Entitled Shareholders under the Bonus Issue), fractional entitlements to be disregarded (the "**Bonus Issue**").

The Bonus Issue will be undertaken pursuant to the authority granted by the share issue mandate approved by the shareholders of the Company ("**Shareholders**") at the annual general meeting held on 26 April 2017 (the "**Share Issue Mandate**"). The Share Issue Mandate authorises, amongst others, the Directors to allot and issue Shares, whether by way of bonus, rights or otherwise, of not more than 50.0% of the total number of issued Shares (excluding treasury shares) on a pro-rata basis. Accordingly, the Company will not be seeking specific approval from Shareholders for the Bonus Issue.

2. DETAILS OF THE BONUS ISSUE

To reward the shareholders for their support for the Company, it is proposed that 58,981,494 Bonus Shares be allotted and issued, credited as fully-paid at par, to the Entitled Shareholders on the basis of one (1) Bonus Share for every 10 existing Shares held by the Entitled Shareholders as at the Books Closure Date. The Bonus Shares are to be credited as fully-paid at par, by way of the capitalisation of S$7,776,592[1] standing to the credit of the Company's distributable reserve. Fractional entitlements to any Bonus Share will be disregarded and will be aggregated and disposed of or dealt with in such manner as the Directors in their absolute discretion deem fit, in the interest of the Company. "**Entitled Shareholders**" means (a) Depositors with Shares standing to the credit of their Securities Accounts and whose registered addresses with The Central Depository (Pte) Limited ("**CDP**") are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days[2] prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, and (b) Shareholders who have tendered to Tricor Barbinder Share

---

[1] Based on an illustrative exchange rate of US$1: S$1.31848. The illustrative exchange rate is solely for illustrative purposes and should not be construed as a representation that the relevant amounts have been or could be converted at this rate or at any other rate.
[2] "**Market Day**" is a day on which the SGX-ST is open for securities trading.

Registration Services (a division of Tricor Singapore Pte. Ltd.), the share registrar of the Company, valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Company with addresses in Singapore for the service of notices and documents. "**Depositor**" means an account holder or a depository agent but does not include a sub-account holder.

Based on the total number of issued Shares as at the date of this Announcement, 58,981,494 Bonus Shares, representing 10.0% of the total number of issued Shares (excluding treasury shares) as at the date of this Announcement, will be issued pursuant to the Bonus Issue. The actual number of the Bonus Shares that will be issued by the Company will depend on the total number of issued Shares (including treasury shares) as at Books Closure Date.

The Bonus Shares, when issued, will rank *pari passu* in all respects with the then existing issued Shares, except that the Bonus Shares will not be entitled to any dividends, rights, allotments or other distributions, for which the record date falls on or before the date of issue of the Bonus Shares. For this purpose, "**record date**" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with CDP in order to participate in such dividends, rights, allotments or other distributions.

3. APPROVAL

The Bonus Issue is subject to the in-principle approval of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the dealing in, listing of and quotation for the Bonus Shares on the Official List of the Main Board of the SGX-ST. An application will be made to the SGX-ST for permission to deal in and for the listing and quotation of the Bonus Shares on the Official List of the Main Board of the SGX-ST, and such approval having not been revoked or amended. An appropriate announcement on the outcome of the application will be made in due course.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and the substantial Shareholders has an interest, direct or indirect, in the Bonus Issue other than through their respective interests, direct or indirect, in the Company.

5. RESPONSIBILITY STATEMENT

The Directors of the Company (including those who may have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

6. CAUTIONARY STATEMENT

Shareholders and potential investors should note that the proposed Bonus Issue is subject to, *inter alia*, the necessary approvals being obtained by the Company and are therefore advised to exercise caution when dealing or trading in the Shares. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
8 February 2018

Rights::Voluntary

Issuer & Securities

Issuer/ Manager	FIRST SPONSOR GROUP LIMITED
Security	FIRST SPONSOR GROUP LIMITED - KYG3488W1078 - ADN

Announcement Details

Announcement Title	Propose Renounceable Non-underwritten Rights Issue
Date & Time of Broadcast	08-Feb-2018 06:58:42
Status	New
Corporate Action Reference	SG180208RHDI1MJV
Submitted By (Co./ Ind. Name)	Neo Teck Pheng
Designation	Group Chief Executive Officer and Executive Director
Underwritten	No
Shareholders' Approval Required?	No
Shareholders' Approval Obtained	No
Financial Year End	31/12/2018
Foreign Shareholder Eligibility	No
Attachment for Intent	
FSGL - Announcement of Rights Issue.pdf	

Event Narrative

Narrative Type	**Narrative Text**
Additional Text	PROPOSED RENOUNCEABLE AND NON-UNDERWRITTEN RIGHTS ISSUE OF PERPETUAL CONVERTIBLE CAPITAL SECURITIES

Dates

Rights Details

Security Not Found?	No
Renounceable	Yes
Rights Security Distribution Ratio- Underlying	4
Rights Security Distribution Ratio- Rights Security	1

Option Exercise

Issue Price (Per Rights)	SGD 1.1

Renounceable Conditions

Allow Over Subscription	Yes
Attachments	FSGL - Announcement of Rights Issue.pdf Total size =153K

FIRST SPONSOR GROUP LIMITED

(Incorporated in the Cayman Islands)
(Registration No. AT-195714)

PROPOSED RENOUNCEABLE AND NON-UNDERWRITTEN RIGHTS ISSUE OF PERPETUAL CONVERTIBLE CAPITAL SECURITIES

1. INTRODUCTION

The board of directors (the "**Directors**") of First Sponsor Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company is proposing to carry out a renounceable and non-underwritten rights issue (the "**Rights Issue**") of up to S$162,199,110.70 in aggregate principal amount of 3.98 per cent. perpetual convertible capital securities (the "**Convertible Securities**") in the denomination of S$1.10 for each Convertible Security, on the basis of one (1) Convertible Security for every four (4) existing ordinary shares with a par value of US$0.10 each in the capital of the Company (the "**Shares**") held by the Entitled Shareholders (as defined herein) as at a books closure date to be determined by the Directors (being the time and date at and on which the register of members and share transfer books of the Company will be closed to determine the provisional allotments of Entitled Shareholders to the Convertible Securities under the Rights Issue) (the "**Books Closure Date**"), fractional entitlements to be disregarded.

The Rights Issue will be undertaken pursuant to the authority granted by the share issue mandate approved by the shareholders of the Company ("**Shareholders**") at the annual general meeting held on 26 April 2017 (the "**Share Issue Mandate**"). The Share Issue Mandate authorises, amongst other things, the Directors to issue Shares, whether by way of bonus, rights or otherwise, and/or to make or grant offers, agreements or options that might or would require Shares to be issued (including the creation and issue of instruments convertible into Shares and the issuance of Shares in pursuance of any such instrument), of not more than 50.0% of the total number of issued Shares (excluding treasury shares) as at the date the Share Issue Mandate was passed. Accordingly, the Company will not be seeking specific approval from Shareholders for the Rights Issue.

The Company has appointed DBS Bank Ltd. as the manager (the "**Manager**") for the Rights Issue.

No underwriting commitment has been arranged with any financial institution for the Rights Issue. The Directors believe that the Conversion Price for the Conversion Shares (each term as defined herein) is sufficiently attractive. In addition, the Company believes that there is no minimum amount which must be raised from the Rights Issue. Accordingly, in view of the above, the Undertakings (as defined herein) and the savings enjoyed for not having to bear underwriting fees, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

2. DETAILS OF THE RIGHTS ISSUE

Principal Terms

Subject to the relevant approvals being obtained for the Rights Issue, the principal indicative terms of the proposed Rights Issue, the Convertible Securities and the Conversion Shares (as defined herein) are expected to include those which are summarised below:

Basis of Provisional Allotment	:	The Rights Issue will be made on a renounceable basis to Entitled Shareholders on the basis of one (1) Convertible Security for every four (4) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.
Issue Size	:	Up to S$162,199,110.70 in aggregate principal amount of Convertible Securities (the "**Issue Size**"). Assuming no adjustments to the Conversion Price, based on the Issue Size and the Conversion Price of S$1.10, the maximum number of Conversion Shares that may be issued is 147,453,737 Shares, representing in aggregate 25.0% of the total number of issued Shares as at the date of this Announcement.
Issue Price of the Convertible Securities	:	100 per cent. of the principal amount of the Convertible Securities at S$1.10 for each Convertible Security.
Maturity Date	:	The Convertible Securities are perpetual securities in respect of which there is no fixed redemption date.
Eligibility to Participate	:	Please see the section titled "Eligibility of Shareholders to participate in the Rights Issue" of this Announcement.
Distributions	:	Each Convertible Security confers a right to receive distributions ("**Distributions**") from the date of the issuance of the Convertible Securities (the "**Issue Date**"). Subject to and unless otherwise provided in the terms and conditions of the Convertible Securities (the "**Terms and Conditions**"), Distributions shall be payable on the Convertible Securities at the Distribution Rate (as defined herein) semi-annually in arrears and from the date falling six (6) months following the Issue Date and every six (6) months thereafter.
Distribution Rate	:	The rate of Distribution ("**Distribution Rate**") applicable to the Convertible Securities shall be 3.98 per cent. per annum and shall be calculated on the principal amount of S$1.10 for each Convertible Security.
Form and Denomination	:	The Convertible Securities will be issued in registered form and in the denomination of S$1.10 each or integral multiples thereof and will initially be represented by a global certificate registered in the name of, and deposited with, The Central Depository (Pte) Limited ("**CDP**"). The Convertible Securities will be subject to certain transfer restrictions set out in the offer information statement to be

lodged by the Company with the Monetary Authority of Singapore (the "**MAS**") in connection with the Rights Issue (the "**Offer Information Statement**") and the trust deed constituting the Convertible Securities to be entered into between the Company and a trustee (the "**Trustee**") to be appointed (the "**Trust Deed**"). Except in the limited circumstances described in the provisions of the global certificate representing the Convertible Securities, owners of interests in the Convertible Securities represented by such global certificate will not be entitled to receive definitive security certificates in respect of their individual holdings of the Convertible Securities. The Convertible Securities which are represented by such global certificate will be transferable only in accordance with the rules and procedures for the time being of CDP.

Conversion Terms	:	Securityholders will have the right to convert any Convertible Security into Conversion Shares, credited as fully-paid, in accordance with the Terms and Conditions. The number of Conversion Shares to be issued on the conversion of each Convertible Security will be determined by dividing the principal amount of each Convertible Security by the Conversion Price. If more than one (1) Convertible Security held by the same Securityholder is converted at any one time, the number of Conversion Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Convertible Securities to be converted.
Conversion Price	:	Subject to adjustments to be set out in the Terms and Conditions, the price at which one (1) Convertible Security will be converted into one (1) Conversion Share shall be S$1.10 (the "**Conversion Price**"). The Conversion Price of S$1.10 represents a discount of approximately 20.3% over the last transacted price of the Shares on the Official List of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 6 February 2018, being the last trading day on which trades were done on the Shares prior to the date of this Announcement.
Conversion Shares	:	Assuming no adjustments to the Conversion Price, based on the Issue Size and the Conversion Price, 147,453,737 new Shares ("**Conversion Shares**") will be allotted and issued by the Company upon conversion of all the Convertible Securities.
Ranking of the Conversion Shares	:	The Conversion Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or other distributions for which the record date precedes the relevant conversion date of the Convertible Securities, subject to the Terms and Conditions.
Redemption at the Option of the Company	:	The Company may, at its option, at any time on or after the date falling six (6) months from the Issue Date, on giving not less than 30 nor more than 60 days' irrevocable notice to the Securityholders and the Trustee, redeem all or some of the Convertible Securities in the manner set out in the Terms and Conditions.

Other Redemption Events	:	It is expected that the Convertible Securities may also be redeemed upon the occurrence of other events to be set out in the Terms and Conditions including, but not limited to, (a) tax reasons, (b) accounting reasons and (c) tax deductibility.
Clearing and Settlement	:	The Convertible Securities will be cleared through CDP and represented by a global certificate registered in the name of, and deposited with, CDP as authorised depository.
Listing of the Convertible Securities and the Conversion Shares	:	An application will be made by the Company to obtain the SGX-ST's approval for the dealing in, listing of, and quotation for, the Convertible Securities and the Conversion Shares on the Official List of the SGX-ST. An announcement on the outcome of the application will be made in due course. For the avoidance of doubt, the listing of the Convertible Securities is subject to there being a sufficient spread of holdings to provide for an orderly market in the Convertible Securities. The Rights Issue is subject to, amongst others, the (a) approval in-principle from the SGX-ST for the dealing in, listing of, and quotation for, the Convertible Securities and the Conversion Shares on the Official List of the SGX-ST having been obtained and not having been withdrawn; and (b) the lodgement of the Offer Information Statement, together with all other accompanying documents, in respect of the Rights Issue with the MAS.
Acceptances, Excess Application and Payment Procedures	:	Please see the section titled "Participation by Entitled Shareholders in the Rights Issue" of this Announcement.
Irrevocable Undertakings	:	Please see the section titled "Irrevocable Undertakings" of this Announcement for details of the Undertakings provided by Millennium & Copthorne Hotels plc ("**M&C UK**"), Chengdu Tianfu Properties Ltd. ("**CDTF**"), First Sponsor Capital Limited ("**FSCL**") and Tai Tak Asia Properties Limited ("**TTAPL**").
Governing Law	:	Laws of Singapore

The indicative terms and conditions of the Rights Issue, the Convertible Securities and the Conversion Shares may be subject to such changes as the Directors may, after consultation with the Manager, deem fit in the interests of the Company. A subsequent announcement on the final terms and conditions (including any additional terms and conditions) in relation to the Rights Issue, the Convertible Securities and the Conversion Shares will be made by the Company at the appropriate time. The final terms and conditions of the Rights Issue, the Convertible Securities and the Conversion Shares will also be contained in the Offer Information Statement to be despatched by the Company to Entitled Shareholders in due course.

Unless otherwise defined herein, capitalised terms shall have the meanings ascribed to them in the Terms and Conditions.

3. RATIONALE AND USE OF PROCEEDS

The Company is undertaking the Rights Issue to provide it with the financial flexibility to fund its expansion plans.

Based on the total number of issued Shares as at the date of this Announcement and assuming that the Convertible Securities are fully subscribed, S$162,199,110.70 in principal amount of Convertible Securities are expected to be issued pursuant to the Rights Issue. Based on the Issue Price, the estimated net proceeds from the issue of the Convertible Securities in connection with the Rights Issue are expected to be approximately S$161.5 million (the "**Net Proceeds**"), after deducting professional fees and related expenses incurred in connection with the Rights Issue of approximately S$0.7 million.

The Company intends to use all the Net Proceeds to fund property development projects and/or acquisition of properties (including hotels) held for income, and/or its property financing business. If the Company is unable to identify any suitable property development projects, acquisition opportunities or property financing loans, it may utilise part of the Net Proceeds to repay any amounts owing under its banking facilities.

The Company believes that there is no minimum amount that needs to be raised from the Rights Issue, taking into consideration the intended use of the Net Proceeds. The Directors are also of the opinion that, after taking into consideration the present bank facilities and the operating cash flows of the Group as well as the Net Proceeds, the working capital available to the Group is sufficient to meet its present funding requirements.

Pending the deployment of the Net Proceeds, the Net Proceeds may be used to repay the existing borrowings of the Company, deposited with banks and/or financial institutions, used for investment in short-term money markets or debt instruments and/or used for other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Company. The Company will make periodic announcements on the utilisation of the Net Proceeds as and when they are materially disbursed and provide a status report on the use of such proceeds in the Company's annual report.

4. ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

4.1 Entitled Shareholders

The Company proposes to provisionally allot the Convertible Securities under the Rights Issue on the basis of their shareholdings in the Company as at the Books Closure Date to all Shareholders who are eligible to participate in the Rights Issue (the "**Entitled Shareholders**"), comprising Entitled Depositors and Entitled Scripholders (each term as defined herein).

4.2 Entitled Depositors

Entitled Depositors are Depositors with Shares standing to the credit of their securities accounts (the "**Securities Accounts**") with CDP as at the Books Closure Date and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days[1] prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents ("**Entitled Depositors**"); but excludes

[1] "**Market Day**" is a day on which the SGX-ST is open for securities trading.

Shareholders who are located, resident or who have a registered address in any jurisdiction in which the offering of provisional allotments of Convertible Securities and Convertible Securities may not be lawfully made. The term "**Depositor**" means an account holder or a depository agent but does not include a sub-account holder.

4.3 Entitled Scripholders

Entitled Scripholders are Shareholders whose share certificates have not been deposited with CDP as well as transferees who have tendered to Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), the share registrar of the Company (the "**Share Registrar**"), registrable transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents ("**Entitled Scripholders**"); but excludes Shareholders who are located, resident or who have a registered address in any jurisdiction in which the offering of provisional allotments of Convertible Securities and Convertible Securities may not be lawfully made.

As described in "Details of the Rights Issue – Principal Terms – Form and Denomination" above, except in the limited circumstances described in the provisions of the global certificate, owners of interests in the Convertible Securities represented by the global certificate will not be entitled to receive definitive security certificates.

Accordingly, Entitled Scripholders who wish to participate in the Rights Issue must open Securities Accounts if they have not already done so and deposit their share certificates with CDP prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with the provisional allotments of Convertible Securities.

4.4 Participation by Entitled Shareholders in the Rights Issue

Entitled Shareholders will be eligible to participate in the Rights Issue and to receive the Offer Information Statement together with the Product Highlights Sheet and (a) the application and acceptance form for their provisional allotments of Convertible Securities and excess Convertible Securities to be issued to an Entitled Depositor in respect of the provisional allotment of Convertible Securities of such Entitled Depositor under the Rights Issue (the "**ARE for the Rights Issue**") or (b) the provisional allotment letter to be issued to an Entitled Scripholder, setting out the provisional allotment of Convertible Securities of the Entitled Scripholder under the Rights Issue (the "**PAL for the Rights Issue**"), as the case may be, and other accompanying documents at their respective Singapore addresses. Entitled Depositors who do not receive the Offer Information Statement, the Product Highlights Sheet and the ARE for the Rights Issue may obtain them from CDP, the Share Registrar or any stockbroking firm during the period from the date the Rights Issue commences up to the closing date of the Rights Issue. Entitled Scripholders who do not receive the Offer Information Statement, the Product Highlights Sheet and the PAL for the Rights Issue may obtain them from the Share Registrar during the period from the date the Rights Issue commences up to the closing date of the Rights Issue.

Entitled Shareholders will be provisionally allotted the Convertible Securities under the Rights Issue on the basis of their shareholdings in the Company as at the Books Closure Date. They are at liberty to accept (in full or in part), decline, renounce (in the case of their provisional allotment of Convertible Securities) or, in the case of Entitled Depositors only, trade on the SGX-ST (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotment of Convertible Securities, and are eligible to apply for additional Convertible Securities in excess of their provisional allotments under the Rights Issue.

Provisional allotments which are not taken up for any reason shall be used to satisfy applications for excess Convertible Securities or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. Excess Convertible Securities will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company subject to applicable laws and the listing manual of the SGX-ST. In the allotment of excess Convertible Securities, (i) preference will be given to the rounding of odd lots and (ii) Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board, including Republic Hotels & Resorts Limited ("**RHRL**"), M&C Hospitality International Limited ("**MCHIL**") and CDTF, will rank last in priority for the rounding of odd lots and the allotment of excess Convertible Securities.

The procedures for acceptance, excess application and payment by Entitled Shareholders will be set out in the Offer Information Statement.

4.5 Foreign Shareholders

The provisional allotments of Convertible Securities and the Convertible Securities will not be offered to Shareholders who are not Entitled Depositors or Entitled Scripholders, with registered addresses outside Singapore as at the Books Closure Date and who have not provided CDP or the Share Registrar, as the case may be, with addresses in Singapore for the service of notices and documents at least three (3) Market Days prior to the Books Closure Date (the "**Foreign Shareholders**"). Accordingly, no provisional allotment of Convertible Securities or Convertible Securities will be offered to Foreign Shareholders and no purported acceptance or application for Convertible Securities by Foreign Shareholders will be valid.

5. IRREVOCABLE UNDERTAKINGS

As at the date of this Announcement, FSCL, CDTF, RHRL and MCHIL hold directly 260,694,791 Shares (the "**Relevant FSCL Shares**"), 4,567,200 Shares (the "**Relevant CDTF Shares**"), 187,862,460 Shares (the "**Relevant RHRL Shares**") and 23,594,316 Shares (the "**Relevant MCHIL Shares**", and together with the Relevant RHRL Shares, the "**Relevant M&C Shares**") respectively, amounting in aggregate to a total of 476,718,767 Shares, representing in aggregate approximately 80.8% of the total number of issued Shares.

To demonstrate their support for the Rights Issue and their commitment to and confidence in the Company, M&C UK and CDTF have each provided an irrevocable undertaking dated 7 February 2018 in favour of the Company, pursuant to which:

(a) M&C UK has irrevocably undertaken to the Company (the "**M&C UK Undertaking**"), *inter alia*, that:

  (i) as at the Books Closure Date, M&C UK, through its wholly-owned subsidiaries, RHRL and MCHIL, will in aggregate have not less than the number of Relevant M&C Shares; and

  (ii) it will, in accordance with the terms and conditions of the Rights Issue and in any case not later than the last day for acceptance and payment of the

Convertible Securities (the "**Closing Date**"), procure that RHRL and MCHIL will accept, subscribe and pay in full for:

(aa) their respective *pro rata* provisional allotments of the Convertible Securities under the Rights Issue in relation to the Relevant RHRL Shares and as the case may be, the Relevant MCHIL Shares; and

(bb) such number of excess Convertible Securities which the Company shall in its sole and absolute discretion determine, up to a maximum in aggregate of 28,274,046 Convertible Securities; and

(b) CDTF has irrevocably undertaken to the Company (the "**CDTF Undertaking**"), *inter alia*, that:

(i) as at the Books Closure Date, it and/or its nominee(s) will have not less than the number of Relevant CDTF Shares; and

(ii) in accordance with the terms and conditions of the Rights Issue and in any case not later than the Closing Date, it will (and will procure its nominee(s) to) accept, subscribe and pay in full for:

(aa) its *pro rata* provisional allotments of the Convertible Securities under the Rights Issue in relation to the Relevant CDTF Shares; and

(bb) such number of excess Convertible Securities which the Company shall in its sole and absolute discretion determine, up to a maximum in aggregate of 28,274,046 Convertible Securities.

In addition, FSCL has provided an irrevocable undertaking dated 7 February 2018 in favour of the Company and TTAPL, which holds 32.5% of the ordinary shares of US$1.00 each in FSCL, *inter alia*, that:

(a) as at the Books Closure Date, it will have not less than the number of Relevant FSCL Shares; and

(b) in accordance with the terms and conditions of the Rights Issue and in any case not later than the Closing Date, it will renounce in TTAPL's favour its *pro rata* provisional allotments of the Convertible Securities under the Rights Issue in relation to the Relevant FSCL Shares (the "**FSCL Undertaking**").

TTAPL has provided an irrevocable undertaking dated 7 February 2018 in favour of the Company and FSCL that, *inter alia*, it will in accordance with the terms and conditions of the Rights Issue and in any case not later than the Closing Date accept, subscribe and pay in full for the *pro rata* provisional allotments of the Convertible Securities of FSCL under the Rights Issue in relation to the Relevant FSCL Shares held by FSCL as at the Books Closure Date, which FSCL has undertaken to renounce in TTAPL's favour (the "**TTAPL Undertaking**", and together with the M&C UK Undertaking, the CDTF Undertaking, and the FSCL Undertaking, the "**Undertakings**").

M&C UK, CDTF and TTAPL will each furnish a confirmation of their financial resources to the SGX-ST to support the M&C UK Undertaking, the CDTF Undertaking and the TTAPL Undertaking respectively.

Each of the Undertakings is conditional upon the following:

(a) approval in-principle of the SGX-ST for the dealing, listing and quotation, of the Convertible Securities and the Conversion Shares on the Official List of the SGX-ST having been obtained and not having been withdrawn; and

(b) the lodgement of the Offer Information Statement, together with all other accompanying documents, in respect of the Rights Issue with the MAS.

6. APPROVALS AND OTHER CONDITIONS TO THE RIGHTS ISSUE

The Rights Issue is subject to, amongst others, the following:

(a) approval in-principle from the SGX-ST for the dealing in, listing of and quotation for the Convertible Securities and the Conversion Shares on the Official List of the SGX-ST having been obtained and not having been withdrawn; and

(b) the lodgement of the Offer Information Statement, together with all other accompanying documents, in respect of the Rights Issue with the MAS.

7. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares. The completion of the Rights Issue is subject to certain conditions. As at the date of this Announcement, there is no certainty or assurance that the Rights Issue will be commenced or completed and that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors should read this Announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions they should take.

8. TAKEOVER IMPLICATION

The Singapore Code on Take-overs and Mergers (the "**Code**") regulates the acquisition of ordinary shares of, *inter alia*, corporations with a primary listing on the SGX-ST, including the Company. Except with the consent of the Securities Industry Council, where:

(a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares) held or acquired by parties acting in concert with him carry 30.0% or more of the voting rights of the company; or

(b) any person who, together with parties acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights of the company and such person, or any party acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1.0% of the voting rights,

such person must extend a mandatory take-over offer immediately to the shareholders for the remaining shares in the company in accordance with the provisions of the Code. In addition to such person, each of the principal members of the group of parties acting in concert with him may, according to the circumstance of the case, have the obligation to extend an offer.

In general, the acquisition of instruments convertible into securities which carry voting rights does not give rise to an obligation to make a mandatory take-over offer under the Code but the exercise of any conversion rights will be considered an acquisition of voting rights for the purposes of the Code.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of and conversion of the Convertible Securities into Conversion Shares pursuant to the Rights Issue should consult the Securities Industry Council and/or their professional advisers.

BY ORDER OF THE BOARD

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
8 February 2018

Important Notice

This Announcement is for information only and does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, any provisional allotments of Convertible Securities or Convertible Securities or to take up any provisional allotments of Convertible Securities in any jurisdiction in which such an offer or solicitation is unlawful. No person should acquire any provisional allotments of Convertible Securities or Convertible Securities except on the basis of the information contained in the Offer Information Statement. The information contained in this Announcement is not for release, publication or distribution to persons in the United States and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations. The issue, exercise or sale of provisional allotments of Convertible Securities and the acquisition or purchase of the Convertible Securities is subject to specific legal or regulatory restrictions in certain jurisdictions. The Company assumes no responsibility in the event there is a violation by any person of such restrictions.

The distribution of this Announcement, the Offer Information Statement, the provisional allotment letters and/or the application forms for Convertible Securities and excess Convertible Securities into jurisdictions other than Singapore may be restricted by law. Persons into whose possession this Announcement and such other documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this Announcement.

All statements contained in this Announcement, press releases and oral statements that may be made by the Company or its Directors, officers or employees acting on its behalf, that are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by words that have a bias towards the future or, are forward-looking such as, without limitation, "anticipate", "aim", "believe", "could", "estimate", "expect", "forecast", "if", "intend", "may", "plan", "possible", "predict", "probable", "project", "seek", "should", "will" and "would" or other similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group's future financial position, operating results, business strategies, plans and future prospects are forward-looking statements. These forward-looking statements, including but not limited to, statements as to the Group's revenue and profitability, prospects, future plans and other matters discussed in this Announcement regarding matters that are not historical facts, are merely predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group's actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks (both known and unknown), uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Announcement, undue reliance must not be placed on these statements. The Group's actual future results, performance or achievements may differ materially from those anticipated in these forward-looking statements. None of the Company and any other person represents or warrants that the Group's actual future results, performance or achievements will be as discussed in those statements. Further, the Company disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future.

The value of the Convertible Securities and the income derived from them may fall as well as rise. The Convertible Securities are not obligations of, deposits in, or guaranteed by, the Company or any of its affiliates. An investment in the Convertible Securities is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request that the Company redeem or purchase the Convertible Securities while the Convertible Securities are listed. It is intended that holders of the Convertible Securities may only deal in the Convertible Securities through trading on the SGX-ST.

Listing of the Convertible Securities on the SGX-ST does not guarantee a liquid market for the Convertible Securities.

This Announcement is not an offer for sale of securities into the United States or elsewhere. The provisional allotments of Convertible Securities and Convertible Securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The Company does not intend to register any portion of any offering in the United States or to conduct a public offering of securities in the United States.

Financial Statements and Related Announcement::Full Yearly 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	08-Feb-2018 07:05:43
Status	New
Announcement Sub Title	Full Yearly Results
Announcement Reference	SG180208OTHR1RS4
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 presentation slides and news release related to the 4Q2017/FY2017 financial results.

Additional Details

For Financial Period Ended	31/12/2017
Attachments	FSGL - 4Q2017 Press Release.pdf FSGL - 4Q2017 Investor Presentation.pdf Total size =3821K

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 RECORDS MORE THAN 4.5 TIMES GROWTH IN NET PROFIT EXCLUDING ONE OFF DONGGUAN DISPOSAL GAIN IN 2016

FINAL TAX-EXEMPT (ONE-TIER) DIVIDEND OF 1.2 SINGAPORE CENTS PER SHARE, ADDING UP TO A TOTAL OF 2.2 SINGAPORE CENTS PER SHARE FOR FY2017 REPRESENTING 10% INCREASE FROM 2016

Singapore, 8 February 2018 – Singapore Exchange (SGX) mainboard-listed First Sponsor Group Limited ("**First Sponsor**" or the "**Company**", and together with its subsidiaries and associated companies, the "**Group**"), a mixed property developer in the Netherlands and the People's Republic of China (the "**PRC**"), and owner of commercial properties and provider of property financing services in the Netherlands, Germany and the PRC, today announced the Group's unaudited financial results for 4Q2017 and FY2017.

Financial Highlights

In S$'000	4Q2017	4Q2016 (restated)	Change %	FY2017	FY2016 (restated)	Change %
Revenue	180,279	23,711	660.3%	384,392	199,051	93.1%
Profit attributable to equity holders of the Company	42,660	72,915	(41.5%)	88,283	113,089	(21.9%)
Net profit excluding Dongguan disposal gain in FY2016	42,660	(24,407)	n.m.	88,283	15,767	459.9%

- The Group has made four acquisitions amounting to approximately S$349.2 million in the Netherlands, Germany and the PRC during the past two months.

- As of 31 December 2017, the Group has successfully recovered RMB365.4 million out of the total RMB470.0 million defaulted loan principal (78% recovery) for Case 2. A cumulative net interest income of RMB152.6 million (S$31.2 million) has been recognised. Such cumulative interest income earned on the Case 2 defaulted loans to-date is already more than sufficient to cover the outstanding loan principal of approximately RMB104.6 million.

***

Mr Neo Teck Pheng, Group Chief Executive Officer, said

"As the economic outlook for Europe continues to improve, First Sponsor has seized the opportunity to further expand its business presence in the region, including making its first foray into the German real estate market via the Le Meridien Frankfurt acquisition, together with its two key controlling shareholders, namely City Developments Limited and Tai Tak Estates Sendirian Berhad. The Group had acquired an office building and 19 hotels with over 2,200 rooms in the past seven months. With the various acquisitions made, the Group has enlarged its recurrent income base.

The Bilderberg Portfolio acquired in August 2017 continued to perform well with its FY2017 EBITDA exhibiting a 15.5% year on year growth.

On the PRC property financing business, the Group has successfully recovered approximately RMB365 million or 78% of the RMB470 million defaulted loan principal for Case 2 and recognised net cumulative interest of RMB152.6 million (S$31.2 million). The Group is happy to report that the cumulative interest income earned on the Case 2 defaulted loans is more than sufficient to cover the outstanding loan principal. The Group remains positive on the recovery of all remaining outstanding defaulted loan principals.

The Company will be embarking on an equity fund raising exercise to further strengthen its balance sheet so that the Group can capitalise on any available expansion opportunity. In this connection, the Company will do a renounceable 1-for-4 rights issue of 3.98% perpetual convertible capital securities to raise net cash proceeds of approximately S$161.5 million.

In order to reward our shareholders for their continual support and consistent with the good results of the Group, a 1-for-10 bonus issue is to be carried out. In addition, the directors recommend a final tax-exempt (one-tier) dividend of 1.2 Singapore cents per share, bringing the dividends for 2017 to a total of 2.2 Singapore cents per share or a 10% increase from 2016.

- End -

Please refer to the Group's unaudited financial results announcement for 4Q2017/FY2017 and the investor presentation slides dated 8 February 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 and associated companies, the "**Group**"), a mixed property developer in the Netherlands and the People's Republic of China (the "PRC"), and owner of commercial properties and provider of property financing services in the Netherlands, Germany and the PRC, was listed on the Mainboard of 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 ("M&C UK"), 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
8 February 2018

Hotspring facility within the Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels

Contents

Section 1 Key Message

Key Message

1. The Group has achieved a 2.4% growth in its profit before tax for FY2017 to S$121.2 million despite the substantial one off gain of S$97.3 million recognised from the dilution of equity interest in the Star of East River Project in FY2016. Excluding this one off dilution gain, the net profit of the Group would have increased by 4.5 times year on year.

2. To reward shareholders for their continuous support, the Board has approved a bonus issue of one bonus share for every 10 ordinary shares in issue.

3. The Board is also recommending a final tax-exempt (one-tier) dividend of 1.2 Singapore cents per ordinary share, adding up to a total dividend of 2.2 Singapore cents per ordinary share for FY2017 which represents a 10.0% increase from FY2016. The Board will work towards a stable payout with a steady growth when appropriate, subject to the successful implementation of the Group's business strategy and prevailing market conditions.

4. The Group has successfully recovered RMB365.4 million out of the total RMB470.0 million defaulted loan principal (78% recovery) for Case 2. In conjunction with the successful recovery, the Group had recognised cumulative net interest income of RMB152.6 million (S$31.2 million). It is noteworthy that the cumulative interest income earned on Case 2 defaulted loans to-date is more than sufficient to cover the outstanding loan principal of RMB104.6 million.

Key Message

5. The Group has made four acquisitions amounting to approximately S$349.2 million in the Netherlands, Germany and the PRC during the past two months:

   - the acquisition of the 300-room Le Méridien Frankfurt Hotel for a total consideration of approximately €85.0 million (S$135.9 million), via a partnership with the Group’s two key shareholders City Developments Limited and Tai Tak Group. This is the Group’s first foray into Germany.

   - the majority apartment rights of Meerparc, a mixed use office building in the South Axis, the main central business district of Amsterdam for a total consideration of approximately €55.5 million (S$88.6 million).

   - the 100% equity interest in Dongguan Wan Li Group Limited and its subsidiary, which owns outdated commercial (four) and industrial (two) properties in Dongguan (“Wanli Portfolio”), for approximately RMB206.0 million (S$42.1 million), via an acquisition by Dongguan East Sun Limited. The Wanli Portfolio has redevelopment potential and currently generates recurrent rental income.

   - the 254-room Hilton Rotterdam Hotel for a total consideration of approximately €51.0 million (S$82.6 million), via an acquisition led by the Group with a consortium of investors. The Group has undertaken a post completion restructuring exercise to lease and operate the hotel with effect from 31 January 2018.

Key Message

6. The Bilderberg Portfolio continued to perform well with its FY2017 EBITDA exhibiting a 15.5% year on year growth.

7. The Company will be embarking on an equity fund raising exercise to further strengthen its balance sheet so that the Group can capitalise on any available expansion opportunity. In this connection, the Company will do a renounceable 1-for-4 rights issue of 3.98% perpetual convertible capital securities which can be converted, at the holder's option, into new ordinary shares at a conversion price of S$1.10 per share. The estimated net cash proceeds is S$161.5 million.

Section 2 Financial Highlights

2.1 Statement of Profit or Loss - Highlights

Statement of Profit or Loss - Highlights

In S$'000	4Q2017	4Q2016 (restated)	Change %	FY2017	FY2016 (restated)	Change %
Revenue [(1)]	180,279	23,711	660.3%	384,392	199,051	93.1%
Gross profit	75,198	(5,045)	n.m.	153,032	51,751	195.7%
Profit before tax	59,697	65,814	(9.3%)	121,233	118,389	2.4%
Attributable profit [(2)]	42,660	72,915	(41.5%)	88,283	113,089	(21.9%)
Basic EPS (cents)	7.23	12.36	(41.5%)	14.97	19.17	(21.9%)
Interest cover [(3)]	n.m [(4)]	41.2x	n.a.	n.m [(4)]	21.7x	n.a.

(1) Arising from a business review, the Group felt that it is more appropriate to classify interest income from loans extended to its associates 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.

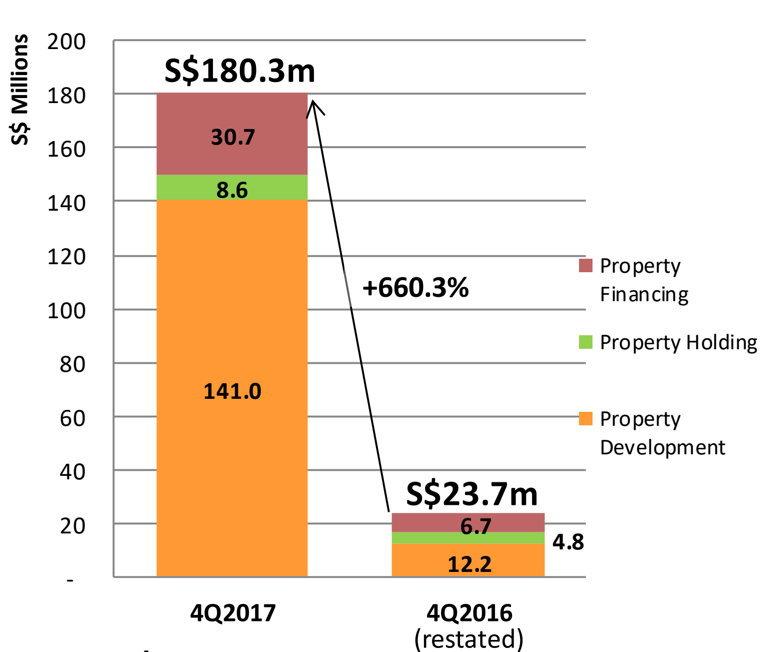
(2) Attributable profit refers to profit attributable to equity holders of the Company.

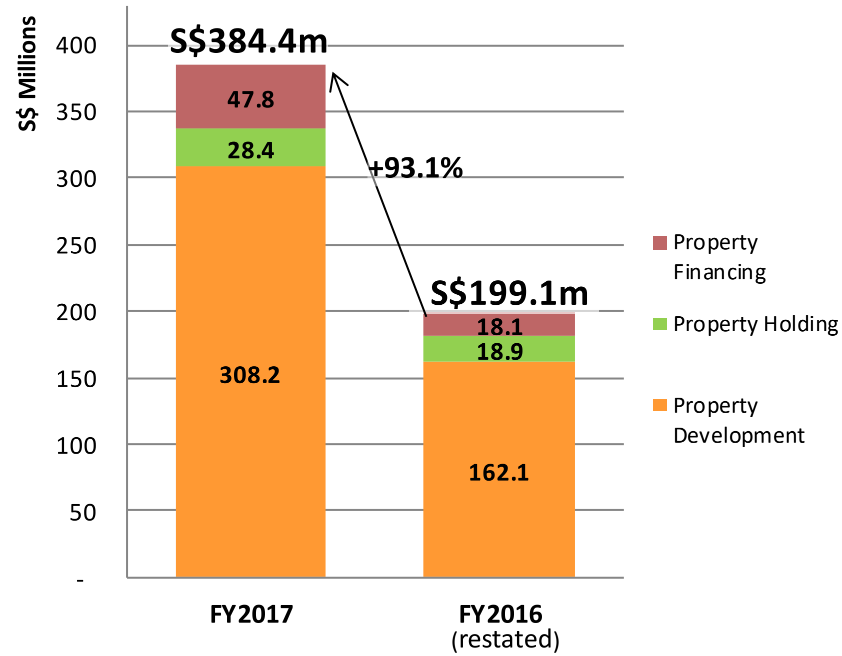
(3) Interest cover = PBT (excluding accounting interest due to or from financial institutions) ÷ net accounting interest expense due to or from financial institutions.

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

2.2 Statement of Profit or Loss – Revenue

Revenue





Property Development

The increase in 4Q2017 is due mainly to the higher number of residential units from the Chengdu Millennium Waterfront project being handed over in 4Q2017 (1,080 residential units) as compared to 4Q2016 (58 residential units).

Property Holding

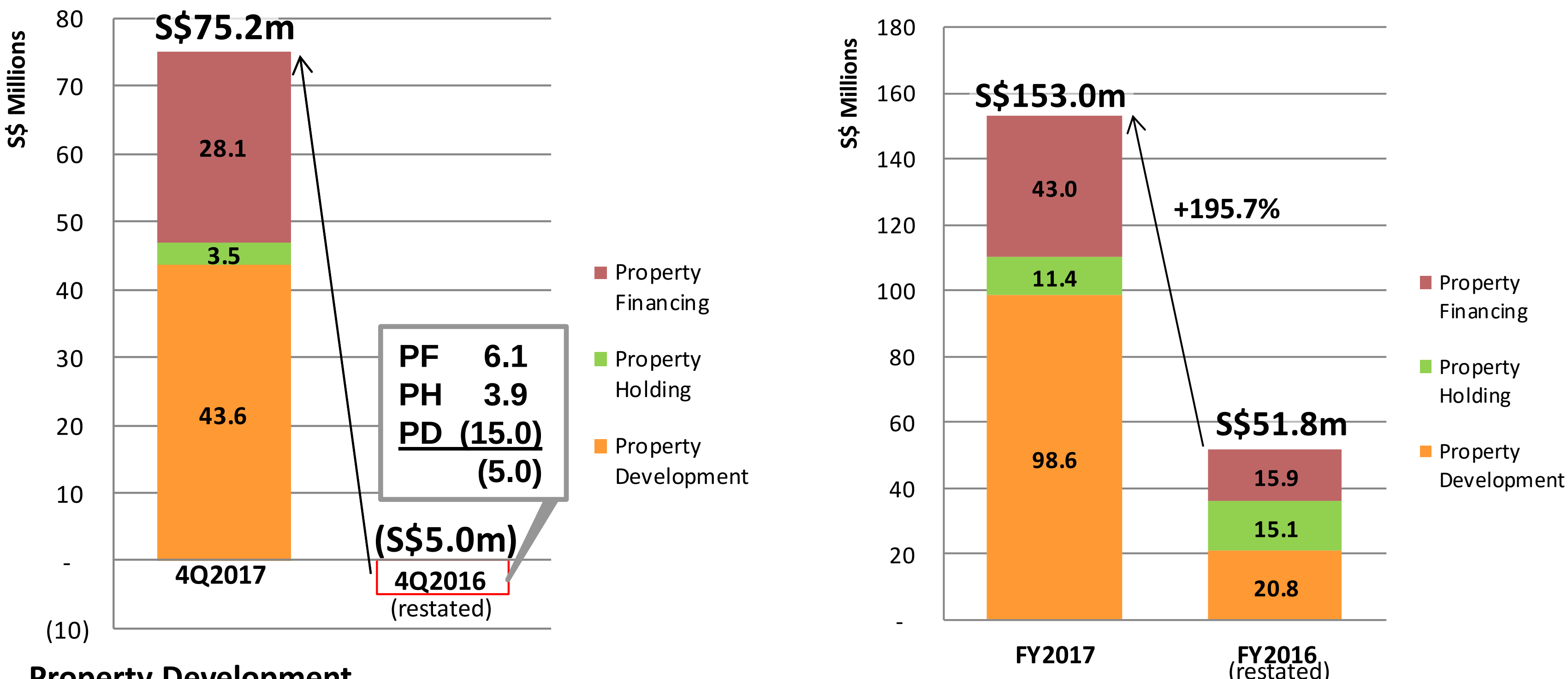
The increase in 4Q2017 is due mainly to a full quarter's revenue contribution from Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels which commenced operations in late December 2016. This is partially offset by lower rental revenue from the Zuiderhof I property as a result of lease incentives granted for a lease extension of another 7 years.

Property Financing

The increase in 4Q2017 is due to the recognition of net penalty interest income of S$22.0m (RMB107.9m) upon the successful recovery of defaulted loans of RMB235.4m in total [Case 2.1, 2.5, 2.6 (partial) and 2.8] and extension of interest bearing loans to the FSMC Group for the acquisition of the Bilderberg Portfolio.

2.3 Statement of Profit or Loss – Gross Profit

Gross Profit



Property Development

Increase in gross profit of S$58.6m in 4Q2017 is due mainly to the higher number of residential units from the Chengdu Millennium Waterfront project being handed over in 4Q2017 as compared to 4Q2016. In addition, there was a one-off re-allocation of the S$18.8m costs relating to all the car parks in the Chengdu Millennium Waterfront project to their respective residential and commercial units in 4Q2016.

Property Holding

Gross profit decreases despite the increase in revenue mainly because of depreciation charge from the Wenjiang hotels.

Property Financing

The increase is consistent with the increase in revenue as this business segment has a relatively high gross profit margin.

2.4 Income Contribution from the Dutch Operations

In S$'000	4Q2017	4Q2016 (restated)	Change %	FY2017	FY2016 (restated)	Change %
Rental income	3,407	3,567	(4.5%)	13,447	13,885	(3.2%)
Interest income from FSMC	6,663	2,115	215.0% (1)	16,601	9,336	77.8%
Cost of sales	(1,986)	(845)	135.0% (2)	(5,385)	(3,034)	77.5%
Gross profit	8,084	4,837	67.1%	24,663	20,187	22.2%
Administrative expenses	(728)	(1,367)	(46.7%) (3)	(1,733)	(1,990)	(12.9%)
Fair value gain on investment properties	12,043	2,285	427.0%	12,043	2,285	427.0%
Gain on disposal of non-core properties	-	1,836	n.m.	-	1,836	n.m.
Share of FSMC's fair value gain	2,473	1,316	87.9%	2,473	1,316	87.9%
Share of FSMC's gain on disposal of non-core properties	1,483	3,172	(53.2%)	1,483	9,683	(84.7%)
Share of FSMC's other post tax results	(1,125)	235	n.m.	(93)	929	n.m.
Total	22,230	12,314	80.5%	38,836	34,246	13.4%
Recurrent income	6,231	3,705	68.2%	22,837	19,126	19.4%
Non-recurrent income	15,999	8,609	85.8%	15,999	15,120	5.8%
Total	22,230	12,314	80.5%	38,836	34,246	13.4%

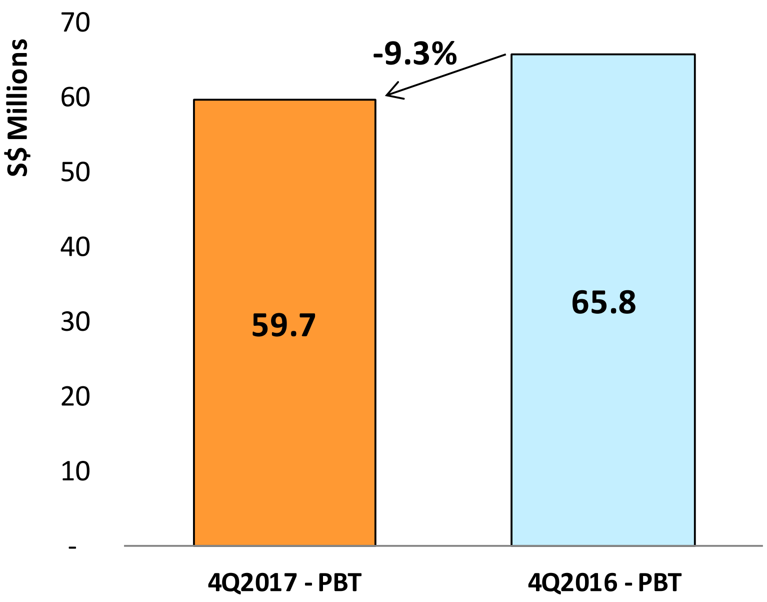
(1) Due mainly to loans disbursed to the FSMC Group for the acquisition of the Bilderberg Portfolio.

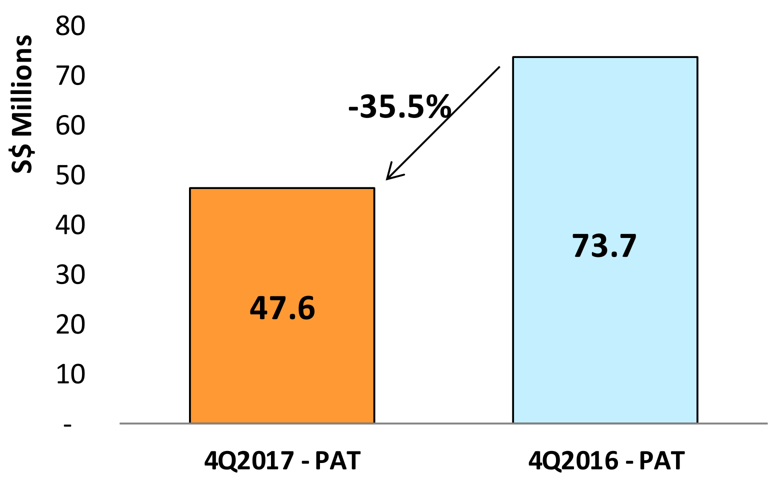
(2) Due mainly to the financing cost of the loans extended to the FSMC Group in relation to the acquisition of the Bilderberg Portfolio.

(3) Due mainly to higher professional fees accrued in 4Q2016.

Excluding the Poortgebouw, Boompjes, Dreeftoren and Oliphant properties, the Dutch rental properties (LFA: 104,715 sqm, occupancy of 84% and WALT of approximately 8.7 years) have a net property income in excess of S$28m (€18m) per annum. The FY2017 EBITDA of the Bilderberg Portfolio is S$24.2m (€15.5m).

2.5 Statement of Profit or Loss – 4Q2017 vs 4Q2016





The decrease in profit before tax is due mainly to:

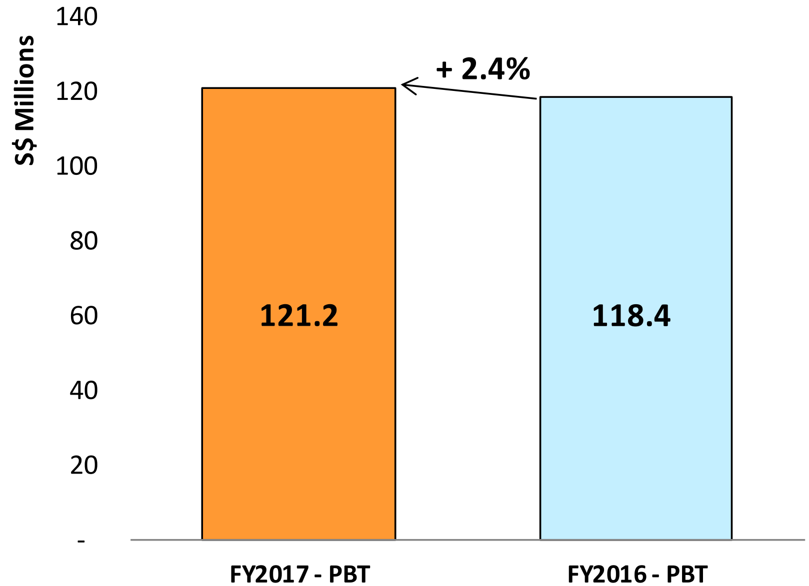
- One off dilution gain of S$97.3m arising from the partial Star of East River Project divestment in 4Q2016
- Lower net finance income [S$1.5m decrease]

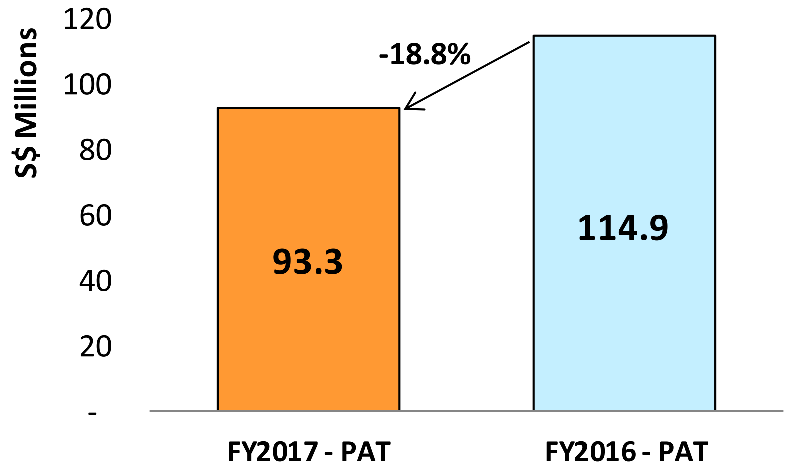
The decrease is partially offset by:

- Higher gross profit contribution from the property development and property financing business segments [S$80.6m increase]
- Higher net fair value gain on investment properties [S$13.5m increase]

The adjusted effective tax rate is 22.1% for 4Q2017.

2.6 Statement of Profit or Loss – FY2017 vs FY2016





The increase in profit before tax is due mainly to:

- Higher gross profit contribution from the property development and property financing business segments [S$104.9m increase]

The increase is partially offset by:

- One off dilution gain of S$97.3m arising from the partial Star of East River Project divestment in 4Q2016

- Lower gross profit contribution from the property holding business segment [S$3.7m decrease]

The adjusted effective tax rate is 22.6% for FY2017.

2.7 Statement of Financial Position - Highlights

Statement of Financial Position - Highlights			
In S$'000	31-Dec-17	30-Sep-17	Change %
Total assets	2,106,503	2,016,578	4.5%
Total cash	319,298	405,167	(21.2%)
Receipts in advance	179,264	271,398	(33.9%)
Total debt	609,988 (1)	513,678 (2)	18.7%
Net asset value (NAV)(3)	1,080,154	1,044,578	3.4%
NAV per share (cents)	183.13	177.10	3.4%
Gearing ratio (4)	0.26x	0.13x	n.m.

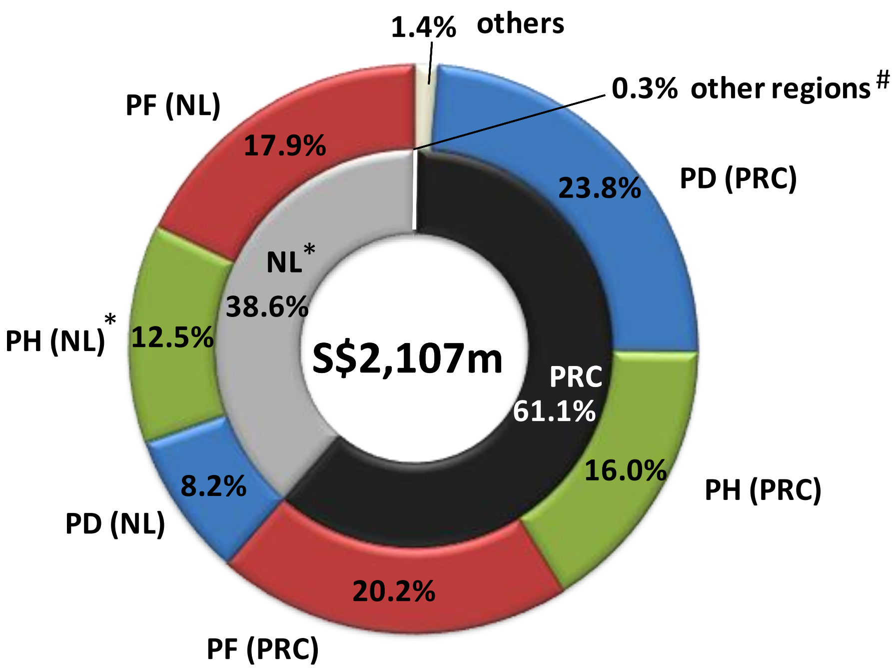
(1) Comprises gross borrowings of S$619.9m net of unamortised upfront fee of S$9.9m.
(2) Comprises gross borrowings of S$521.8m net of unamortised upfront fee of S$8.1m.
(3) NAV excluding non-controlling interests and includes translation reserve of S$37.0m (Sep 2017: S$40.1m).
(4) Computed as net debt ÷ total equity including non-controlling interests.
Net debt = gross borrowings + derivative liability – cash and cash equivalents (including principal-guaranteed structured deposits placed with financial institutions).

2.8 Statement of Financial Position - Total Assets

Total Assets – by business and geographic segments

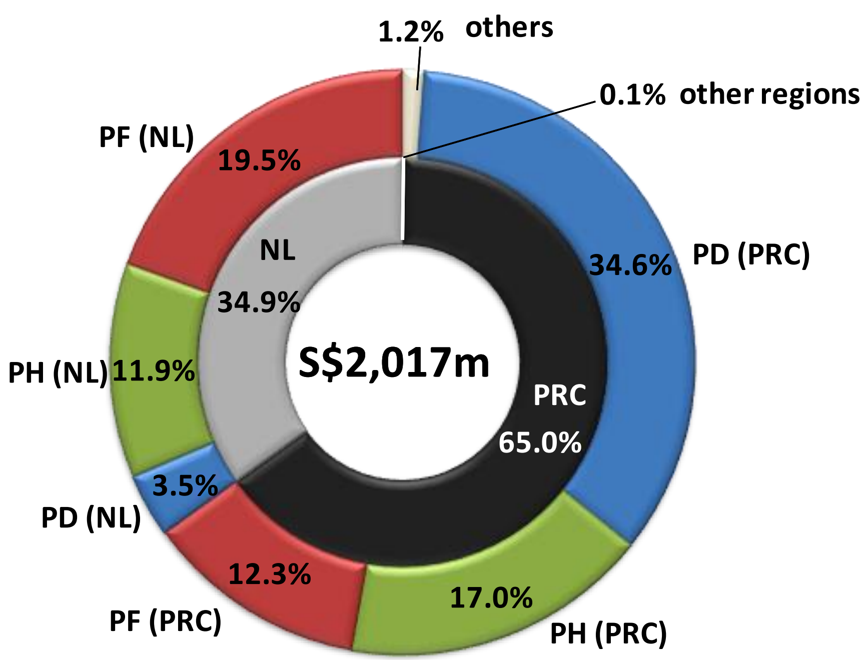
As at 31 December 2017

Total assets: S$2,107m



As at 30 September 2017

Total assets: S$2,017m

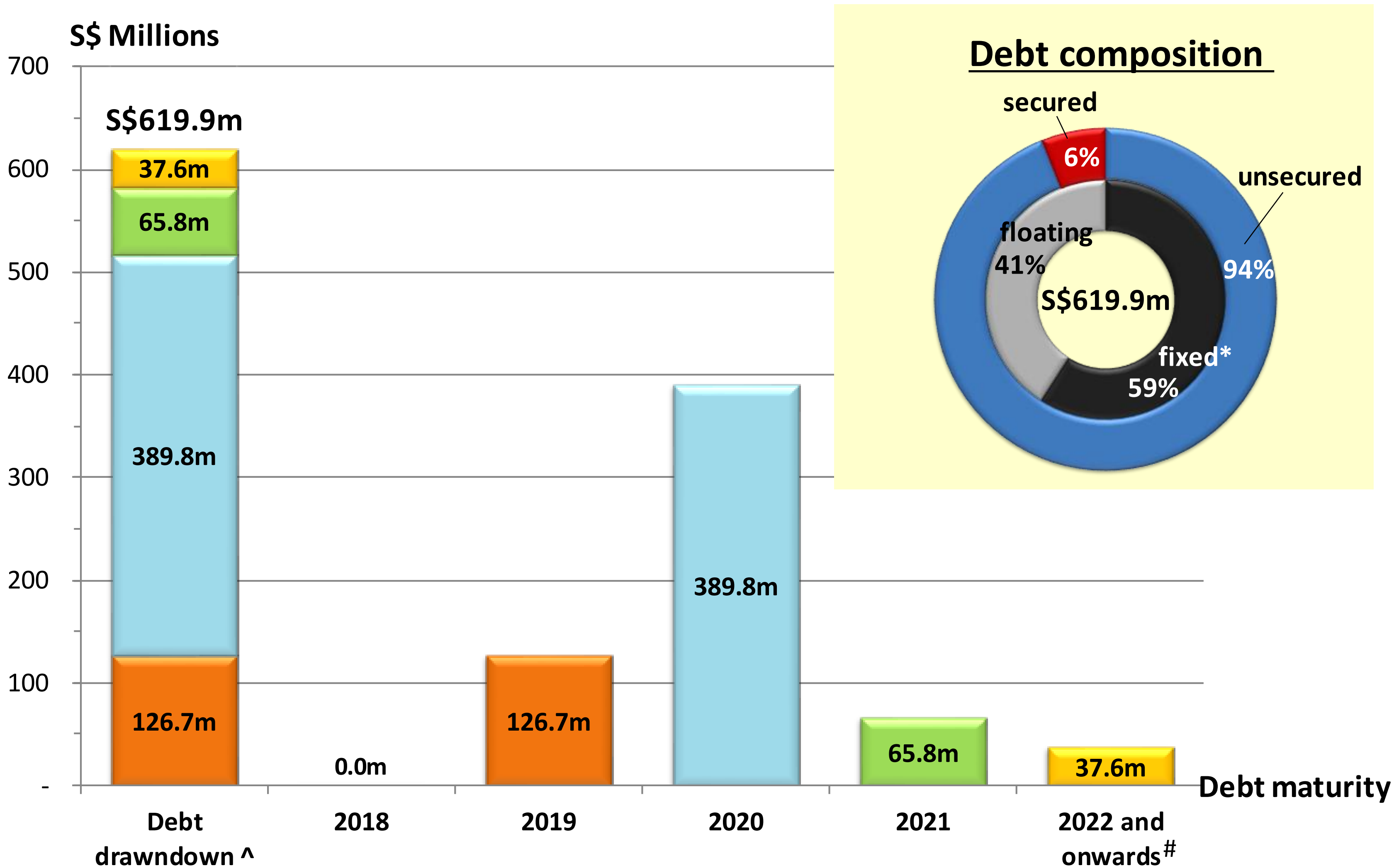


* Includes the Group's 50% interest in a German partnership to fund its share of the deposit for the acquisition of the Le Méridien Frankfurt hotel.

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

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

2.9 Debt Maturity and Composition as at 31 December 2017



* Done via cross currency swaps

^ Available remaining headroom of S$139.6m from committed credit facilities

Subsequent to 31 December 2017, the Group has further obtained additional S$180.0m of unsecured loan facilities.

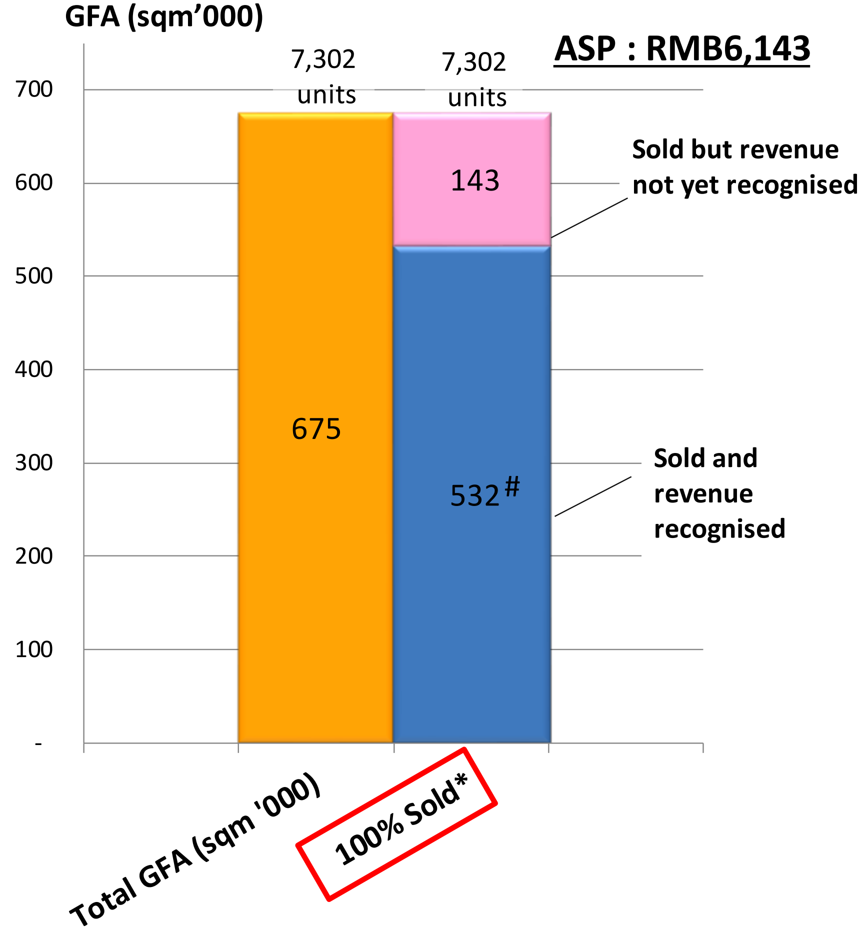
Section 3

Key Business Review 4Q2017 – Property Development

3.1 Property Development – Millennium Waterfront Project, Chengdu

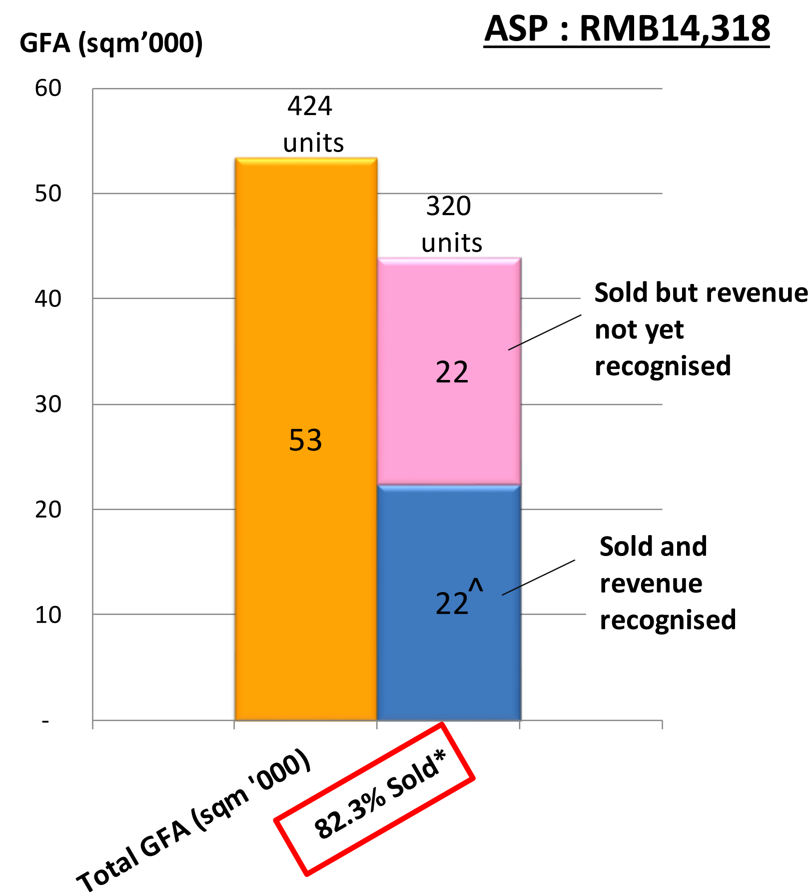
Pre-sale Performance as at 31 December 2017

Overall Residential



Commercial

(Plot A-D, excluding carparks)



\# Residential : recognised 5,792 units, 531,869 sqm GFA, S$656.3m gross sales value as at 31 December 2017.

^ Commercial : recognised 182 units, 22,396 sqm GFA, S$67.3m gross sales value as at 31 December 2017.

* Includes sales under option agreements or sale and purchase agreements, as the case may be.

3.1 Property Development – Millennium Waterfront Project, Chengdu

- The handover of the fully pre-sold Plot D residential units are expected to commence from 4Q2018.
- The Group has obtained the relevant construction permits for Plot E and F, the last development plots of the Chengdu Millennium Waterfront project. This development encompasses an elderly and health care concept whereby elderly care living quarters and a hospital with auxiliary commercial facilities would be built.
- The Group has commenced development in 2018 with primary focus initially on Plot F.

3.1 Property Development – Millennium Waterfront Project, Chengdu

Plot A
- 2,000 residential units, 118 commercial units and 1,718 car park lots
- Pre-sales of residential units commenced in March 2015
- % of total saleable GFA launched for sale sold[3] :
  - Residential: 100.0%
  - Commercial: 81.6%
- Cumulative handover of 1,893 residential and 61 commercial units as at 31 December 2017

Plot C
- 1,778 residential units, 91 commercial units and 1,508 car park lots
- Pre-sales of residential units commenced in January 2014
- % of total saleable GFA launched for sale sold[3] :
  - Residential: 100.0%
  - Commercial: 74.0%
- Cumulative handover of 1,773 residential and 46 commercial units as at 31 December 2017

Plot D
- 1,274 residential units, 66 commercial units, 1,295 car park lots and two commercial blocks
- Pre-sales of residential units commenced in December 2016
- % of total saleable GFA launched for sale sold[3] :
  - Residential: 100.0%
  - Commercial: 81.4%
- Expected to commence handover of residential units in 2018

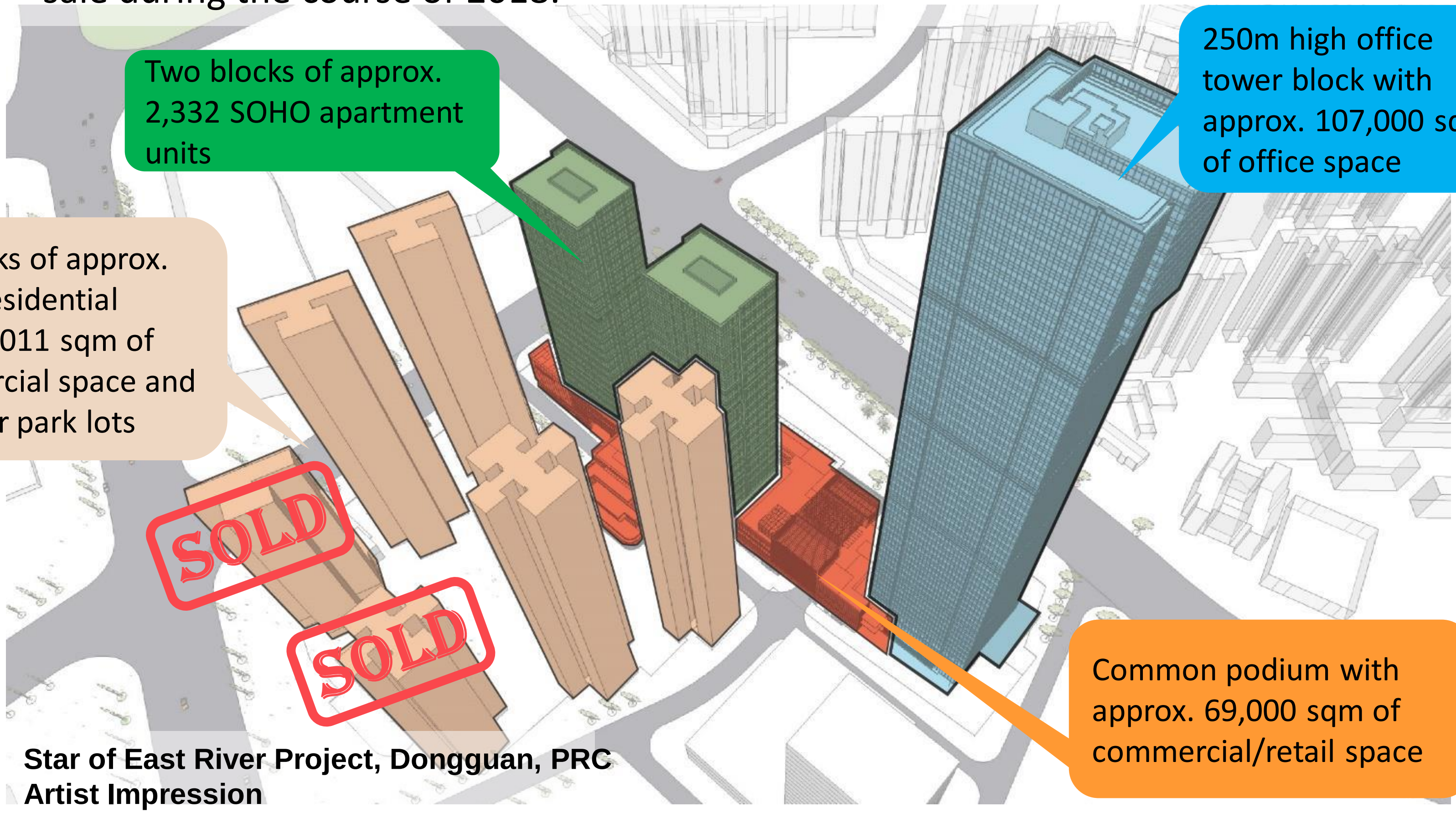
Plot B
- 2,250 residential units, 96 commercial units, 1,905 car park lots and a three-storey commercial building
- Pre-sales of residential units commenced in November 2012
- % of total saleable GFA launched for sale sold[3] :
  - Residential: 100.0%
  - Commercial: 92.5%
- Cumulative handover of 2,126 residential and 75 commercial units as at 31 December 2017

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.

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 December 2017 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

- All 272 units of the two residential blocks that were launched for sale in 3Q2017 were sold at approximately RMB25,900 psm within the first day of launch. The current progress of the construction is in line with the planned handover in 4Q2018.
- The remaining four blocks of approximately 949 residential units and 2 blocks of approximately of 2,332 SOHO apartment units are expected to be launched for sale during the course of 2018.



Star of East River Project, Dongguan, PRC
Artist Impression

3.3 Property Development – Redevelopment of Boompjes, Rotterdam

Artist impression

- 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.

Artist impression

- Demand for the remaining 25% residential units (launched for sale in December 2017) has been overwhelming with buyers bidding for individual residential units at a significant premium.

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

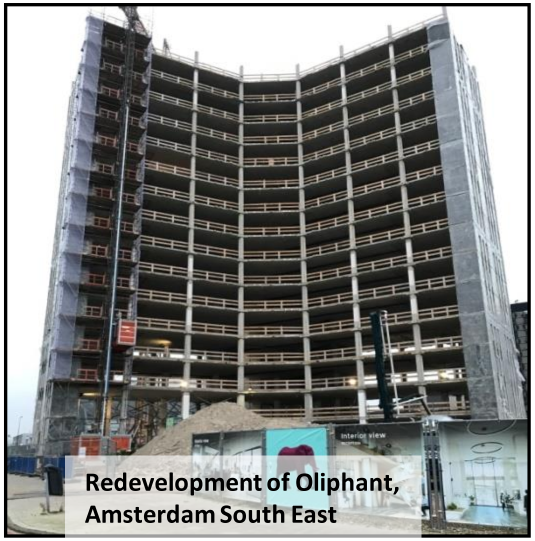
3.4 Property Development – Dreeftoren and Oliphant, Amsterdam

Dreeftoren Residential Development

- As the local municipality did not approve certain conditions which were pre-requisites to the conditional sale agreement signed down with a Dutch residential fund in 3Q2017, the parties have mutually agreed to terminate the agreement.
- Nevertheless, the Group remains confident of the Dutch residential market and will be pursuing development sales of the units in the residential tower.

Oliphant Office Redevelopment

- The office redevelopment is progressing well and is expected to be completed by December 2018. Leasing activities for the substantially renovated office building are in full steam.



3.4 Property Development – Sale of Terminal Noord, The Hague

Terminal Noord Sale

- The Group's 33% owned FSMC had completed the sale of Terminal Noord (a vacant office property in The Hague, the Netherlands) in 4Q2017 at a premium of 77% to cost.

Section 4 Key Business Review 4Q2017 – Property Holding

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

	Crowne Plaza	Holiday Inn Express
	FY2017	FY2017
Occupancy	32.8%	40.2%
ADR	RMB320	RMB218
RevPar	RMB105	RMB88

- Encouraging results achieved in FY2017 with the Wenjiang hotels recording a small gross operating profit for their first year of operations.
- The commencement of the hotspring operations in October 2017 within the same premises of the two Wenjiang hotels had complemented and enhanced the performance of the hotels.

4.2 Property Holding – Bilderberg Portfolio of 17 hotels in the Netherlands

	FY2017	FY2017		
		5 Crown Hotels	11 Hotels with Potential	1 Leased Hotel
Rooms	1,695	763	870	62
EBITDA	€ 15.5m	€ 9.9m	€ 5.2m	€ 0.4m

Trading Performance	FY2017	FY2016	Change
Occupancy	65.1%	62.5%	2.6%
ADR	€ 98	€ 95	3.2%
RevPar	€ 64	€ 59	7.5%
TrevPar	€ 131	€ 124	5.7%
EBITDA	€ 15.5m	€ 13.5m	**15.5%**

The Bilderberg Portfolio achieved 15.5% full year EBITDA growth

Section 5 Key Business Review 4Q2017 – Property Financing

5.1 Property Financing - Overview of Financial Performance

In S$'000	4Q2017	4Q2016	Change %	FY2017	FY2016	Change %
Secured PRC entrusted loans to 3rd parties						
- interest	1,051	770	36.5%	3,616	3,448	4.9%
- penalty interest	22,041	3,497	530.3%	26,433	4,792	451.6%
Unsecured loans to the Group's members						
- FSMC Group [(1)]	6,663	2,115	215.1%	16,601	9,336	77.8%
- Star of East River Project Co [(2)]	492	-	n.m.	492	-	n.m.
- Dongguan East Sun Limited [(1)(2)]	311	-	n.m.	311	-	n.m.
Others	98	302	(67.5%)	331	485	(31.8%)
Total PF Revenue	**30,657**	**6,684**	**358.7%**	**47,784**	**18,061**	**164.6%**

(1) Long term 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
4Q2017	24.0[1]	13.3%	23.0	38.6%
4Q2016 (restated)	4.6	19.3%	4.9	7.4%
FY2017	31.2[1]	8.1%	31.4	25.9%
FY2016 (restated)	8.7	4.4%	7.0	5.9%

	Average Third Party Loan Balance for the quarter ended	Average Third Party Loan Balance for the year to date ended	Third Party Loan Balance as at
31 December 2017 [2]	RMB762.1m (S$155.7m)	RMB697.2m (S$142.4m)	RMB1,184.6m (S$242.3m)
31 December 2016 [2]	RMB730.0m (S$152.3m)	RMB753.2m (S$157.1m)	RMB730.0m (S$152.3m)

(1) The Group has recognised RMB107.9m (S$22.0m) of penalty interest from the foreclosure actions for Loans 2.1, 2.5, 2.6 and 2.8 in 4Q2017. The cumulative penalty interest of RMB144.8m (S$29.6m) as at 31 December 2017 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 [a] p.a. (%)	Loan to Value ratio [a] (%)	Interest yet to be recognised (S$'m* net of VAT) As of 31-12-2017	Interest yet to be recognised (S$'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 proceeding involving a legal representative of the borrower.	24% (30.4% from 5-Aug-16)	50.9% (Adj. LTV: 80.7%)	19.1[d]	0.9[d]
2.4	**Case 2**		64.0		Foreclosure procedures commenced.	24% (30.4% from 5-Dec-16)	8.5%[b] (Adj. LTV: 13.0%)	6.7	0.3
2.6	In default when interest due was not received on 21-Jan-16. All loans under Case 2 were cross-collateralized.		11.6[c]	Shanghai Pudong New Area People's Court	Substantially recovered. Outstanding amount will be recovered from foreclosure of cross collaterized assets.	24% on outstanding principal		0.8	0.1
2.7			29.0		Foreclosure procedures commenced.	24% (30.4% from 29-Nov-16)		3.0	0.1
Case 2 Subtotal			104.6	**78% recovery to-date out of total RMB470.0m for Case2**				10.5	0.5
Total (Case 1 + Case 2)			**274.6**					**29.6**	**1.4**

*RMB 1: S$0.2043

(a) Adjusted LTVs include the cumulative unrecognised interest as of 31 December 2017.

(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 collateral asset pool for the outstanding loans for Case 2.

(c) Excludes RMB55.4m of loan principal which has been recovered in 4Q2017.

(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.

5.3 Status of Problematic Loans – Case 1 and Case 2

Case 1

- Case 1 relates to a defaulted loan of RMB170.0m for which the foreclosure procedures have been suspended pending the closure of the various alleged criminal cases involving the legal representative of the borrower. The court has granted penalty interest of 24% per annum from 21 December 2015 and 30.4% per annum from 5 August 2016 in favour of the Group.

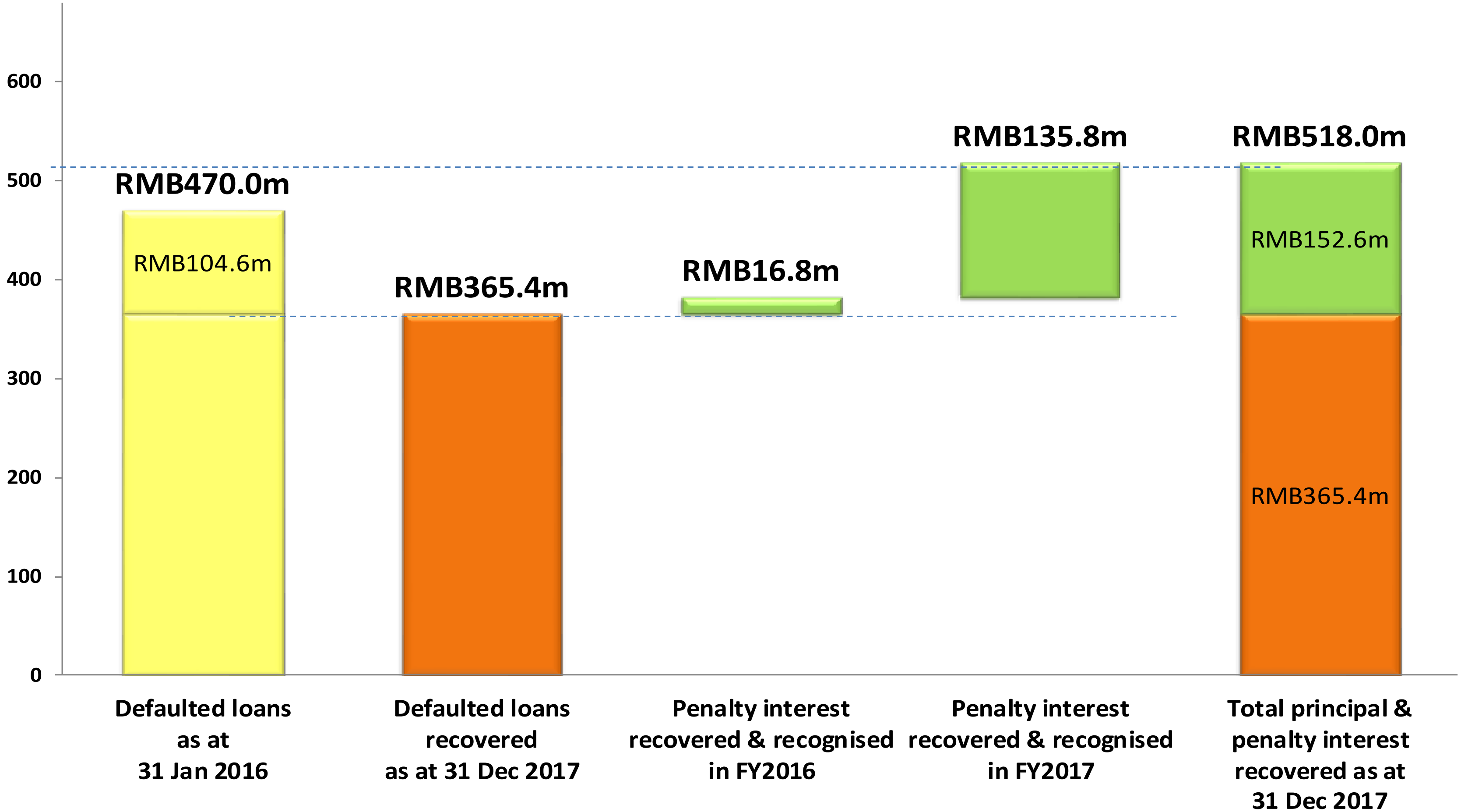
- While the Group has secured a favourable court ruling in relation to penalty interest, due to the need to balance public interest arising from the criminal charges involving the legal representative of the borrower, the Group may have to compromise and accept a lower interest entitlement. There are no significant updates during the quarter.

Case 2

- In 4Q2017, the Group has duly received the cash proceeds relating to the loan recovery for Case 2 of a total of RMB235.4 million of defaulted loan principal, and its related net penalty interest of RMB107.9 million (S$22.0 million). These include net auction proceeds and settlement proceeds received in lieu of the Group lifting the first preservation order on one of the property collaterals.

- As of 31 December 2017, the Group has successfully recovered approximately 78% of the RMB470 million defaulted loan principal and recognised cumulative net default interest of RMB152.6 million (S$31.2 million). It is noteworthy that the cumulative interest income earned on Case 2 defaulted loan to-date is more than sufficient to cover the outstanding loan principal of RMB104.6 million.

5.3 Status of Problematic Loans – Case 2 Report Card



As at 31 December 2017:

- defaulted loan principal and penalty interest recovered by the Group amounted to RMB518.0 million in aggregate which is more than the original RMB470.0 million defaulted loan principal.
- cumulative penalty interest of S$10.5 million has not been recognised, with S$0.5 million interest accruing every month.

Section 6 Recent Acquisitions

6.1 Recent Acquisitions – Meerparc, Amsterdam, the Netherlands

- The Group acquired the majority apartment rights of Meerparc, a mixed use office building in the South Axis, the main central business district of Amsterdam on 29 December 2017.

Acquisition/Property Summary	
Land tenure	**Apartment rights (parcel of land involved: Freehold)**
Location	**Amstelveenseweg 638 - 710 Amsterdam, the Netherlands**
Year of Construction	**1999**
Lettable floor area	**Approx. 12,200 sqm of office area, 4,618 sqm retail/commercial area and 218 car park lots. The remaining 772 sqm of retail/ commercial area and 15 car park lots are owned by third parties.**
Aggregate Land Size	**Approx. 9,744 sqm**
Total Consideration	**€55.5m (S$88.6m)**
WALT*	**4.9 years**
Occupancy*	**73%**

* Weighted average lease term (“WALT”) and occupancy of office area as at 31 December 2017.

6.2 Recent Acquisitions – Wanli Portfolio, Dongguan, PRC

- In November 2017, the Group's 85% owned Dongguan East Sun Limited ("ESL") entered into sales and purchase agreements to acquire the entire equity interests in Dongguan Wan Li Group Limited and Dongguan De Hua Limited. The acquisition was completed on 5 January 2018 with the combined property portfolio owned by the two entities ("Wanli Portfolio") valued at RMB206.0 million (S$42.1 million).

- The Wanli Portfolio comprises six outdated properties, four commercial and two industrial, in Dongguan, PRC which are currently tenanted with a positive running yield.

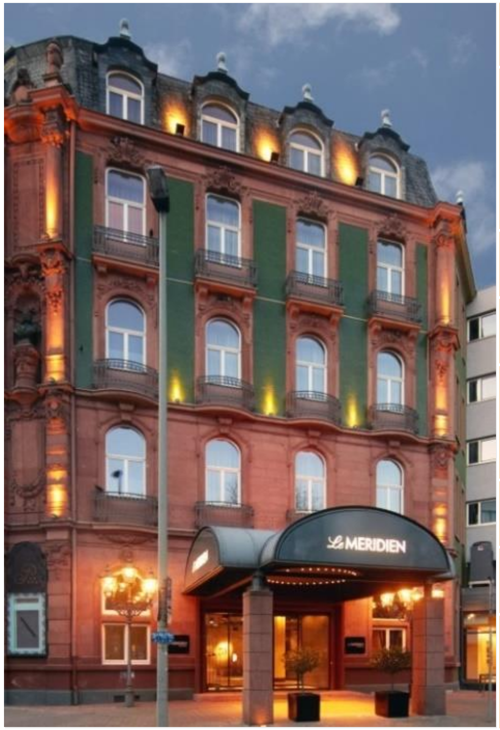
- Some of these properties are located in prime city areas with redevelopment potential, similar to the properties owned by ESL which the Group acquired in April 2017.

6.3 Recent Acquisitions – Le Méridien Frankfurt Hotel, Germany

- The Group partnered with its two key shareholders, City Developments Limited and Tai Tak Estates Sendirian Berhad, to acquire the Le Méridien Frankfurt Hotel in Germany in January 2018.

- The property is leased for a rent that (i) is directly linked to turnover, thereby providing the Group with upside participation; and (ii) has a minimum rent payable, thereby protecting the Group's downside.

Acquisition/Property Summary



Land tenure	Freehold
Location	Wiesenhüttenplatz 28, 30, 32, and Wiesenhüttenstraße 36-38 Frankfurt am Main, 60329, Germany
Year of construction	Modern Wing: 1970s, Classic Wing: 1905
Rooms	300 (Modern Wing: 220, Classic Wing: 80)
Lease Term	25 years expiring on 31 May 2040 with tenant's option for another renewal of 5 years
Aggregate Land Size	Approx. 4,405 sqm
Meeting Rooms	10 (670 sqm)
Total Consideration	€85.0m (S$135.9m) or €283,000 (S$453,000) per key

6.4 Recent Acquisitions – Hilton Rotterdam Hotel, the Netherlands

- The Group led a consortium of investors in the acquisition of all of the issued shares in the capital of Hotelmaatschappij Rotterdam B.V. which owns and operates the Hilton Rotterdam hotel. The 254-room freehold property was acquired at approximately €51.0 million (S$82.6 million), including transaction costs.

- The Group has undertaken a post completion restructuring exercise to lease and operate the hotel with effect from 31 January 2018.

Acquisition/Property Summary	
Land tenure	**Freehold**
Location	**Weena 10, Rotterdam, 3012 CM, Netherlands**
Year of Construction/ refurbished	**1963/ 2011 - 2013**
Rooms	**254**
Aggregate Land Size	**Approx. 3,822 sqm**
Meeting Rooms	**8 (1,533 sqm)**
Property Acquisition Cost	**€51.0m (S$82.6m) or €201,000 (S$325,000) per key**

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.