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	26-Oct-2018 12:10:35
Status	New
Announcement Sub Title	Announcements by First Sponsor Group Limited, an associate of Millennium & Copthorne Hotels plc
Announcement Reference	SG181026OTHRVSOH
Submitted By (Co./ Ind. Name)	Enid Ling Peek Fong
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below)	First Sponsor Group Limited ("FSGL"), an associate of Millennium & Copthorne Hotels plc, has on 26 October 2018 released the following announcements:- 1. Unaudited Third Quarter and Nine-Month Financial Statements for the period ended 30 September 2018 together with a press release and investor presentation slides; 2. Liquidation of subsidiaries, change in shareholding of an associated company and incorporation of a joint venture company; and 3. Use of Proceeds from the Rights Issue. For details, please refer to the announcements released by FSGL on the SGX website www.sgx.com.

Financial Statements and Related Announcement::Third Quarter Results

Issuer & Securities

Issuer/ Manager	FIRST SPONSOR GROUP LIMITED
Securities	FIRST SPONSOR GROUP LIMITED - KYG3488W1078 - ADN
Stapled Security	No

Announcement Details

Announcement Title	Financial Statements and Related Announcement
Date & Time of Broadcast	26-Oct-2018 07:03:24
Status	New
Announcement Sub Title	Third Quarter Results
Announcement Reference	SG181026OTHRXSGV
Submitted By (Co./ Ind. Name)	Neo Teck Pheng
Designation	Group Chief Executive Officer and Executive Director
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	Please see attached.

Additional Details

For Financial Period Ended	30/09/2018

Attachments	FSGL - 3Q2018 Results Announcement.pdf FSGL - 3Q2018 Investor Presentation.pdf FSGL - 3Q2018 Press Release.pdf Total size =5285K

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

UNAUDITED THIRD QUARTER AND NINE-MONTH FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2018

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

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

	The Group Third quarter ended 30 September		Incr / (Decr)	The Group 9-month period ended 30 September		Incr / (Decr)
	2018	2017		2018	2017	
	S$'000	S$'000	%	S$'000	S$'000	%
Revenue	53,493	64,822	(17.5)	145,409	204,113	(28.8)
Cost of sales	(20,519)	(35,796)	(42.7)	(53,901)	(126,279)	(57.3)
Gross profit	32,974	29,026	13.6	91,508	77,834	17.6
Administrative expenses	(5,697)	(5,087)	12.0	(19,410)	(15,555)	24.8
Selling expenses	(1,790)	(997)	79.5	(5,897)	(5,120)	15.2
Other income/ (expenses) (net)	3,820	2,590	47.5	941	(2,582)	n.m.
Other gains/(losses) (net)	1,683	6	n.m.	1,683	(40)	n.m.
Results from operating activities	30,990	25,538	21.3	68,825	54,537	26.2
Finance income	3,761	4,851	(22.5)	12,555	13,678	(8.2)
Finance costs	(2,504)	(2,565)	(2.4)	(7,297)	(7,687)	(5.1)
Net finance income	1,257	2,286	(45.0)	5,258	5,991	(12.2)
Share of after-tax results of associates and joint ventures	1,115	90	n.m.	(3,165)	1,008	n.m.
Profit before tax	33,362	27,914	19.5	70,918	61,536	15.2
Tax expense	(7,711)	(5,772)	33.6	(15,878)	(15,794)	0.5
Profit for the period	25,651	22,142	15.8	55,040	45,742	20.3
Attributable to:						
Equity holders of the Company	25,575	22,020	16.1	54,770	45,623	20.0
Non-controlling interests	76	122	(37.7)	270	119	126.9
Profit for the period	25,651	22,142	15.8	55,040	45,742	20.3
Earnings per share (cents)						
- **basic**	3.69	3.39	8.8	7.99	7.03	13.7
- **diluted**	3.21	3.39	(5.3)	7.42	7.03	5.5

n.m.: not meaningful

Consolidated Statement of Comprehensive Income

	The Group Third quarter ended 30 September		The Group 9-month period ended 30 September	
	2018	**2017**	**2018**	**2017**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Profit for the period	25,651	22,142	55,040	45,742
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Share of translation differences on financial statements of foreign associates and joint ventures, net of tax	(341)	814	(937)	913
Translation differences on financial statements of foreign subsidiaries, net of tax	(43,608)	5,186	(21,812)	(14,382)
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	(1,586)	567	(178)	(631)
Other comprehensive income for the period, net of tax	(45,535)	6,567	(22,927)	(14,100)
Total comprehensive income for the period	(19,884)	28,709	32,113	31,642
Total comprehensive income attributable to:				
Equity holders of the Company	(20,016)	28,399	31,886	31,785
Non-controlling interests	132	310	227	(143)
Total comprehensive income for the period	(19,884)	28,709	32,113	31,642

Notes to the Group's Income Statement:

Profit before tax includes the following:

	The Group Third quarter ended 30 September		The Group 9-month period ended 30 September	
	2018	**2017**	**2018**	**2017**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Other gains/(losses) comprise:				
Gain/(loss) on disposal of:				
- assets held-for-sale	5,349	-	5,349	-
- investment properties	41	-	41	(46)
- property, plant and equipment	-*	6	-*	6
Impairment loss on assets held-for-sale	(3,707)	-	(3,707)	-
Profit before income tax includes the following (expenses)/income:				
Depreciation of property, plant and equipment	(1,477)	(1,275)	(5,344)	(3,823)
Exchange gain/(loss) (net)	3,950	9,560	(12,616)	11,373
Fair value gain/(loss) on derivative assets/ liabilities (net)	881	(6,610)	16,393	(13,261)
Hotel and hotspring pre-opening expenses	-	(182)	-	(182)
Impairment loss on investment properties	-	-	-	(602)
Operating lease expenses	(117)	(120)	(395)	(320)
Trade receivables written off	-	-	-	(13)
Net investment return from a PRC government linked entity	-	-	-	403

* Amount less than S$1,000

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

	The Group		The Company	
	As at 30 September 2018 S$'000	As at 31 December 2017 S$'000	As at 30 September 2018 S$'000	As at 31 December 2017 S$'000
Non-current assets				
Property, plant and equipment	184,895	230,844	330	389
Investment properties	253,109	282,634	-	-
Interests in subsidiaries	-	-	653,581	653,581
Interests in associates and joint ventures	57,758	64,361	-*	-*
Derivative assets	8,301	350	8,301	350
Other investments	22,782	23,380	-	-
Deferred tax assets	30,177	25,905	-	-
Trade and other receivables	648,396	284,455	819,907	370,608
	1,205,418	911,929	1,482,119	1,024,928
Current assets				
Development properties	400,405	390,704	-	-
Inventories	210	175	-	-
Trade and other receivables	426,079	445,534	374,441	570,997
Assets held-for-sale	52,022	-	-	-
Other investments	85,107	38,863	-	-
Cash and cash equivalents	206,371	319,298	1,641	4,527
	1,170,194	1,194,574	376,082	575,524
Total assets	2,375,612	2,106,503	1,858,201	1,600,452
Equity				
Share capital	81,388	73,640	81,388	73,640
Reserves	1,016,487	1,006,514	826,593	807,067
Equity attributable to owners of the Company	1,097,875	1,080,154	907,981	880,707
Perpetual convertible capital securities	161,421	-	161,421	-
Non-controlling interests	6,954	6,727	-	-
Total equity	1,266,250	1,086,881	1,069,402	880,707
Non-current liabilities				
Loans and borrowings	624,571	609,988	587,306	574,171
Derivative liabilities	8,849	13,122	8,849	13,122
Other payable	12,735	12,811	-	-
Deferred tax liabilities	4,255	3,870	-	-
	650,410	639,791	596,155	587,293
Current liabilities				
Loans and borrowings	49,211	-	49,211	-
Current tax payables	30,833	30,306	147	145
Trade and other payables	129,666	166,093	143,286	128,139
Receipts in advance	249,242	179,264	-	-
Derivative liability	-	4,168	-	4,168
	458,952	379,831	192,644	132,452
Total liabilities	1,109,362	1,019,622	788,799	719,745
Total equity and liabilities	2,375,612	2,106,503	1,858,201	1,600,452

* Amount less than S$1,000

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

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

	The Group	
	As at 30 September 2018 S$'000	**As at 31 December 2017 S$'000**
Unsecured		
- repayable within one year	49,211	-
- repayable after one year	587,306	572,513
Total	636,517	572,513
Secured		
- repayable within one year	-	-
- repayable after one year	37,265	37,475
Total	37,265	37,475
Grand total	**673,782**	**609,988**
Gross borrowings	683,329	619,869
Less:		
(i) cash and cash equivalents	(206,371)	(319,298)
(ii) other investments (current) [Note 1]	(85,107)	(38,863)
Net borrowings	391,851	261,708

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

Details of any collateral

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 Third quarter ended 30 September		The Group 9-month period ended 30 September	
	2018	**2017**	**2018**	**2017**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Cash flows from operating activities				
Profit for the period	25,651	22,142	55,040	45,742
Adjustments for:				
Depreciation of property, plant and equipment	1,477	1,275	5,344	3,823
Fair value (gain)/loss on derivative assets/ liabilities (net)	(881)	6,610	(16,393)	13,261
Finance income	(3,761)	(4,851)	(12,555)	(13,678)
Finance costs	2,504	2,565	7,297	7,687
Impairment loss on:				
- assets held-for-sale	3,707	-	3,707	-
- investment properties	-	-	-	602
(Gain)/loss on disposal of:				
- assets held-for-sale	(5,349)	-	(5,349)	-
- investment properties	(41)	-	(41)	46
- property, plant and equipment	-*	(6)	-*	(6)
Trade receivables written off	-	-	-	13
Share of after-tax results of associates and joint ventures	(1,115)	(90)	3,165	(1,008)
Tax expense	7,711	5,772	15,878	15,794
	29,903	33,417	56,093	72,276
Changes in:				
Development properties	2,912	15,195	(14,305)	64,990
Inventories	69	29	(36)	(86)
Trade and other receivables	(71,835)	(260,792)	(370,647)	(280,436)
Trade and other payables	(28,184)	(2,492)	(42,046)	(51,536)
Loans and borrowings	12,231	282,888	123,464	297,727
Receipts in advance	(3,966)	10,842	74,409	84,665
Cash (used in)/generated from operations	(58,870)	79,087	(173,068)	187,600
Interest received	20,520	12,101	58,354	23,506
Interest paid	(1,550)	(2,136)	(8,541)	(4,898)
Tax paid	(3,342)	(5,429)	(18,597)	(16,380)
Net cash (used in)/from operating activities	(43,242)	83,623	(141,852)	189,828

* Amount less than S$1,000

	The Group Third quarter ended 30 September		The Group 9-month period ended 30 September	
	2018 S$'000	2017 S$'000	2018 S$'000	2017 S$'000
Cash flows from investing activities				
Repayment by/(advances to) associate	84,443	-	(19,501)	-
Deposits received in respect of sale of a subsidiary	-	1,014	-	2,200
Decrease in/(placement of) other investments	62,110	-	(48,775)	-
Dividends received from associates	- Note 2	-	18,372	-
Interest received	1,143	4,346	10,452	19,437
(Loans to)/repayment from third parties	(1,235)	4,277	(1,235)	85,369
Payment for acquisition of available-for-sale financial asset	-	(2,752)	-	(23,690)
Payment for additions to:				
- investment properties	(4,874)	(41,185)	(11,292)	(41,196)
- property, plant and equipment	(121)	(2,451)	(145)	(3,334)
Payment for investments in associate and joint venture	-	-	(21,140)	-
Proceeds from disposal of:				
- investment properties	1,750	-	1,750	351
- property, plant and equipment	34	18	34	18
- assets held-for-sale	29,301	-	30,340	-
Return of capital from associate	2,974	-	5,369	1,006
Receipt of deferred consideration from dilution of interest in subsidiaries	-	-	-	41,000
Receipt of investment principal and returns from a PRC government linked entity	-	-	-	9,663
Net cash from/(used in) investing activities	175,525	(36,733)	(35,771)	90,824

	The Group Third quarter ended 30 September		The Group 9-month period ended 30 September	
	2018 S$'000	2017 S$'000	2018 S$'000	2017 S$'000
Cash flows from financing activities				
(Repayment of advances)/advances from associates	(63,661)	-	(10,303)	12,490
Decrease in restricted cash	-	-	-	263
Dividends paid to the owners of the Company	(6,485)	(5,898)	(14,271)	(11,796)
Interest paid	(1,112)	(2,395)	(3,473)	(3,893)
Payment of transaction costs related to:				
- borrowings	(409)	(2,395)	(2,625)	(4,895)
- perpetual convertible capital securities ("PCCS")	-	-	(710)	-
Proceeds from issuance of PCCS	-	-	162,199	-
Proceeds from bank borrowings	25,197	236,414	274,577	609,984
Repayment of bank borrowings	(9,409)	(250,244)	(336,779)	(706,284)
Redemption of medium term notes	-	-	-	(50,000)
Net cash (used in)/from financing activities	(55,879)	(24,518)	68,615	(154,131)
Net increase/(decrease) in cash and cash equivalents	76,404	22,372	(109,008)	126,521
Cash and cash equivalents at beginning of the period	139,290	379,663	319,298	280,304
Effect of exchange rate changes on balances held in foreign currencies	(9,323)	3,132	(3,919)	(1,658)
Cash and cash equivalents at end of the period	206,371	405,167	206,371	405,167

Note 2 A dividend from an associate of S$18,372,000 was offset against an advance of S$18,372,000 from the associate in 3Q 2018.

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

	Share capital S$'000	Share premium S$'000	Statutory reserve S$'000	Capital reserve S$'000	Distributable reserve S$'000	Fair value reserve S$'000	Foreign currency translation reserve S$'000	Retained earnings S$'000	Total attributable to equity holders of the Company S$'000	Perpetual convertible capital securities S$'000	Non-controlling interests S$'000	Total equity S$'000
The Group												
At 1 January 2018, as previously stated	73,640	9,609	33,447	225	662,764	(3,949)	36,950	267,468	1,080,154	-	6,727	1,086,881
Impact of adoption of IFRS 9	-	-	-	-	-	3,949	-	(3,949)	-	-	-	-
At 1 January 2018, as restated	73,640	9,609	33,447	225	662,764	-	36,950	263,519	1,080,154	-	6,727	1,086,881
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	54,770	54,770	-	270	55,040
Other comprehensive income												
Share of translation differences on financial statements of foreign associates and joint ventures, net of tax	-	-	-	-	-	-	(937)	-	(937)	-	-	(937)
Translation differences on financial statements of foreign subsidiaries, net of tax	-	-	-	-	-	-	(21,769)	-	(21,769)	-	(43)	(21,812)
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	-	-	-	-	-	-	(178)	-	(178)	-	-	(178)
Total other comprehensive income	-	-	-	-	-	-	(22,884)	-	(22,884)	-	(43)	(22,927)
Total comprehensive income for the period	-	-	-	-	-	-	(22,884)	54,770	31,886	-	227	32,113

	Share capital S$'000	Share premium S$'000	Statutory reserve S$'000	Capital reserve S$'000	Distributable reserve S$'000	Fair value reserve S$'000	Foreign currency translation reserve S$'000	Retained earnings S$'000	Total attributable to equity holders of the Company S$'000	Perpetual convertible capital securities S$'000	Non-controlling interests S$'000	Total equity S$'000
The Group												
Transactions with owners, recognised directly in equity												
Contributions by and distributions to owners												
Dividends paid to the owners of the Company	-	-	-	-	-	-	-	(14,271)	(14,271)	-	-	(14,271)
Issuance of bonus shares	7,735	-	-	-	(7,735)	-	-	-	-	-	-	-
Issuance of perpetual convertible capital securities ("PCCS")	-	-	-	-	-	-	-	-	-	162,199	-	162,199
PCCS issue expenses	-	-	-	-	-	-	-	-	-	(672)	-	(672)
Issuance of new shares pursuant to conversion of PCCS	13	93	-	-	-	-	-	-	106	(106)	-	-
Total contributions by and distributions to owners	7,748	93	-	-	(7,735)	-	-	(14,271)	(14,165)	161,421	-	147,256
Total transactions with owners of the Company	7,748	93	-	-	(7,735)	-	-	(14,271)	(14,165)	161,421	-	147,256
At 30 September 2018	**81,388**	**9,702**	**33,447**	**225**	**655,029**	**-**	**14,066**	**304,018**	**1,097,875**	**161,421**	**6,954**	**1,266,250**

	Share capital S$'000	Share premium S$'000	Statutory reserve S$'000	Capital Reserve S$'000	Distributable reserve S$'000	Foreign currency translation reserve S$'000	Retained earnings S$'000	Total attributable to equity holders of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
The Group										
At 1 January 2017	736,404	9,609	27,445	225	-	53,923	196,983	1,024,589	5,108	1,029,697
Capital reduction	(662,764)	-	-	-	662,764	-	-	-	-	-
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	45,623	45,623	119	45,742
Other comprehensive income										
Share of translation differences on financial statements of foreign associates and joint ventures, net of tax	-	-	-	-	-	913	-	913	-	913
Translation differences on financial statements of foreign subsidiaries, net of tax	-	-	-	-	-	(14,120)	-	(14,120)	(262)	(14,382)
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	-	-	-	-	-	(631)	-	(631)	-	(631)
Total other comprehensive income	-	-	-	-	-	(13,838)	-	(13,838)	(262)	(14,100)
Total comprehensive income for the period	-	-	-	-	-	(13,838)	45,623	31,785	(143)	31,642
Transaction with owners, recognised directly in equity										
Distributions to owners										
Dividends paid to the owners of the Company	-	-	-	-	-	-	(11,796)	(11,796)	-	(11,796)
Total distributions to owners	-	-	-	-	-	-	(11,796)	(11,796)	-	(11,796)
Total transactions with owners of the Company	-	-	-	-	-	-	(11,796)	(11,796)	-	(11,796)
At 30 September 2017	73,640	9,609	27,445	225	662,764	40,085	230,810	1,044,578	4,965	1,049,543

The Company	Share capital S$'000	Share premium S$'000	Capital Reserve S$'000	Distributable reserve S$'000	Retained earnings S$'000	Total attributable to equity holders of the Company S$'000	Perpetual convertible capital securities S$'000	Total equity S$'000
At 1 January 2018	73,640	9,821	(5,988)	662,764	140,470	880,707	-	880,707
Total comprehensive income for the period								
Profit for the period	-	-	-	-	41,442	41,442	-	41,442
Total comprehensive income for the period	-	-	-	-	41,442	41,442	-	41,442
Transaction with owners, recognised directly in equity								
Contribution by and distributions to owners								
Dividends paid to the owners of the Company	-	-	-	-	(14,274)	(14,274)	-	(14,274)
Issuance of bonus shares	7,735	-	-	(7,735)	-	-	-	-
Issuance of PCCS	-	-	-	-	-	-	162,199	162,199
PCCS issue expenses	-	-	-	-	-	-	(672)	(672)
Issuance of new shares pursuant to conversion of PCCS	13	93	-	-	-	106	(106)	-
Total contributions by and distributions to owners	7,748	93	-	(7,735)	(14,274)	(14,168)	161,421	147,253
Total transactions with owners of the Company	7,748	93	-	(7,735)	(14,274)	(14,168)	161,421	147,253
At 30 September 2018	81,388	9,914	(5,988)	655,029	167,638	907,981	161,421	1,069,402
At 1 January 2017	736,404	9,821	(5,988)	-	78,678	818,915	-	818,915
Capital reduction	(662,764)	-	-	662.764	-	-	-	-
Total comprehensive income for the period								
Profit for the period	-	-	-	-	54,918	54,918	-	54,918
Total comprehensive income for the period	-	-	-	-	54,918	54,918	-	54,918
Transaction with owners, recognised directly in equity								
Distributions to owners								
Dividends paid to the owners of the Company	-	-	-	-	(11,796)	(11,796)	-	(11,796)
Total distributions to owners	-	-	-	-	(11,796)	(11,796)	-	(11,796)
Total transactions with owners of the Company	-	-	-	-	(11,796)	(11,796)	-	(11,796)
At 30 September 2017	73,640	9,821	(5,988)	662,764	121,800	862,037	-	862,037

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.

	Number of Shares	Share Capital (S$'000)
Balance at 1 July 2018	648,795,981	81,375
Issuance of new shares pursuant to conversion of PCCS during the period	96,500	13
Balance at 30 September 2018	648,892,481	81,388

The total number of issued ordinary shares (excluding treasury shares) as at 30 September 2018 and 30 September 2017 was 648,892,481 and 589,814,949 respectively.

As at 30 September 2018, 147,357,237 PCCS (30 September 2017: Nil) were outstanding. Each PCCS shall entitle the PCCS holder to convert such PCCS into one new ordinary share of the Company, subject to adjustments under certain conditions.

The Company did not hold any treasury shares as at 30 September 2018 and 30 September 2017.

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

The total number of issued ordinary shares (excluding treasury shares) as at 30 September 2018 and 31 December 2017 was 648,892,481 and 589,814,949 respectively.

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 30 September 2018.

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

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

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

Not applicable.

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

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2017.

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

The Group adopted various new standards, amendments to standards and interpretations that are effective for the financial period beginning on 1 January 2018.

IFRS 9 Financial Instruments

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

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

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

	Third quarter ended 30 September		9-month period ended 30 September	
	2018	**2017**	**2018**	**2017**
Earnings per share (cents)				
- basic	3.69	3.39	7.99	7.03
- diluted	3.21	3.39	7.42	7.03
Profit attributable to ordinary shareholders (S$'000)	23,949	22,020	51,854	45,623
Profit attributable to ordinary shareholders and PCCS holders (S$'000)	25,575	22,020	54,770	45,623
Weighted average number of ordinary shares in issue:				
- basic	648,641,273 [1]	648,795,981 [2]	648,743,845 [1]	648,795,981 [2]
- diluted	795,998,510 [1]	648,795,981 [2]	737,805,911 [1]	648,795,981 [2]

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:—**

(a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	As at 30 September 2018	**As at 31 December 2017**	**As at 30 September 2018**	**As at 31 December 2017**
Net asset value per ordinary share (cents)	194.16	183.13	164.80	149.32
Number of issued ordinary shares (excluding treasury shares)	648,584,799 [1]	589,814,949	648,892,481	589,814,949

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

[2] For comparative purposes, the number of ordinary shares as at and for the period ended 30 September 2017 has been adjusted to include the effect of the issue of one bonus share for every ten (10) existing ordinary shares in April 2018.

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

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

Group performance

Revenue and cost of sales

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

	Third quarter ended 30 September		9-month period ended 30 September	
	2018 S$'000	2017 S$'000	2018 S$'000	2017 S$'000
Revenue from sale of properties	20,686	46,154	42,631	167,145
Rental income from investment properties	3,140	3,105	9,938	9,111
Hotel operations	9,682	4,224	30,735	10,730
Revenue from property financing	19,985	11,339	62,105	17,127
Total	53,493	64,822	145,409	204,113

3Q 2018 vs 3Q 2017

Revenue decreased by S$11.3 million or 17.5%, from S$64.8 million in 3Q 2017 to S$53.5 million in 3Q 2018. This was due mainly to a S$25.5 million decline in revenue from sale of properties. The decrease was partially offset by the increase in revenue from property financing and hotel operations of S$8.7 million and S$5.5 million respectively.

Revenue from sale of properties is recognised when the construction of the properties has been completed and ready for delivery to the purchasers pursuant to the sale and purchase agreements and collectability of related receivables is reasonably assured. The significant decrease in revenue from sale of properties in 3Q 2018 compared to 3Q 2017 was due mainly to the recognition of revenue from fewer units in the Millennium Waterfront project (3Q 2018: 83 residential units, 12 commercial units and 124 car park lots, 3Q 2017: 354 residential units, 4 commercial units and 33 car park lots).

Revenue from property financing increased by S$8.7 million or 76.3%, from S$11.3 million in 3Q 2017 to S$20.0 million in 3Q 2018. Revenue from PRC property financing increased by S$5.5 million, which included a full quarter's contribution of S$3.7 million from a loan to a 30%-owned associate. The European loan portfolio contributed an increase in interest income of S$3.2 million. This was mainly driven by the acquisitions of the Bilderberg Portfolio in August 2017, as well as the Hilton Rotterdam hotel and Le Méridien Frankfurt hotel in January 2018.

Revenue from hotel operations increased by S$5.5 million or 129.2%, from S$4.2 million in 3Q 2017 to S$9.7 million in 3Q 2018. The significant increase was due mainly to a full quarter's contribution from the 24.7%-owned Hilton Rotterdam hotel which was leased by the Group since February 2018, as well as the Wenjiang hotspring which commenced operations in October 2017. The positive performance of the two Wenjiang hotels further boosted the revenue growth for the quarter.

Cost of sales comprise mainly land costs, development expenditure and cost adjustments (if any), borrowing costs, hotel-related depreciation charge and rental expense, and other related expenditure. Cost of sales decreased by S$15.3 million or 42.7%, from S$35.8 million in 3Q 2017 to S$20.5 million in 3Q 2018. The decrease in revenue recognised from sale of properties had led to a quarter-on-quarter decrease in related cost of sales of S$19.7 million. The decrease was partially offset by the higher cost of sales incurred in respect of the hotel operations and property financing business amounting to S$3.5 million and S$0.7 million respectively.

The Group's gross profit increased by S$4.0 million or 13.6%, from S$29.0 million in 3Q 2017 to S$33.0 million in 3Q 2018. The increase was due mainly to the higher gross profit generated from property financing and hotel operations of S$7.9 million and S$1.9 million respectively. This was partially offset by lower gross profit from sale of properties of S$5.8 million in 3Q 2018.

The Group's gross profit margin increased from 44.8% in 3Q 2017 to 61.6% in 3Q 2018. This reflected the change in the sales mix as the higher yielding property financing segment constituted approximately 54.5% of the Group's gross profit for 3Q 2018 compared to 34.6% in 3Q 2017.

Administrative expenses

Administrative expenses comprise mainly staff costs, rental expenses and depreciation charge in relation to non-hotel assets, professional fees, and other expenses such as office, telecommunications and travelling expenses, stamp duties and other indirect PRC taxes.

Administrative expenses increased marginally by S$0.6 million or 12.0%, from S$5.1 million to S$5.7 million. The increase was due mainly to the full quarter's operations of the Hilton Rotterdam hotel. This was partially offset by the cessation of M Hotel Chengdu operations in July 2018.

Selling expenses

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

Selling expenses increased by S$0.8 million or 79.5%, from S$1.0 million to S$1.8 million. The increase was largely attributable to the full quarter's operations of the Hilton Rotterdam hotel.

Other income/(expenses) (net)

In 3Q 2018, the Group recorded other income of S$3.8 million which comprised mainly net foreign exchange gain of S$4.0 million.

In 3Q 2017, the Group recorded other income of S$2.6 million which comprised mainly net foreign exchange gain of S$9.6 million which was partially offset by fair value loss on derivative instruments of S$6.6 million.

Other gains/(losses) (net)

In 3Q 2018, the Group recorded other gains of S$1.7 million which comprised a S$5.3 million gain from the disposal of certain commercial spaces of the Chengdu Cityspring project classified as assets held-for-sale. This was partially offset by an impairment loss on the assets held-for-sale of S$3.7 million.

Net finance income

Net finance income decreased by S$1.0 million or 45.0%, from S$2.3 million in 3Q 2017 to S$1.3 million in 3Q 2018. This was due mainly to the absence of interest income from the Chengdu Wenjiang government as the underlying loans were fully repaid by the end of 2017.

Share of after-tax results of associates and joint ventures

Share of after-tax results of associates and joint ventures increased from S$0.1 million in 3Q 2017 to S$1.1 million in 3Q 2018. The increase was boosted by the Group's attributable share of gain from disposal of Bilderberg Langoed Lauswolt hotel amounting to approximately S$2.0 million. The increase was partially offset by the financing costs incurred by the associates and a joint venture in relation to the loans obtained from the Group.

Tax expense

The Group recorded tax expense of S$7.7 million on profit before tax of S$33.4 million in 3Q 2018, which included land appreciation tax of S$2.4 million. After adjusting for the share of after-tax results of associates and joint ventures, and the tax effect of non-taxable income of S$3.7 million, the effective tax rate of the Group would be approximately 24.5%.

YTD September 2018 vs YTD September 2017

Revenue of the Group decreased by S$58.7 million or 28.8%, from S$204.1 million in YTD September 2017 to S$145.4 million in YTD September 2018. The decrease in YTD September 2018 was due mainly to the decrease in revenue from sale of properties by S$124.5 million. The decrease was partially offset by the increase in revenue from property financing, hotel operations and rental income from investment properties of S$45.0 million, S$20.0 million and S$0.8 million respectively.

The significant decrease in revenue from sale of properties in YTD September 2018 compared to YTD September 2017 was due mainly to the recognition of revenue from fewer residential and commercial units in the Millennium Waterfront project (YTD September 2018: 145 residential units, 15 commercial units and 279 car park lots, YTD September 2017: 1,273 residential units, 48 commercial units and 113 car park lots).

Revenue from property financing increased by S$45.0 million or 262.6%, from S$17.1 million in YTD September 2017 to S$62.1 million in YTD September 2018. Net penalty interest income of S$13.1 million (RMB63.5 million) was recognised in YTD September 2018 arising from the further successful enforcement on the defaulted PRC loans under Case 2. This is S$8.7 million or 197.6% higher than the penalty interest income recognised in YTD September 2017. Interest income from loans to the associates and joint ventures in Europe also increased significantly by S$16.2 million or 162.9% to S$26.1 million in YTD September 2018 as the loan portfolio expanded with the various acquisitions in Europe. Revenue from PRC property financing also grew by S$20.1 million, S$11.3 million of which was due to interest on a loan to a 30%-owned associate disbursed in late 2017. The rest of the increase was attributable to a higher average PRC loan portfolio held for the period.

Revenue from hotel operations increased by S$20.0 million or 186.4%, from S$10.7 million in YTD September 2017 to S$30.7 million in YTD September 2018. Revenue from the 24.7%-owned Hilton Rotterdam hotel leased by the Group contributed S$14.3 million since February 2018. The two Wenjiang hotels and the adjoining hotspring operations contributed the rest of the revenue growth.

Cost of sales decreased by S$72.4 million or 57.3%, from S$126.3 million in YTD September 2017 to S$53.9 million in YTD September 2018. S$89.5 million of the decrease was attributable to the decrease in revenue from sale of properties in YTD September 2018. This was partially offset by the increase in cost of sales of the hotel operations and property financing business amounting to S$12.6 million and S$3.8 million respectively.

The Group's gross profit increased by S$13.7 million or 17.6%, from S$77.8 million in YTD September 2017 to S$91.5 million in YTD September 2018. The increase was due mainly to the higher gross profit generated from property financing and hotel operations of S$41.1 million and S$7.4 million respectively. This was partially offset by lower gross profit from sale of properties of S$35.0 million in YTD September 2018.

The Group's gross profit margin increased from 38.1% in YTD September 2017 to 62.9% in YTD September 2018. The reason for this is consistent with what has driven the same quarter on quarter gross profit margin growth.

Administrative expenses

Administrative expenses increased by S$3.8 million or 24.8%, from S$15.6 million to S$19.4 million. The increase during the period was due mainly to the inclusion of operating expenses in relation to the Hilton Rotterdam hotel leased by the Group since February 2018. Professional fees were also incurred in respect of the Le Méridien Frankfurt hotel acquisition.

Selling expenses

Selling expenses increased by S$0.8 million or 15.2%, from S$5.1 million to S$5.9 million. The increase was largely attributable to the inclusion of the operations of the Hilton Rotterdam hotel in YTD September 2018.

Other income/(expenses) (net)

In YTD September 2018, the Group recorded other income of S$1.0 million which comprised mainly net fair value gain on financial derivatives of S$16.4 million. This was partially offset by net foreign exchange loss, hotel management fees and maintenance expenses of S$12.6 million, S$1.3 million and S$0.7 million respectively.

In YTD September 2017, the Group recorded other expenses of S$2.6 million which comprised mainly S$0.6 million impairment on investment properties in Dongguan which were disposed in July 2017 and fair value loss on derivative instruments of S$13.3 million, partially offset by net foreign exchange gain of S$11.4 million.

Net finance income

Net finance income decreased by S$0.7 million or 12.2%, from S$6.0 million in YTD September 2017 to S$5.3 million in YTD September 2018. This was due mainly to the effect of the full repayment of the interest bearing loans to the Chengdu Wenjiang government by the end of 2017.

Share of after-tax results of associates and joint ventures

Share of after-tax results of associates and joint ventures decreased by S$4.2 million from a profit of S$1.0 million in YTD September 2017 to a loss of S$3.2 million in YTD September 2018. The Group's associates contributed a share of loss of S$3.6 million for the period partially offset by a share of profit of S$0.4 million from the 50% owned joint venture holding the Le Méridien Frankfurt hotel. The associates' net loss reflected the effect of the full nine months of depreciation charge on the Bilderberg Portfolio acquired by the Group in August 2017, as well as financing costs incurred by the associates on the borrowings granted by the Group.

Tax expense

The Group recorded tax expense of S$15.9 million on profit before tax of S$70.9 million in YTD September 2018, which included land appreciation tax of S$2.8 million. After adjusting for the share of after-tax results of associates and joint ventures, and the tax effect of non-deductible expenses of S$4.7 million and non-taxable income of S$10.6 million, the effective tax rate of the Group would be approximately 24.5%.

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

Non-current assets

Property, plant and equipment decreased by S$45.9 million or 19.9%, from S$230.8 million as at 31 December 2017 to S$184.9 million as at 30 September 2018. Investment properties had also decreased by S$29.5 million or 10.4%, from S$282.6 million as at 31 December 2017 to S$253.1 million as at 30 September 2018. This was due mainly to the reclassification of M Hotel Chengdu (including 174 car park lots) and bare shell commercial spaces in Chengdu Cityspring to assets held-for-sale under current assets. This reclassification was pursuant to the Group entering into a sale and purchase agreement in May 2018 as supplemented by two supplemental agreements entered in July 2018 and September 2018 to dispose of the aforementioned assets, as well as another 144 car park lots classified as part of development properties. The sale will be completed in tranches, with the last tranche expected to be completed in May 2019. The sale of part one of the first tranche had been completed in July 2018.

Interests in associates and joint ventures decreased by S$6.6 million or 10.3%, from S$64.4 million as at 31 December 2017 to S$57.8 million as at 30 September 2018. The decrease was due mainly to the share of loss from associates and return of capital from an associate, partially offset by the investment in an associate and a joint venture during the period.

Trade and other receivables increased by S$363.9 million or 127.9%, from S$284.5 million as at 31 December 2017 to S$648.4 million as at 30 September 2018. The increase was due mainly to the refinancing of certain loans to associates amounting to S$265.1 million (€166.9 million) from current loans to non-current loans, net disbursement of loans to associates and joint ventures in Europe of S$155.0 million (€97.6 million) and disbursement of third party PRC property financing loan of S$68.4 million (RMB350.0 million). This was partially offset by the reclassification of a property financing loan to a PRC associate of S$123.8 million (RMB600.0 million) due on 19 March 2019 to current assets.

Current assets

Assets held-for-sale of S$52.0 million as at 30 September 2018 relate to the M Hotel Chengdu (including 174 car park lots) and certain bare shell commercial spaces within Chengdu Cityspring reclassified from non-current assets as mentioned above.

Other investments of S$85.1 million relate to principal-guaranteed structured deposits placed with financial institutions.

Current liabilities

Trade and other payables decreased by S$36.4 million or 21.9%, from S$166.1 million as at 31 December 2018 to S$129.7 million as at 30 September 2018, due mainly to the payment of construction costs for the Millennium Waterfront project during the period.

Receipts in advance increased by S$69.9 million or 39.0%, from S$179.3 million as at 31 December 2017 to S$249.2 million as at 30 September 2018, due mainly to sale proceeds received in advance from the pre-sale of Plot D of the Millennium Waterfront project during the period.

Loans and borrowings

Gross bank borrowings increased by S$63.4 million or 10.2%, from S$619.9 million as at 31 December 2017 to S$683.3 million as at 30 September 2018. This was due mainly to the net drawdown of the Group's borrowings to fund the Group's European property financing activity as well as the redevelopment of the Oliphant in Amsterdam and the construction of the leased hotels in Poortgebeouw, Utrecht. The increase was partially offset by repayment of loans and borrowings using the net proceeds received from the issuance of PCCS of S$161.5 million, pending deployment of such funds for their intended use.

The Group maintained a net gearing ratio of 0.31 as at 30 September 2018.

Foreign currency risk management

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

Since the Group's entry to the Dutch and German property market in February 2015 and January 2018 respectively, the Group has hedged its currency exposure to Euro by financing all its Dutch and German acquisitions with a combination of Euro-denominated borrowings and/or financial derivatives involving CCSs and foreign currency swaps 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 30 September 2018, the Group had 13 CCSs and one (1) foreign currency swap with an aggregate notional amount of €477.5 million. The CCSs and foreign currency swap are measured at fair value with changes in fair value recognised in the profit and loss account. The fair values of the CCSs and foreign currency swap are mainly dependent on the forward foreign exchange rates, discount rates and yield curves of the notional amounts, as applicable. On the other hand, the changes in fair value of the CCSs and foreign currency swaps will be largely offset by the corresponding changes in fair values of the underlying Euro-denominated assets when the respective CCSs approach their maturity dates and Euro-denominated borrowings are taken up to close out the CCSs, thereby resulting in a minimal cumulative impact to the profit or loss. The cumulative positive impact to the retained earnings arising from the CCSs and foreign currency swap and underlying Euro-denominated assets as at 30 September 2018 was approximately S$2.2 million.

As at 30 September 2018, the Group had a cumulative translation gain of S$14.1 million recorded as part of reserves in its shareholders' equity. This mainly arose from the translation of the net assets and income and expenses of the Group's foreign operations in the PRC to S$ at the exchange rates prevailing at the end of each reporting period.

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

3Q 2018

Net cash used in operating activities of S$43.2 million in 3Q 2018 was due mainly to net disbursement of PRC property financing loans and loans to associate of S$74.2 million, payment of interest and income tax of S$1.6 million and S$3.3 million respectively, partially offset by net penalty interest received from the defaulted loans under Case 2 and interest received from property financing loans of S$20.5 million in aggregate.

Net cash from investing activities of S$175.5 million in 3Q 2018 was due mainly to maturity of structured deposits of S$62.1 million and net repayment of advances by an associate of S$84.4 million as well as the various cash proceeds received from the disposal of certain commercial spaces of Chengdu Cityspring project classified as assets held-for-sale (including liquidated damages) amounting to S$29.3 million in aggregate.

Net cash used in financing activities of S$55.9 million in 3Q 2018 was due mainly to payment of dividends to the owners of the Company of S$6.5 million and net repayment of advances from associates of S$63.7 million, partially offset by net drawdown of borrowings of S$15.8 million.

YTD September 2018

Net cash used in operating activities of S$141.9 million in YTD September 2018 was mainly attributable to net disbursement of PRC property financing loans and loans to associates and joint ventures of S$291.5 million, payment of interest and income tax of S$8.5 million and S$18.6 million respectively, as well as payment of construction costs for the Millennium Waterfront project, partially offset by net penalty interest received from the defaulted loans under Case 2 and interest from property financing loans of S$58.4 million in aggregate.

Net cash used in investing activities of S$35.8 million in YTD September 2018 was mainly attributable to net placement of structured deposits of S$48.8 million, net advances to associates of S$19.5 million, capital expenditure for investment properties of S$11.3 million and investments in an associate and a joint venture amounting to S$21.1 million in aggregate. This was partially offset by the interest received of S$10.5 million, dividends received from an associate of S$18.4 million and proceeds from the disposal of assets held-for-sale (including liquidated damages) of S$30.3 million in aggregate.

Net cash from financing activities amounted to S$68.6 million in YTD September 2018 and was due mainly to net proceeds of S$161.5 million from the issuance of PCCS, partially offset by the net repayment of borrowings of S$62.2 million, payment of dividends to the owners of the Company of S$14.3 million and net repayment of advances from associates of S$10.3 million.

Note:

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

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

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

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

<u>Industry Outlook</u>

<u>People's Republic of China</u>

Since July 2018, the United States ("US") has imposed tariffs on US$250 billion of Chinese products and Beijing has responded with retaliatory taxes on US$110 billion of US products. The Chinese Renminbi ("RMB") has had a rather pressurizing year as it faced strong selling pressure between March and August 2018, losing over 8% on the back of heightened uncertainty and the intensifying trade war. Analysts from Nomura foresee China's real GDP growth slowing from 6.7% in 2Q 2018 to 6.4% in 3Q 2018. Similarly, UBS has cut its forecast for China's GDP growth forecast from 6.2% to 6.0% for next year after the US pledged an additional US$267 billion of tariffs on Chinese products. In response, the People's Bank of China recently announced a steep cut in bank reserve requirement ratio by 100 basis points which will inject an estimated RMB750 billion into the banking system. This is the fourth reduction in reserve ratio during the year. The extent of the Chinese government's management of the RMB during this uncertain period raises a real concern over the further depreciation of RMB as the Sino-US trade war progresses.

<u>The Netherlands</u>

Analysts and reports from the Dutch Central Planning Bureau ("CPB") have warned that the exceptional growth observed in 2017 is expected to cease and they expect the economy to decelerate to more sustainable levels of growth. The CPB estimates GDP growth for 2018 and 2019 to slow down to 2.8% and 2.6% respectively which are still respectable growth rates given the expected Eurozone's average growth of 2.1% and 1.9% over the same periods respectively.

Home prices in the Netherlands continue to trend upwards hitting a historical high in August 2018 since the home price index was tracked in 1995. Compared to the low in June 2013, home prices were up by 32% on average in August 2018. In Amsterdam, demand for houses has increased tremendously with the city adding about 10,000 new inhabitants every year since 2008. In response, Amsterdam's new government has presented its ambitious plans to add an additional 7,500 homes a year through to 2025. At the same time, the city mandates that a significant portion of the newly built homes is to be earmarked for social housing and mid-rental segment with capped rental levels. This decreases attractiveness for both residential investors and developers.

On the Dutch office real estate investment front, investment options have become scarcer with the shortage of supply in the market and transactions are expected to be limited for the remainder of 2018. Rental demand for prime office space continues to soar in the absence of new high quality office developments and Savills forecasts that office rental growth for Amsterdam in the next 2 years to be in the region of 4% to 6%.

<u>Company Outlook</u>

Property Financing

The uncertainty over the economic outlook of the People's Republic of China ("PRC") has further intensified the tight credit situation in the PRC, which has fueled the growth of the Group's property financing business. The property financing business took the forefront for this quarter's profit contribution as the PRC property financing loan book grew by more than 20% to approximately RMB2.0 billion as at 30 September 2018.

With regard to the Case 2 defaulted loans, an additional RMB49.4 million in auction proceeds were collected this quarter with a remaining RMB1.7 million pending disbursement by the court from the surplus auction proceeds. Hence, the Group has successfully resolved the Case 2 defaulted loans of RB470.0 million and received RMB216.1 million in associated default interest. For the Case 1 defaulted loan, the court recently sentenced the legal representative of the borrower to life imprisonment and imposed fines on both the borrower and its legal representative. The legal representative has appealed against the sentence in late September 2018. The Group expects that the auction of the mortgaged properties in relation to Case 1 will be ultimately concluded within FY2019.

Property Development

The good sales response to the launch of the SOHO units in the Star of East River project in late September 2018 is testament to the appeal of this development. Discussions with various potential tenants for the lease of the retail mall component, which is slated to commence business operations in late 2019, look promising. With regard to the new development land in Nancheng District of Dongguan secured in 2Q 2018, the consortium has commenced construction work on the primarily residential project with a saleable GFA of approximately 146,700 sqm. Construction has also commenced on Plot E and Plot F in the Millennium Waterfront project. The Group will place its primary focus initially on the smaller Plot F which is expected to comprise approximately 770 elderly care units and approximately 25,000 sqm of retail and commercial spaces.

In the Netherlands, the Group has signed a 10-year lease agreement with Novartis in respect of its Oliphant office property in Amsterdam Southeast. Novartis will be leasing approximately 4,318 sqm or 20% of the new office's lettable floor area. Advanced discussions are ongoing with other potential tenants and the Group is optimistic that the Oliphant office property will be substantially leased out before its expected completion in 1Q 2019. Further, the redevelopment of the 1969-built Munthof office property in Amsterdam is progressing well. The redevelopment is expected to increase the property's lettable floor area by 95% to 3,355 sqm through the conversion of certain car park spaces into additional office space as well as the addition of an office loft at the top of the building.

Property Holding

The Group's property holding business progressively improved during 3Q 2018, with gross profit in the segment growing by approximately 58% over 3Q 2017. The improvement stemmed mainly from the full quarter income contribution from the Hilton Rotterdam hotel which was leased by the Group with effect from 1 February 2018 and higher gross profit contributions from the Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels.

The Group entered into a second supplemental agreement in September 2018 in relation to the disposal of certain parts of Chengdu Cityspring, including the 196-room M Hotel Chengdu, bare shell commercial spaces and basement carpark lots. The total cash consideration for the disposal is approximately RMB465.0 million. To-date, the Group has collected RMB165.0 million cash in sale proceeds and RMB4.0 million cash in liquidated damages. The disposal is to be completed in tranches, with the last tranche expected to be completed in May 2019.

In October 2018, the Group's indirect 31.4%-owned associated company, Queens Bilderberg (Nederland) B.V. ("QBN"), entered into a conditional sale and purchase agreement to sell four hotels as well as their inventory and stocks for a total consideration of €16.7 million. To-date, QBN has received a deposit of €1.7 million in relation to this disposal. The sale price represents a premium of more than 140% over their allocated cost and the disposal is expected to be completed by early January 2019.

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

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

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

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

14. CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL OF ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)

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

BY ORDER OF THE BOARD

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
26 October 2018

CONFIRMATION BY THE BOARD

The Directors of the Company hereby confirm, to the best of their knowledge, that nothing has come to the attention of the Board of Directors which may render the Group's unaudited financial results for the third quarter and the nine-month period ended 30 September 2018 to be false or misleading in any material respect.

On behalf of the Board of Directors

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

26 October 2018

First Sponsor Group Limited
Investor Presentation
26 October 2018

Oliphant office (under redevelopment), Amsterdam

Contents

Section 1 Key Message

Key Message

1. The Group achieved a net profit of S$25.6 million in 3Q2018, a 16.1% quarter on quarter growth.

2. The Group's PRC property financing loan book continued to grow by more than 20% to approximately RMB2.0 billion as at 30 September 2018. In relation to the Case 2 defaulted loans, a further RMB49.4 million in auction proceeds have been collected with a remaining RMB1.7 million pending disbursement by the court from the surplus auction proceeds. Hence, the Group has successfully resolved the Case 2 defaulted loans of RMB470.0 million and received RMB216.1 million in associated default interest.

3. The Star of East River project in Dongguan continued to perform well with a good sales response to the launch of the SOHO units in late September 2018. Discussions with various potential tenants for the lease of the retail mall component, which is slated to commence business operations in late 2019, look promising. With regard to the new development land in Nancheng District of Dongguan secured in 2Q2018, the consortium has commenced construction work on the primarily residential project with a saleable GFA of approximately 146,700 sqm.

Key Message

4. In October 2018, the Group's indirect 31.4%-owned associated company, Queens Bilderberg (Nederland) B.V., entered into a conditional sale and purchase agreement ("SPA") to sell four hotels as well as their inventory and stocks for a total consideration of €16.7 million. These four hotels are located outside of the Randstad region in the Netherlands. The sale price represents a premium of more than 140% over their allocated cost. The sale is expected to be completed by early January 2019.

5. Going forward, the Group may further tap into the debt and equity capital markets to fund its disciplined quest for investment opportunities in the Netherlands, Germany, PRC and other regions.

Section 2 Financial Highlights

2.1 Statement of Profit or Loss - Highlights

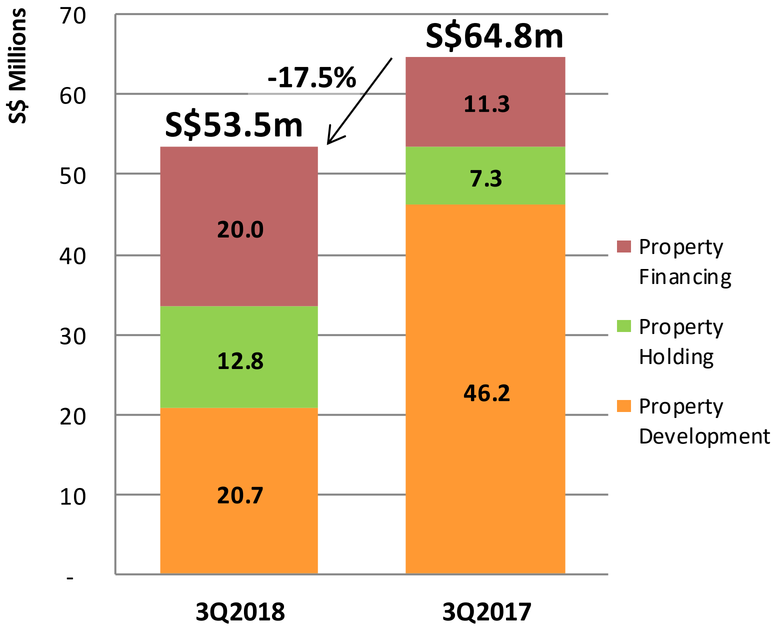
Statement of Profit or Loss - Highlights

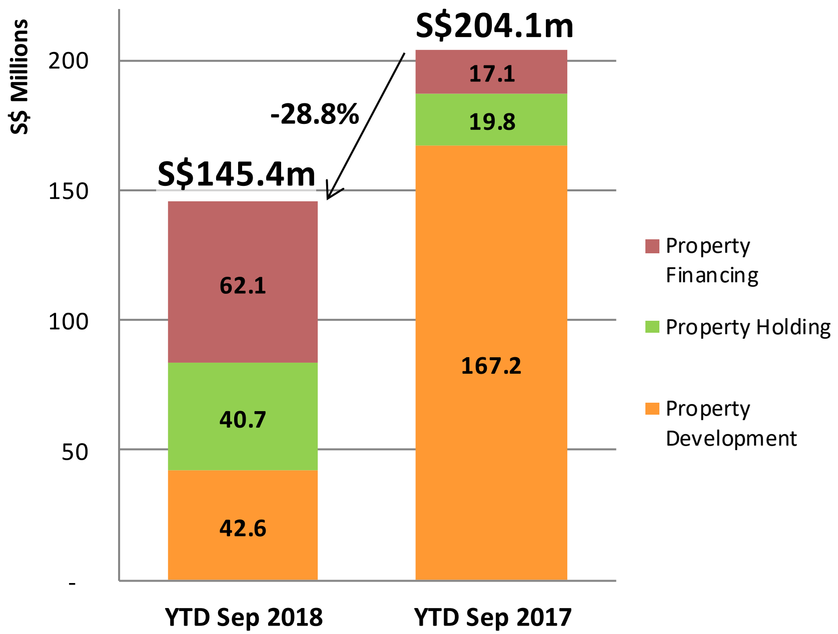
In S$'000	3Q2018	3Q2017	Change %	YTD Sep 2018	YTD Sep 2017	Change %
Revenue	53,493	64,822	(17.5%)	145,409	204,113	(28.8%)
Gross profit	32,974	29,026	13.6%	91,508	77,834	17.6%
Profit before tax	33,362	27,914	19.5%	70,918	61,536	15.2%
Attributable profit (1)	25,575	22,020	16.1%	54,770	45,623	20.0%
Basic EPS (cents) (2)	3.69	3.39	8.8%	7.99	7.03	13.7%
Diluted EPS (cents) (2)	3.21	3.39	(5.3%)	7.42	7.03	5.5%
Interest cover (3)	70.6x	n.m (4)	n.a.	n.m (4)	1,275.9x	n.a.

(1) "Attributable profit" refers to profit attributable to equity holders of the Company.
(2) The prior period comparatives have been restated for the effect of the bonus shares issued in April 2018.
(3) Interest cover = PBT (excluding accounting interest due to or from financial institutions) ÷ net accounting interest expense due to or from financial institutions.
(4) The Group has net interest income from financial institutions.

2.2 Statement of Profit or Loss – Revenue

Revenue





Property Development

The decrease was due mainly to lower number of residential units handed over for the Millennium Waterfront project (3Q2018: 83 units vs 3Q2017: 354 units).

Property Holding

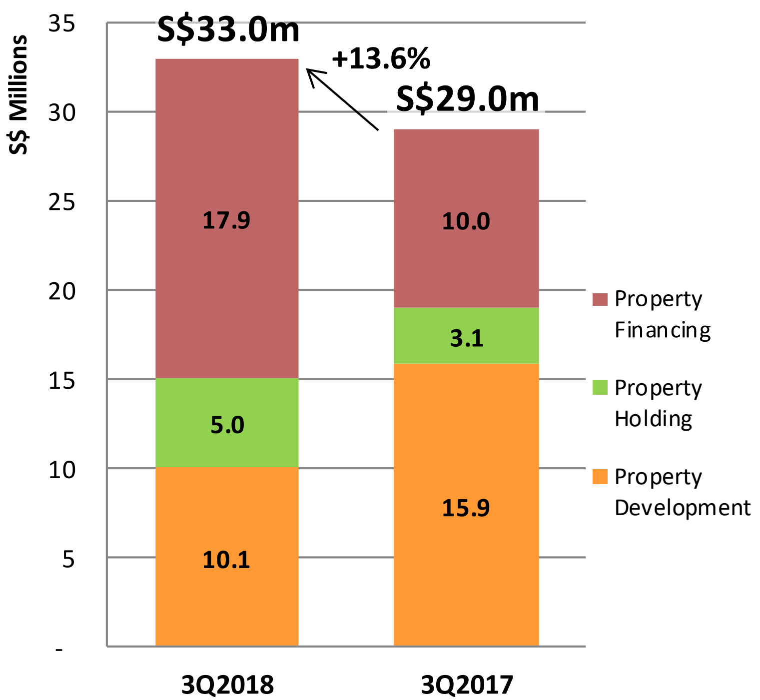
The increase in 3Q2018 was due largely to full quarter revenue contribution from the Hilton Rotterdam hotel which was leased by the Group with effect from 1 February 2018 and higher revenue contributions from the Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels.

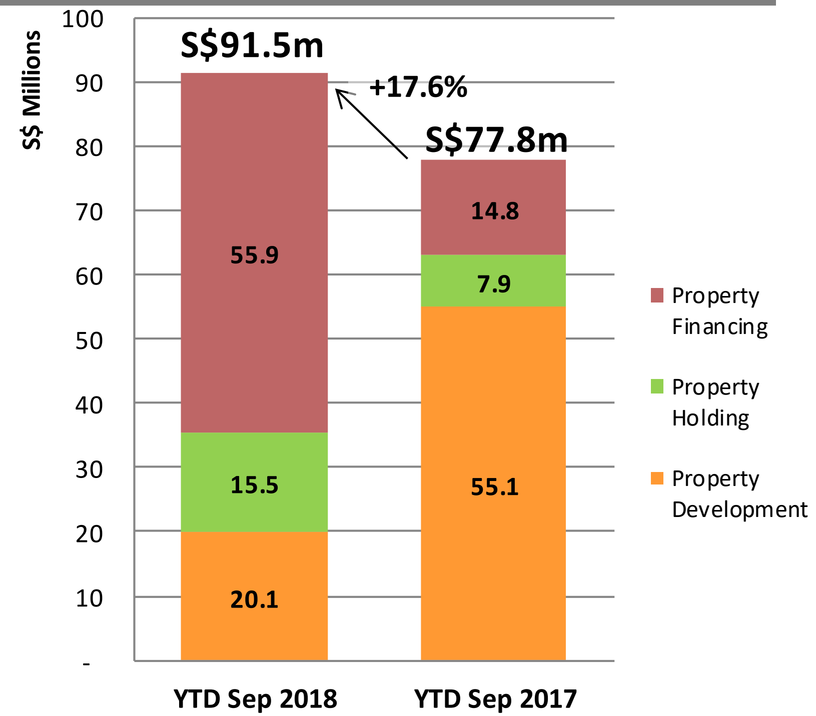
Property Financing

The increase in 3Q2018 was due to a larger loan portfolio partially offset by the absence of one off penalty interest income of S$4.3m which was recognised in 3Q2017.

2.3 Statement of Profit or Loss – Gross Profit

Gross Profit





Property Development

The decrease in gross profit of S$5.8m in 3Q2018 was due to lower number of residential units handed over for the Millennium Waterfront project (3Q2018: 83 units vs 3Q2017: 354 units).

Property Holding

The increase was due mainly to the full quarter income contribution from the Hilton Rotterdam hotel which was leased by the Group with effect from 1 February 2018 and higher gross profit contributions from the Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels.

Property Financing

The increase in 3Q2018 was due to a larger loan portfolio partially offset by the absence of one off penalty interest income of S$4.3m which was recognised in 3Q2017.

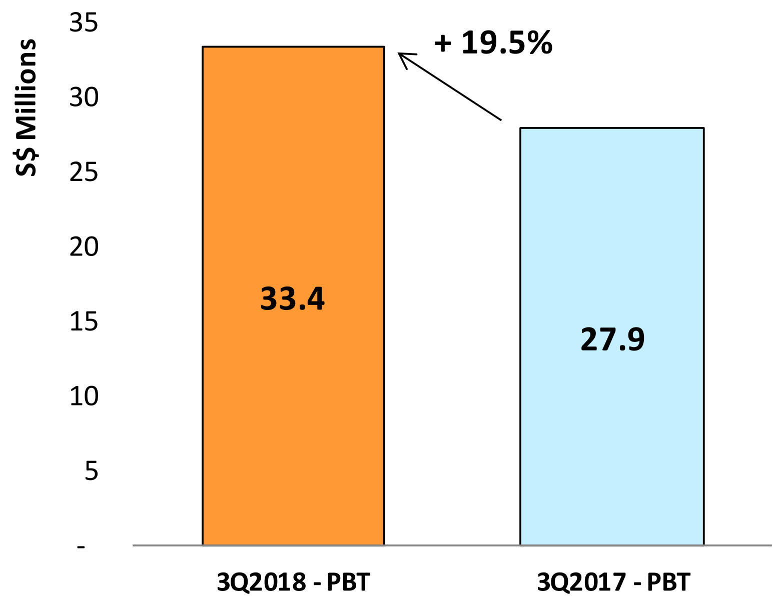
2.4 European Property Portfolio Performance

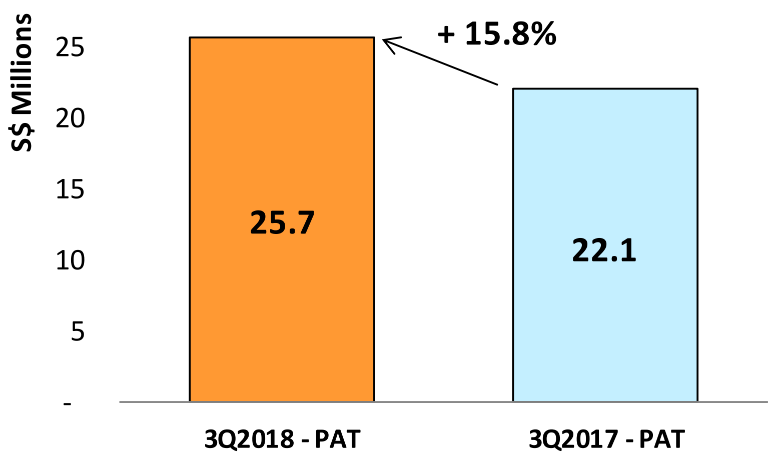
In S$'000	3Q2018	3Q2017	Change %	YTD Sep 2018	YTD Sep 2017	Change %
Dutch office income	**4,692**	**5,376**	**(12.7%)**[3]	**15,546**	**16,179**	**(3.9%)**
European hotel income	**11,640**	**7,812**	**49.0%**	**28,856**	**10,874**	**165.4%**
- Operating hotels [1]	8,695	6,247	39.2% [4]	20,067	6,247	221.2% [4]
- Leased hotels [2]	2,945	1,565	88.2% [5]	8,789	4,627	90.0% [5]
Total	**16,332**	**13,188**	**23.8%**	**44,402**	**27,053**	**64.1%**

(1) Includes the Bilderberg Portfolio and Hilton Rotterdam hotel.
(2) Includes the Le Méridien Frankfurt hotel and Arena Towers Amsterdam (Holiday Inn/Holiday Inn Express).
(3) Due mainly to lower rent contribution from Mondriaan Tower arising from temporary vacancy, offset by income contribution from the Meerparc office property which was acquired in late 2017. The Mondriaan Tower has since been fully leased and income is expected to increase accordingly in the future quarters.
(4) Relates to the performance of the Bilderberg Portfolio and Hilton Rotterdam hotel which were acquired in August 2017 and January 2018 respectively.
(5) Due mainly to contribution from Le Méridien Frankfurt hotel which was acquired in January 2018.

Excluding Poortgebouw, Boompjes, Dreeftoren, Oliphant and Munthof, the Dutch office portfolio and European leased hotels (LFA: 122,349 sqm, occupancy of 89%) have a WALT of approximately 9.8 years.

2.5 Statement of Profit or Loss – 3Q2018 vs 3Q2017





The increase in profit before tax was due mainly to:

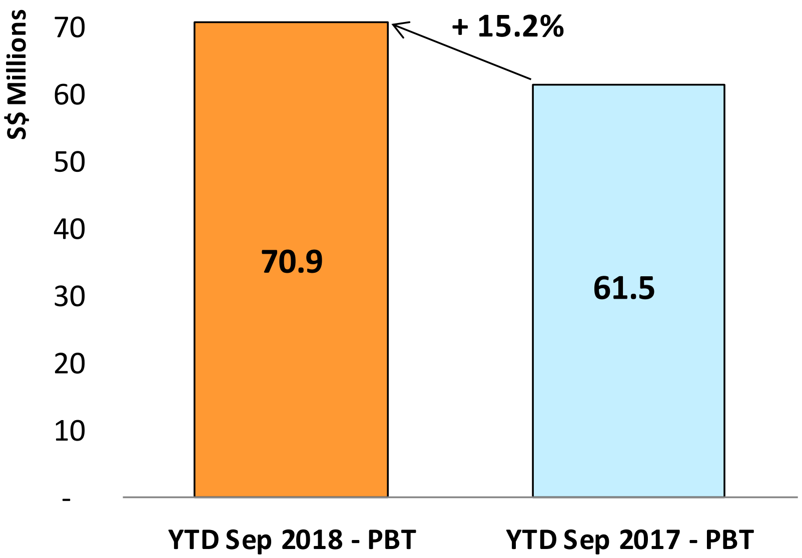
- Higher gross profit contributions from the property financing and property holding business segments [S$9.8m increase]
- One-off net gain on disposal of certain parts of Chengdu Cityspring project [S$1.6m increase]

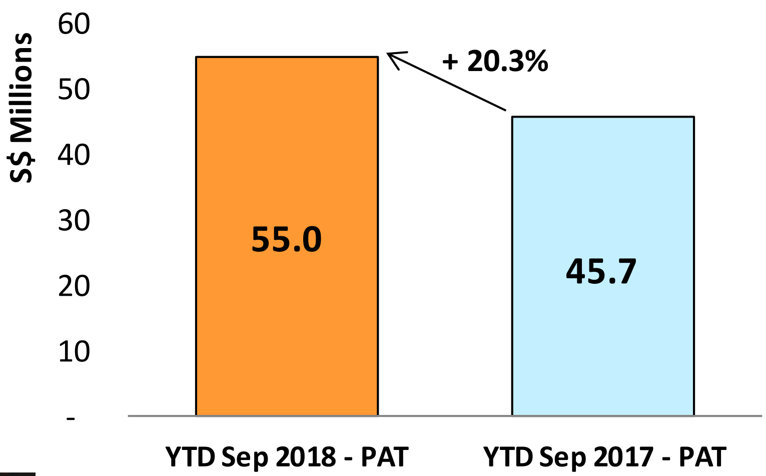
The increase was partially offset by:

- Lower gross profit contribution from the property development business segment [S$5.8m decrease]

The adjusted effective tax rate was 24.5% for 3Q2018.

2.6 Statement of Profit or Loss – YTD Sep 2018 vs YTD Sep 2017





The increase in profit before tax was due mainly to:

- Higher gross profit contribution from the property financing and property holding business segments [S$48.7m increase]
- Higher fair value gain (net) on cross-currency swaps net of foreign exchange loss [S$5.7m increase]

The increase was partially offset by:

- Lower gross profit contribution from the property development business segment [S$35.0m decrease]
- Lower share of results from associates and joint ventures [S$4.2m decrease]
- Higher administrative expenses incurred arising mainly from the operations of the Hilton Rotterdam hotel and professional fees [S$3.8m increase]

The adjusted effective tax rate was 24.5% for YTD Sep 2018.

2.7 Statement of Financial Position – Highlights

Statement of Financial Position - Highlights			
In S$'000	**30-Sep-18**	**30-Jun-18**	**Change %**
Total assets	2,375,612	2,405,715	(1.3%)
Cash and structured deposits [1]	291,478	290,978	0.2%
Receipts in advance	249,242	262,556	(5.1%)
Total debt [2]	673,782	640,791	5.1%
Net asset value (NAV)[3]	1,259,296	1,285,797	(2.1%)
NAV per share (cents)	194.16	198.18	(2.0%)
Adjusted NAV per share (cents)[4]	158.21	161.48	(2.0%)
Gearing ratio [5]	0.31x	0.28x	n.a.

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

(2) Comprises gross borrowings of S$683.3m and S$651.0m net of unamortised upfront fee of S$9.5m and S$10.2m for 30 September 2018 and 30 June 2018 respectively.

(3) NAV excludes non-controlling interests and includes perpetual convertible capital securities ("PCCS") of S$161.5m and translation reserve of S$14.1m (Jun 2018: S$59.7m).

(4) Represents NAV per share adjusted for full conversion of PCCS to ordinary shares.

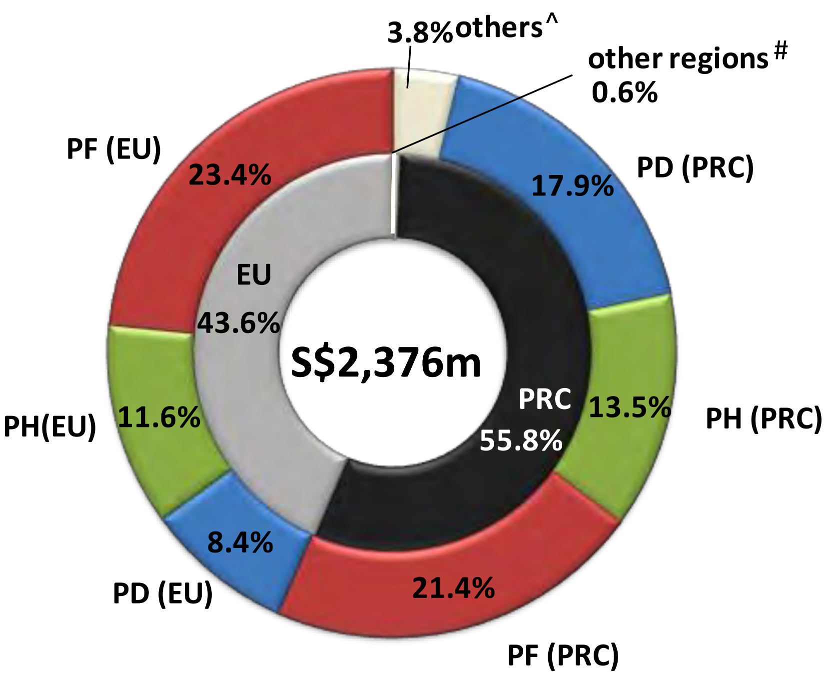
(5) Computed as net debt ÷ total equity including non-controlling interests.
Net debt = gross borrowings – cash and structured deposits.

2.8 Statement of Financial Position - Total Assets

Total Assets – by business and geographic segments

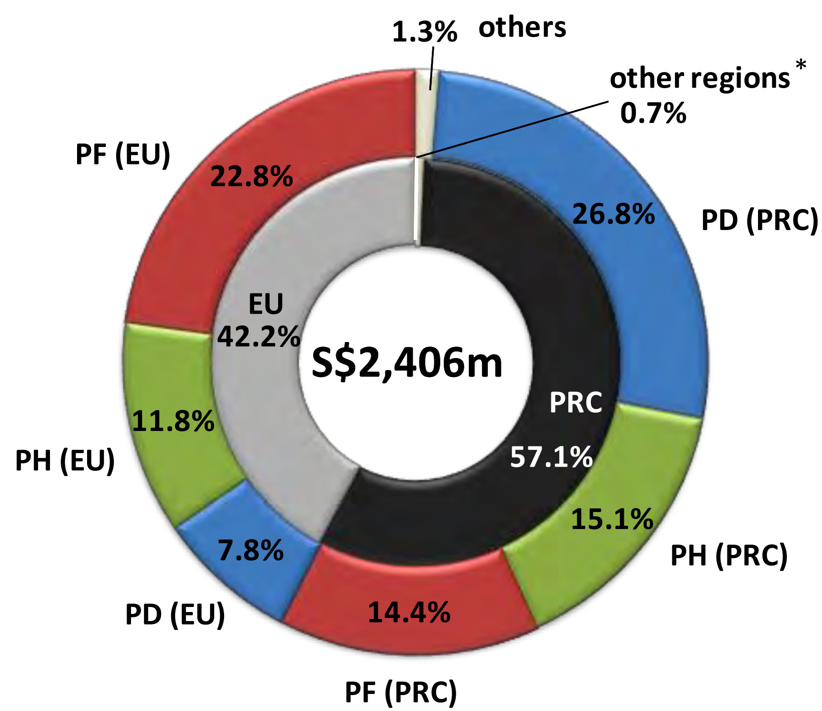
As at 30 September 2018

Total assets: S$2,376m



As at 30 June 2018

Total assets: S$2,406m



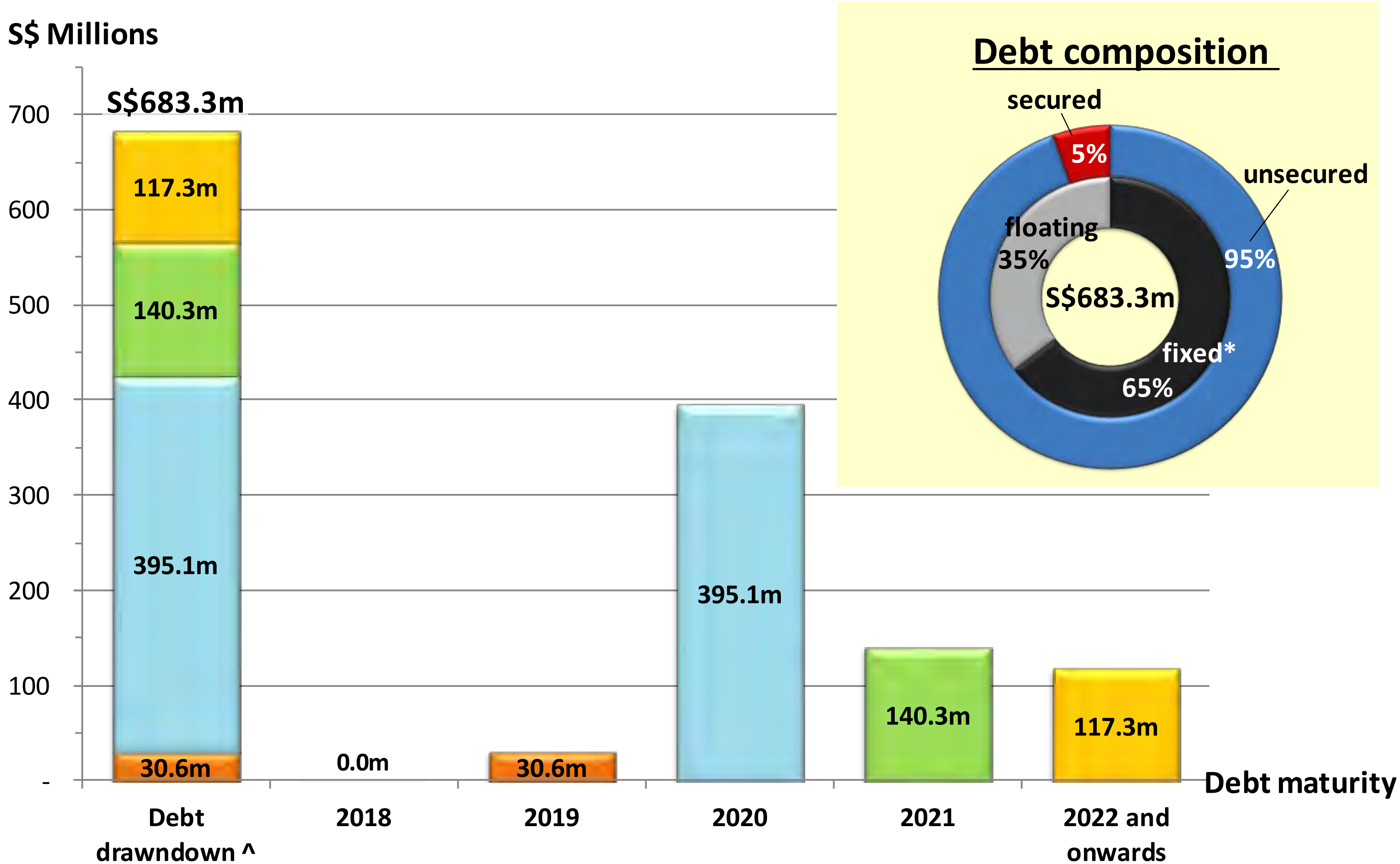
^ Includes S$52.8m cash held by certain PRC subsidiaries that are in the process of voluntary liquidation.

Includes S$10.6m cash held in Singapore/Hong Kong bank accounts.

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

* Includes S$12.3m cash held in Singapore/Hong Kong bank accounts.

2.9 Debt Maturity and Composition as at 30 September 2018



* Done via cross currency swaps.

^ Available remaining headroom of S$284.8m comprises S$205.4m of committed and S$79.4m of uncommitted credit facilities.

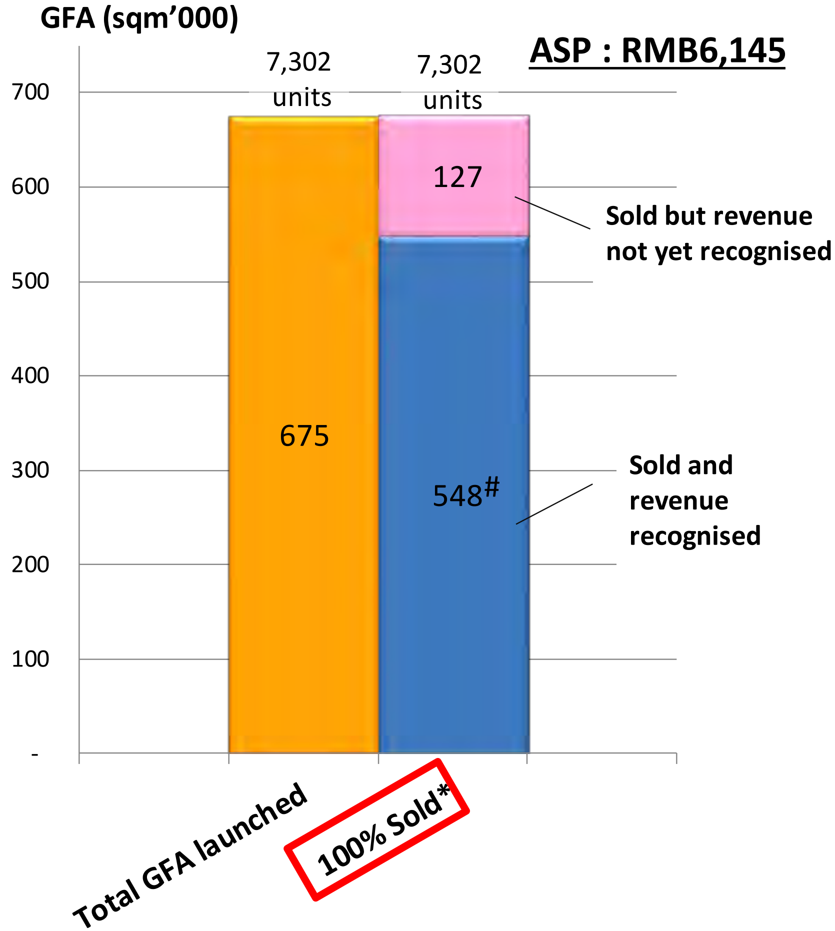
Section 3

Key Business Review 3Q2018 – Property Development

3.1 Property Development – Millennium Waterfront Project, Chengdu

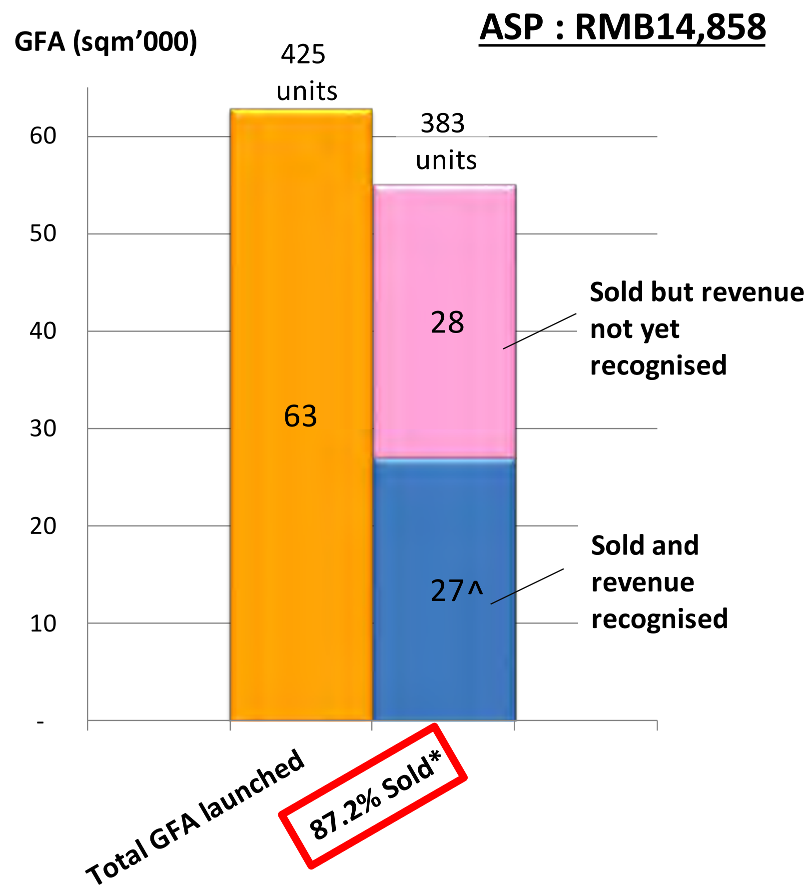
Pre-sale Performance as at 30 September 2018

Overall Residential



Commercial

(Plots A-D, excluding carparks)



Residential : recognised 5,933 units, 547,533 sqm GFA, S$678.1m gross sales value as at 30 September 2018.

^ Commercial : recognised 200 units, 26,704 sqm GFA, S$80.1m gross sales value as at 30 September 2018.

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

3.1 Property Development – Millennium Waterfront Project, Chengdu

- Plot E and Plot F of the Millennium Waterfront Project are commercial developments that encompass elderly care living quarters and healthcare facilities.

- Primary focus will initially be on the smaller Plot F which is expected to comprise approximately 770 elderly care units with approximately 25,000 sqm of retail and commercial spaces.

3.1 Property Development – Millennium Waterfront Project, Chengdu

Plot A
- 2,000 residential units, 118 commercial units and 1,722 car park lots
- % of total saleable GFA launched for sale sold[3]:
  - Residential: 100.0%
  - Commercial: 80.1%
- Cumulative handover of 1,956 residential and 65 commercial units as at 30 September 2018

Plot B
- 2,250 residential units, 96 commercial units, 1,905 car park lots and a three-storey commercial building
- % of total saleable GFA launched for sale sold[3]:
  - Residential: 100.0%
  - Commercial: 94.8%
- Cumulative handover of 2,203 residential and 79 commercial units as at 30 September 2018

Plot C
- 1,778 residential units, 91 commercial units and 1,508 car park lots
- % of total saleable GFA launched for sale sold[3]:
  - Residential: 100.0%
  - Commercial: 80.4%
- Cumulative handover of 1,774 residential and 56 commercial units as at 30 September 2018

Plot D
- 1,274 residential units, 66 commercial units, 1,295 car park lots and two commercial blocks
- % of total saleable GFA launched for sale sold[3]:
  - Residential: 100.0%
  - Commercial: 95.3%
- Expected to commence handover of residential units from 4Q2018

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

Plots E&F
- Expected to comprise elderly care living quarters, a hospital and ancillary commercial facilities
- Commenced construction in 3Q2018 with primary focus initially on Plot F

Notes:
1. This diagram is not drawn to scale.
2. Based on artist's impression which may not be fully representative of the actual development.
3. As at 30 September 2018 and includes sales under option agreements or sale and purchase agreements, as the case may be.

3.2 Property Development – Star of East River Project, Dongguan

- The Star of East River project in Dongguan continued to perform well with a good sales response to the launch of the SOHO units in late September 2018.
- Handover of the fully sold 1,221 residential units is expected to commence from 1Q2019.
- Discussions with various potential tenants for the lease of the retail mall component (approximately 69,000 sqm), which is slated to commence business operations in late 2019, look promising.

3.2 Property Development – Star of East River Project, Dongguan

Residential Blocks

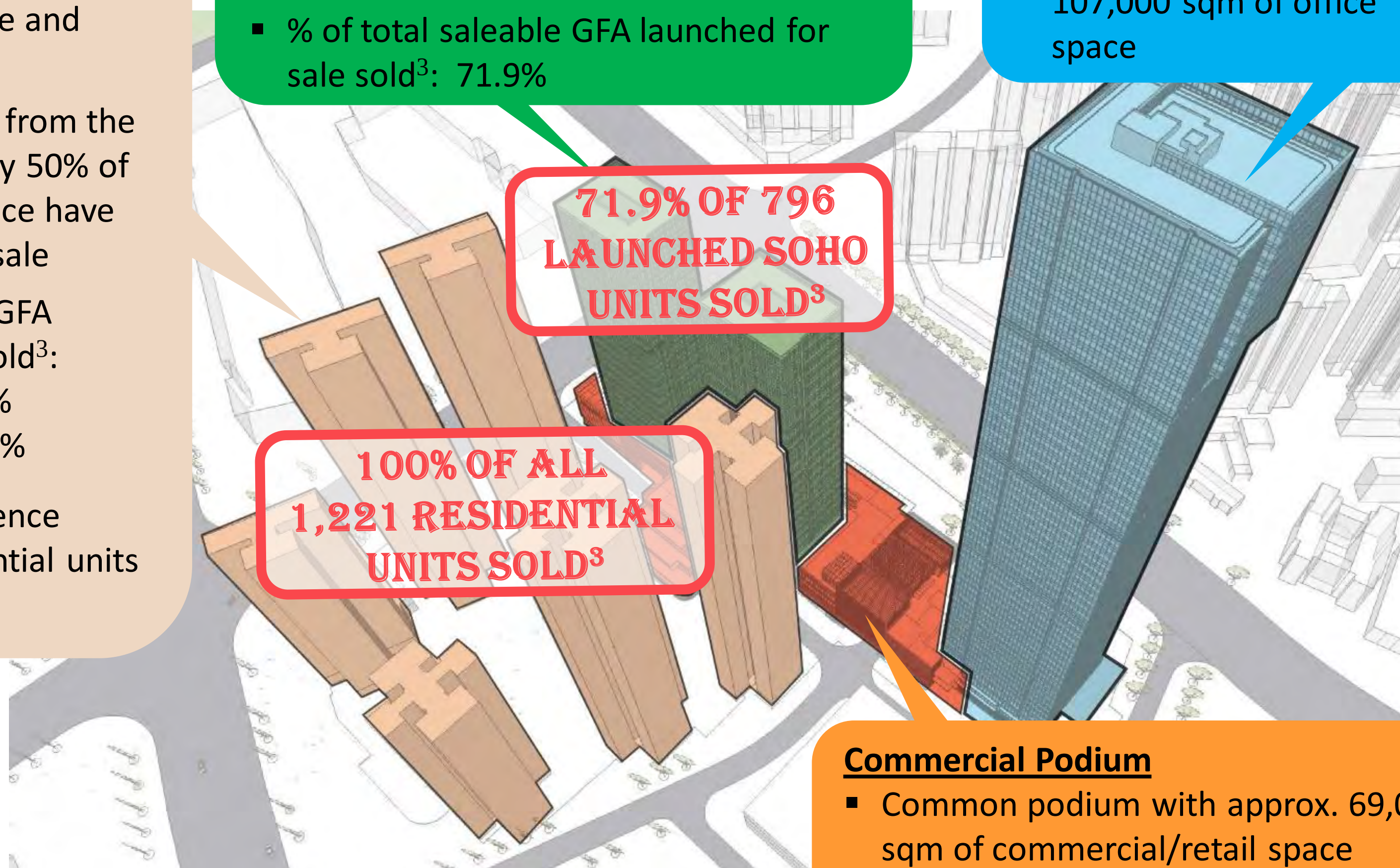
- Comprise six blocks of 1,221 residential units, 1,961 sqm of commercial space and 1,157 car park lots
- All residential units from the six blocks and nearly 50% of the commercial space have been launched for sale
- % of total saleable GFA launched for sale sold[3]:
  - Residential: 100%
  - Commercial: 100%
- Expected to commence handover of residential units from 1Q2019

SOHO Blocks

- Comprise two blocks of 2,328 units
- Launched 796 units from the two blocks for sale in September 2018
- % of total saleable GFA launched for sale sold[3]: 71.9%

Office Block

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



Commercial Podium

- Common podium with approx. 69,000 sqm of commercial/retail space
- Expected to commence operation from 4Q2019

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

3.3 Property Development – Oliphant, Amsterdam Southeast

Oliphant Office Redevelopment

- The redevelopment of the Oliphant office property is progressing well and is expected to complete by 1Q2019.
- The Group has signed a 10-year lease agreement with Novartis for approximately 4,318 sqm.
- The Group is in advanced discussions with other potential tenants and is hopeful that the property will be substantially leased before its completion.

Artist's impression

Section 4 Key Business Review 3Q2018 – Property Holding

4.1 Property Holding – Wenjiang Hotspring Hotels and Hilton Rotterdam Hotel

Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring Hotels

- For 3Q2018, both Wenjiang hotels continued to exhibit significant GOP growths underpinned by increase in occupancy and ADR. For YTD Sep 2018, their combined GOP was RMB11.8m as compared to a negative GOP in YTD Sep 2017.

Hilton Rotterdam

- During the quarter, Hilton Rotterdam hotel achieved over 20% GOP growth due mainly to increase in its ADR. For YTD Sep 2018, its GOP was €3.7m which was approximately 19% higher than that of YTD Sep 2017.

4.2 Property Holding – Bilderberg Hotel Portfolio in The Netherlands

Bilderberg Portfolio (1)	3Q2018	3Q2017 (restated)	Change	YTD Sep 2018	YTD Sep 2017 (restated)	Change
Occupancy	78.1%	79.0%	-0.9%	69.9%	67.1%	2.8%
ADR	€ 98	€ 96	1.9%	€ 99	€ 96	3.3%
RevPar	€ 76	€ 76	0.7%	€ 69	€ 64	7.6%
TrevPar	€ 145	€ 132	9.4%	€ 134	€ 129	4.2%

(1) The trading results of Bilderberg Portfolio comprises 15 owned and one leased hotels, excludes the Landgoed Lauswolt hotel which was disposed in July 2018. The prior period comparatives have been restated to conform with such presentation.

- The Bilderberg hotel portfolio maintained its strong GOP performance during the quarter with a YTD Sep 2018 GOP of €18.0m, an overall 9 months YTD GOP growth of over 7%.

4.3 Property Holding – Disposal of Four Bilderberg Hotels

SOLD

Hotel de Buunderkamp

Hotel de Klepperman

Hotel Wolfheze

Hotel Klein Zwitserland

- In October 2018, the Group's indirect 31.4%-owned associated company, Queens Bilderberg (Nederland) B.V. ("QBN"), entered into a conditional sale and purchase agreement to sell four hotels as well as their inventory and stocks for a total consideration of €16.7 million.

- These four hotels are located outside of the Randstad region in the Netherlands. The sale price represents a premium of more than 140% over their allocated cost.

- QBN has received a deposit of €1.7 million on 8 October 2018. The sale is expected to be completed by early January 2019.

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

First Instalment (RMB206.5m) +
Replacement Deposit (RMB28.5m)

The Group has collected RMB145.0m cash. → Interim First Tranche Properties transferred.

RMB101.9m to be paid via :
1. RMB20.0m received in Oct 18;
2. RMB81.9m to be received by 7 Jan 19 (incl. RMB11.9m advance payment for subsequent instalments).

→ **To transfer 20th to 29th floors of Block 9 (substantial portion of M Hotel Chengdu).**

Second Instalment (RMB152.1m)
(utilise RMB15.1m of Replacement Deposit)

RMB137.0m expected to be received by 24-Nov-18. Relevant parts of the Property to be transferred accordingly.

Final Instalment (RMB94.5m less X[1])
(utilise RMB13.4m of Replacement Deposit)

RMB81.1m less X[1] expected to be received by 27-May-19. Relevant parts of the Property to be transferred accordingly.

[1]X is a discount given for the advance payment of RMB11.9m, which is estimated to be RMB0.8m depending on the timing of receipt.

The Group entered into a sale and purchase agreement in May 2018, a supplemental agreement in July 2018 and a second supplemental agreement in September 2018 in relation to the disposal of certain parts of Chengdu Cityspring, including the 196-room M Hotel Chengdu, bare shell commercial spaces and basement carpark lots, for a total cash consideration of approximately RMB465.0 million (approx. S$97.4 million).

To date, the Group has collected RMB165.0 million (S$34.0 million) cash in sale proceeds and RMB4.0 million (S$0.8 million) cash in liquidated damages.

The disposal is to be completed in tranches, with the last tranche expected to be completed in May 2019.

Reference is made to the announcements dated 30-May-18 ,12-Jul-18 and 25-Sept-18.

Section 5 Key Business Review 3Q2018 – Property Financing

5.1 Property Financing - Overview of Financial Performance

In S$'000	3Q2018	3Q2017	Change %	YTD Sep 2018	YTD Sep 2017	Change %
Secured PRC entrusted loans to 3rd parties						
- interest	5,092	1,039	390.1%	8,827	2,565	244.1%
- penalty interest	338	4,288	(92.1%)	13,067	4,391	197.6%
Unsecured loans to the Group's members						
- FSMC Group	9,131	5,916	54.3%	26,130	9,938	162.9%
- Star of East River Project Co [(1)]	3,725	-	n.m.	11,279	-	n.m.
- Dongguan East Sun Limited [(1)]	379	-	n.m.	1,148	-	n.m.
Others	1,320	96	1,275.0%	1,654	233	609.9%
Total PF Revenue	**19,985**	**11,339**	**76.3%**	**62,105**	**17,127**	**262.6%**

(1) 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
3Q2018 (1)	10.9	20.3%	10.4	31.3%
3Q2017	5.4	8.4%	5.8	20.7%
YTD Sep 2018 (1)	36.0	24.7%	34.8	49.1%
YTD Sep 2017	7.2	3.5%	8.3	13.5%

	Average Third Party Loan Balance (2) for the quarter ended	Average Third Party Loan Balance for the year to date ended	Third Party Loan Balance (2) as at
30 September 2018	RMB1,850.6m (S$380.9m)	RMB1,459.4m (S$300.3m)	RMB1,931.7m (S$385.0m)
30 June 2018	RMB1,335.7m (S$277.7m)	RMB1,260.5m (S$262.1m)	RMB1,609.0m (S$337.1m)

(1) Includes RMB2.3m (S$0.3m) and RMB63.5m (S$13.1m) of penalty interest from Case 2 foreclosure actions in 3Q2018 and YTD Sep 2018 respectively.

(2) Includes the defaulted loan cases.

5.3 Status of Case 1 Problematic Loan

- The foreclosure procedures for Case 1 RMB170.0 million defaulted loan have been suspended pending the closure of the various alleged criminal cases involving the borrower and the legal representative of the borrower. The court has granted penalty interest of 24.0% per annum from 22 December 2015 and 30.4% per annum from 5 August 2016 in favour of the Group.

- On 31 August 2018, the court sentenced the legal representative of the borrower to life imprisonment and imposed fines on the borrower and its legal representative under the criminal cases. The legal representative has appealed against the sentence in late September 2018.

- 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 cases, the Group may have to compromise and accept a lower interest entitlement. The Group also expects that the auction of the mortgaged properties to be ultimately concluded within FY2019.

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.

FIRST SPONSOR GROUP LIMITED

Co Reg. No: AT-195714 | Business Address: 63 Market Street, #06-03 Bank of Singapore Centre, Singapore 048942

Press Release

FIRST SPONSOR ACHIEVED A NET PROFIT OF S$25.6 MILLION, A 16.1% QUARTER ON QUARTER GROWTH

SIGNIFICANT GROWTH IN THE PRC PROPERTY FINANCING LOAN BOOK AND SUCCESSFUL RESOLUTION OF CASE 2 DEFAULTED LOANS

Singapore, 26 October 2018 – Singapore Exchange ("**SGX**") mainboard-listed First Sponsor Group Limited ("**First Sponsor**" or the "**Company**", and together with its subsidiaries, associated companies and joint ventures, the "**Group**"), a mixed property developer in the Netherlands and the People's Republic of China (the "**PRC**"), an owner of commercial properties (including hotels) and a provider of property financing services in the Netherlands, Germany and the PRC, today announced the Group's unaudited financial results for the third quarter ended 30 September 2018 ("**3Q 2018**").

Financial Highlights

In S$'000	3Q 2018	3Q 2017	Change %
Revenue	53,493	64,822	(17.5%)
Profit attributable to equity holders of the Company	25,575	22,020	16.1%

YTD Sep 2018	YTD Sep 2017	Change %
145,409	204,113	(28.8%)
54,770	45,623	20.0%

- The PRC property financing loan book has grown by more than 20% to approximately RMB2.0 billion as at 30 September 2018. The Group has successfully resolved the Case 2 defaulted loans of RMB470.0 million and received RMB216.1 million in associated default interest.

- The Star of East River project in Dongguan continued to perform well with a good sales response to the launch of the SOHO units in late September 2018. With regard to the new development land in Nancheng District of Dongguan secured in 2Q 2018, the consortium has commenced construction work on the primarily residential project with a saleable GFA of approximately 146,700 sqm.

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Mr Neo Teck Pheng, Group Chief Executive Officer, said

"The uncertainty over the PRC's economic outlook has further intensified the tight credit situation in the country. This development has enabled the Group to further expand its property financing business. The Group's PRC property financing loan book has grown by more than 20% to approximately RMB2.0 billion as at 30 September 2018. On the Case 2 defaulted loans, an additional RMB49.4 million in auction proceeds have been collected with a remaining RMB1.7 million pending disbursement by the court from the surplus auction proceeds. Hence, the Group has successfully resolved the Case 2 defaulted loans of RMB470.0 million and received RMB216.1 million in associated default interest.

The good sales response to the launch of the SOHO units in the Star of East River project in late September 2018 reflects the appeal of this development. Discussions with various potential tenants for the lease of the retail mall component, which is slated to commence business operations in late 2019, look promising. With regards to the new development land in Nancheng District of Dongguan secured in 2Q 2018, the consortium has commenced construction work on the primarily residential project with a saleable GFA of approximately 146,700 sqm.

In October 2018, the Group's indirect 31.4%-owned associated company, Queens Bilderberg (Nederland) B.V., entered into a conditional sale and purchase agreement to sell four hotels as well as their inventory and stocks for a total consideration of €16.7 million. These four hotels are located outside of the Randstad region in the Netherlands. The sale price represents a premium of more than 140% over their allocated cost. The sale is expected to be completed by early January 2019.

Going forward, the Group may further tap into the debt and equity capital markets to fund its disciplined quest for investment opportunities in the Netherlands, Germany, PRC and other regions."

- End -

Please refer to the Group's unaudited financial results announcement for 3Q 2018 and the investor presentation slides dated 26 October 2018 for a detailed review of the Group's performance and prospects. For media enquiries, please contact:

Mr Zhang Jiarong
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About First Sponsor Group Limited

First Sponsor Group Limited (**"First Sponsor"**, and together with its subsidiaries, associated companies and joint ventures, the "**Group**"), a mixed property developer in the Netherlands and the People's Republic of China (the "PRC"), an owner of commercial properties (including hotels) and a provider of property financing services in the Netherlands, Germany and the PRC, was listed on the Mainboard of the Singapore Exchange Securities Trading Limited on 22 July 2014. The Group is supported by both its established key controlling shareholders, the Hong Leong group of companies, through its shareholding interests in Millennium & Copthorne Hotels plc, and Tai Tak Estates Sendirian Berhad, a private company with a long operating history, which was incorporated in Singapore in 1954.

Please visit www.1st-sponsor.com.sg for the Group's SGX announcements, financial statements, investor presentations and press releases.

Asset Acquisitions and Disposals::ANNOUNCEMENT ON CHANGES IN SUBSIDIARIES AND ASSOCIATED COMPANIES

Issuer & Securities

Issuer/ Manager	FIRST SPONSOR GROUP LIMITED
Securities	FIRST SPONSOR GROUP LIMITED - KYG3488W1078 - ADN
Stapled Security	No

Announcement Details

Announcement Title	Asset Acquisitions and Disposals
Date & Time of Broadcast	26-Oct-2018 07:04:58
Status	New
Announcement Sub Title	ANNOUNCEMENT ON CHANGES IN SUBSIDIARIES AND ASSOCIATED COMPANIES
Announcement Reference	SG181026OTHRBNOG
Submitted By (Co./ Ind. Name)	Neo Teck Pheng
Designation	Group Chief Executive Officer and Executive Director
Description (Please provide a detailed description of the event in the box below)	Please see attached.

Attachments	FSGL - SGX Annc - Change_Liquidation_Incorp of companies.pdf Total size =252K

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

LIQUIDATION OF SUBSIDARIES, CHANGE IN SHAREHOLDING OF AN ASSOCIATED COMPANY AND INCORPORATION OF A JOINT VENTURE COMPANY

The Board of Directors of First Sponsor Group Limited ("**Company**", and collectively with its subsidiaries, "**Group**") wishes to announce the following:

A. Members' voluntary liquidation of dormant subsidiaries

FS NL Holdings B.V., an indirect wholly-owned subsidiary of the Company, has voluntarily liquidated its 95.0%-owned subsidiary incorporated in the Netherlands, namely, NL Property Group 17 B.V., which has in turn voluntarily liquidated its four wholly-owned subsidiaries incorporated in the Netherlands, namely, Opco Garden Amsterdam Hotel B.V., Opco Kasteel Vaalsbroek B.V., Opco Europa Scheveningen Hotel B.V. and Opco De Bilderberg Oosterbeek Hotel B.V..

B. Change in shareholdings in an associated company

First Sponsor No. 1 (Dongguan) Real Estate Co., Ltd (首铸一号(东莞)房地产有限公司), a 30.0%-owned indirect associated company of the Company, has reduced its shareholdings in its People's Republic of China-incorporated joint venture company, namely, First Sponsor No. 2 (Dongguan) Real Estate Co., Ltd (首铸二号(东莞)房地产有限公司) ("**FS No. 2**"), from 80.0% to 68.0% as a result of a capital contribution of RMB150,000 by Shenzhen Zhongjiao Real Estate Co., Ltd. (深圳中交房地产有限公司), Zhongjiao Dingxin Equity Investment Management Co., Ltd. (中交鼎信股权投资管理有限公司) and Zhongzhi (Shenzhen) Consulting Management Partnership (Limited Partnership) (中致(深圳)咨询管理合伙企业(有限合伙)) (collectively, "**Joint Venture Partners**"). The Joint Venture Partners are unrelated to the Group. The Company's indirect shareholding interest in FS No. 2 has therefore decreased from 24.0% to 20.4%.

C. Incorporation of a joint venture company

The Company has incorporated a joint venture company in Singapore, details of which are set out below:

Name of company	:	FS Nieuw Holland Pte. Ltd. ("**FSNH**")
Date of incorporation	:	17 September 2018
Country of incorporation	:	Singapore
Registered share capital	:	SGD2.00
Principal activity	:	Investment holding

FSNH is a 50:50 joint company of the Company and Tai Tak Industries Pte. Ltd., an indirect wholly-owned subsidiary of Tai Tak Estates Sendirian Berhad, which has a deemed interest of 45.0% in the Company. The participation by the Company in the joint venture constitutes an interested person transaction, which amount at risk (taken together with that of other transactions entered with the Tai Tak Estates Sendirian Berhad group in the current financial year) is less than 3% of the latest audited net tangible assets of the Group.

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

BY ORDER OF THE BOARD
FIRST SPONSOR GROUP LIMITED

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
26 October 2018

General Announcement::USE OF PROCEEDS FROM THE RIGHTS ISSUE

Issuer & Securities

Issuer/ Manager	FIRST SPONSOR GROUP LIMITED
Securities	FIRSTSPONSORS$162M 3.98% PCCS - SG5HA8000004 - CSEB FIRST SPONSOR GROUP LIMITED - KYG3488W1078 - ADN
Stapled Security	No

Announcement Details

Announcement Title	General Announcement
Date & Time of Broadcast	26-Oct-2018 07:06:10
Status	New
Announcement Sub Title	USE OF PROCEEDS FROM THE RIGHTS ISSUE
Announcement Reference	SG181026OTHRF7AB
Submitted By (Co./ Ind. Name)	Neo Teck Pheng
Designation	Group Chief Executive Officer and Executive Director
Description (Please provide a detailed description of the event in the box below)	Please see attached.

Attachments	FSGL Rights Issue - Use of Proceeds.pdf Total size =114K

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

USE OF PROCEEDS FROM THE RIGHTS ISSUE

The board of directors ("**Board**") of First Sponsor Group Limited ("**Company**") refers to the announcements dated 8 February 2018, 21 February 2018, 15 March 2018, 23 March 2018, 16 April 2018, 20 April 2018, 30 April 2018 and 27 July 2018 and the offer information statement dated 23 March 2018 ("**Offer Information Statement**") issued by the Company in relation to the Rights Issue (as defined in the Offer Information Statement). Unless otherwise defined herein or the context otherwise requires, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the Offer Information Statement.

The Board wishes to announce that as at 30 September 2018, out of the gross proceeds of S$162.2 million raised from the Rights Issue, a further S$32.6 million has been disbursed since the last utilisation of proceeds announcement on 27 July 2018. The proceeds have been utilised as follows:

(a) approximately S$16.2 million has been used to finance part of the property development activities of the Group (including the office redevelopment of Oliphant in Amsterdam Southeast and the Millennium Waterfront Project in Chengdu);

(b) approximately S$7.1 million has been used to finance part of the property holding activities of the Group, mainly the fit out of the hotels at the Poortgebouw Property in Utrecht; and

(c) approximately S$9.3 million has been used to finance part of the property financing activities of the Group, mainly loans extended to associates in Europe.

Such use of proceeds is in accordance with the intended use stated in the Offer Information Statement. The redevelopment and fit out of the above-mentioned properties are still in progress. As at 30 September 2018, the Company has materially disbursed approximately S$41.8 million of the gross proceeds from the Rights Issue.

The Company will continue to make periodic announcements via SGXNET on the actual deployment of the remaining proceeds as and when such funds are materially disbursed.

BY ORDER OF THE BOARD
FIRST SPONSOR GROUP LIMITED

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
26 October 2018