



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

**UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2020**

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

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

	The Group			The Group		
	Fourth quarter ended 31 December		Incr / (Decr)	Full year ended 31 December		Incr / (Decr)
	2020 S\$'000	2019 S\$'000	%	2020 S\$'000	2019 S\$'000	%
Revenue	39,733	149,793	(73.5)	203,936	319,164	(36.1)
Cost of sales	(3,231)	(75,565)	(95.7)	(32,030)	(130,129)	(75.4)
Gross profit	36,502	74,228	(50.8)	171,906	189,035	(9.1)
Administrative expenses	(9,174)	(9,694)	(5.4)	(28,726)	(38,206)	(24.8)
Selling expenses	(1,249)	(4,023)	(69.0)	(5,836)	(9,609)	(39.3)
Other (expenses)/ income (net)	(6,595)	(53,918)	(87.8)	1,322	(61,940)	n.m.
Other gains (net)	791	36,656	(97.8)	2,907	42,827	(93.2)
Results from operating activities	20,275	43,249	(53.1)	141,573	122,107	(15.9)
Finance income	4,266	8,697	(50.9)	23,120	23,798	(2.8)
Finance costs	(4,857)	(8,274)	(41.3)	(26,708)	(22,928)	16.5
Net finance (costs)/ income	(591)	423	n.m.	(3,588)	870	n.m.
Share of after-tax results of associates and joint ventures	(6,621)	51,363	n.m.	(12,373)	71,222	n.m.
Profit before tax	13,063	95,035	(86.3)	125,612	194,199	(35.3)
Tax expense	(6,395)	(967)	561.3	(24,501)	(28,623)	(14.4)
Profit for the period/year	6,668	94,068	(92.9)	101,111	165,576	(38.9)
Attributable to:						
Equity holders of the Company	6,923	94,910	(92.7)	103,174	167,088	(38.3)
Non-controlling interests	(255)	(842)	(69.7)	(2,063)	(1,512)	36.4
Profit for the period/year	6,668	94,068	(92.9)	101,111	165,576	(38.9)
Earnings per share (cents)						
- basic	0.76	11.75	(93.5)	11.97	21.64	(44.7)
- diluted	0.52	8.62	(94.0)	8.87	17.12	(48.2)

n.m.: not meaningful

Consolidated Statement of Comprehensive Income

	The Group		The Group	
	Fourth quarter ended		Full year ended	
	31 December		31 December	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Profit for the period/year	6,668	94,068	101,111	165,576
Other comprehensive income items that are or may be reclassified subsequently to profit or loss:				
Translation differences on financial statements arising from liquidation of a foreign subsidiary, net of tax	(2)	-	51	-
Share of translation differences on financial statements of foreign associates and joint ventures, net of tax	(7,063)	(2,723)	7,558	(7,543)
Translation differences on financial statements of foreign subsidiaries, net of tax	(5,277)	1,712	24,360	(23,213)
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	198	(28)	3,143	(1,496)
Other comprehensive income for the period/year, net of tax	(12,144)	(1,039)	35,112	(32,252)
Total comprehensive income for the period/year	(5,476)	93,029	136,223	133,324
Total comprehensive income attributable to:				
Equity holders of the Company	(379)	94,396	141,146	135,608
Non-controlling interests	(5,097)	(1,367)	(4,923)	(2,284)
Total comprehensive income for the period/year	(5,476)	93,029	136,223	133,324

Notes to the Group's Income Statement:

Profit before tax includes the following:

	The Group		The Group	
	Fourth quarter ended		Full year ended	
	31 December		31 December	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Other gains/(losses) comprise:				
Gain/(loss) on disposal of:				
- assets held-for-sale	783	1,582	2,758	7,710
- subsidiaries	86	35,516	86	35,516
- investment properties	-	66	-	679
- other investments	21	-*	250	76
- property, plant and equipment	23	(3)	(28)	(14)
- an associate	1	-	2	-
Impairment loss on assets held-for-sale	-	(481)	-	(481)
Loss on deconsolidation of a subsidiary	-	(24)	-	(637)
Property, plant and equipment written off	(3)	-*	(4)	(22)
Loss on liquidation of subsidiaries	(120)	-	(157)	-

Profit before tax includes the following (expenses)/income:

Depreciation of property, plant and equipment	(4,938)	(3,016)	(12,160)	(10,356)
Exchange gain/(loss) (net)	22,984	2,911	74,307	(27,374)
Fair value (loss)/gain on:				
- derivative assets/liabilities (net)	(30,450)	(2,343)	(69,291)	24,786
- investment properties	(4,311)	1,918	(4,311)	1,918
- other investments	8,718	78	7,371	528
Hotel base stocks written off	(4)	2	(709)	(495)
Hotel pre-opening expenses	1	(158)	(443)	(937)
Impairment loss on property, plant and equipment	(4,247)	(46,160)	(4,247)	(46,160)
Interest expense on lease liabilities	(851)	(817)	(3,531)	(3,338)
Write down of development properties	-	(1,915)	-	(1,915)

* 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 31 December 2020 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000
Non-current assets				
Property, plant and equipment	371,382	345,847	592	950
Investment properties	97,942	94,827	-	-
Subsidiaries	-	-	466,347	774,562
Interests in associates and joint ventures	549,943	298,062	9,680	9,680
Derivative assets	7,207	28,778	7,207	28,778
Other investments	57,586	74,594	-	-
Deferred tax assets	30,220	43,470	-	-
Trade and other receivables	767,027	824,848	101,238	860,557
	<u>1,881,307</u>	<u>1,710,426</u>	<u>585,064</u>	<u>1,674,527</u>
Current assets				
Development properties	530,542	390,046	-	-
Inventories	394	550	-	-
Trade and other receivables	482,401	315,255	1,550,386	483,451
Assets held-for-sale	12,818	18,285	-	-
Derivative assets	1,315	12,545	1,315	12,545
Other investments	39,500	-	-	-
Cash and cash equivalents	476,304	313,389	141,945	22,629
	<u>1,543,274</u>	<u>1,050,070</u>	<u>1,693,646</u>	<u>518,625</u>
Total assets	<u>3,424,581</u>	<u>2,760,496</u>	<u>2,278,710</u>	<u>2,193,152</u>
Equity				
Share capital	117,329	101,251	117,329	101,251
Reserves	1,553,818	1,320,670	1,281,256	1,080,079
Equity attributable to owners of the Company	1,671,147	1,421,921	1,398,585	1,181,330
Perpetual convertible capital securities	-	146,548	-	146,548
Non-controlling interests	76,172	30,120	-	-
Total equity	<u>1,747,319</u>	<u>1,598,589</u>	<u>1,398,585</u>	<u>1,327,878</u>
Non-current liabilities				
Loans and borrowings	615,012	369,943	637,012	369,943
Derivative liabilities	37,224	2,717	37,224	2,717
Other payables	45,417	49,431	-	-
Lease liabilities	74,087	69,358	106	466
Deferred tax liabilities	10,691	7,202	-	-
	<u>782,431</u>	<u>498,651</u>	<u>674,342</u>	<u>373,126</u>

	The Group		The Company	
	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000
Current liabilities				
Loans and borrowings	124,560	251,220	124,560	251,220
Current tax payable	43,533	61,925	2,355	1,914
Trade and other payables	348,603	307,085	76,676	238,858
Contract liabilities	372,236	39,288	-	-
Receipts in advance	1,321	1,349	-	-
Lease liabilities	2,596	2,389	210	156
Derivative liabilities	1,982	-	1,982	-
	<u>894,831</u>	<u>663,256</u>	<u>205,783</u>	<u>492,148</u>
Total liabilities	<u>1,677,262</u>	<u>1,161,907</u>	<u>880,125</u>	<u>865,274</u>
Total equity and liabilities	<u>3,424,581</u>	<u>2,760,496</u>	<u>2,278,710</u>	<u>2,193,152</u>

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

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

	The Group	
	As at 31 December 2020 S\$'000	As at 31 December 2019 S\$'000
Unsecured		
- repayable within one year	124,560	251,220
- repayable after one year	615,012	369,943
Total	<u>739,572</u>	<u>621,163</u>
Secured		
- repayable within one year	-	-
- repayable after one year	-	-
Total	<u>-</u>	<u>-</u>
Grand total	<u>739,572</u>	<u>621,163</u>
Gross borrowings	747,624	628,931
Less: cash and cash equivalents	(476,304)	(313,389)
Net borrowings	<u>271,320</u>	<u>315,542</u>

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

	The Group		The Group	
	Fourth quarter ended		Full year ended	
	31 December		31 December	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit for the period/year	6,668	94,068	101,111	165,576
Adjustments for:				
Depreciation of property, plant and equipment	4,938	3,016	12,160	10,356
Fair value loss/(gain) on:				
- derivative assets/liabilities (net)	30,450	2,343	69,291	(24,786)
- investment properties	4,311	(1,918)	4,311	(1,918)
- other investments	(8,718)	(78)	(7,371)	(528)
Finance income	(4,266)	(8,697)	(23,120)	(23,798)
Finance costs	4,857	8,274	26,708	22,928
Impairment loss on:				
- assets held-for-sale	-	481	-	481
- property, plant and equipment	4,247	46,160	4,247	46,160
(Gain)/loss on disposal of:				
- assets held-for-sale	(783)	(1,582)	(2,758)	(7,710)
- an associate	(1)	-	(2)	-
- subsidiaries	(86)	(35,516)	(86)	(35,516)
- investment properties	-	(66)	-	(679)
- other investments	(21)	-*	(250)	(76)
- property, plant and equipment	(23)	3	28	14
Loss on deconsolidation of a subsidiary	-	24	-	637
Loss on liquidation of subsidiaries	120	-	157	-
Property, plant and equipment written off	3	-*	4	22
Write down of development properties	-	1,915	-	1,915
Share of after-tax loss/(profit) of associates and joint ventures	6,621	(51,363)	12,373	(71,222)
Tax expense	6,395	967	24,501	28,623
	<u>54,712</u>	<u>58,031</u>	<u>221,304</u>	<u>110,479</u>
Changes in:				
Development properties	(42,920)	28,524	(114,296)	5,346
Inventories	30	(245)	188	(95)
Trade and other receivables	(88,724)	511,417	(118,722)	105,853
Trade and other payables	32,132	(483,567)	(88,071)	70,626
Contract liabilities	19,138	(86,459)	318,042	(119,784)
Loans and borrowings	4,643	(39,352)	(15,653)	1,122
Cash (used in)/from operations	<u>(20,989)</u>	<u>(11,651)</u>	<u>202,792</u>	<u>173,547</u>
Interest received	1,555	865	5,862	13,074
Interest paid	(4,348)	(2,237)	(11,481)	(19,059)
Tax paid	(3,579)	(2,349)	(27,328)	(9,240)
Net cash (used in)/ from operating activities	<u>(27,361)</u>	<u>(15,372)</u>	<u>169,845</u>	<u>158,322</u>

	The Group		The Group	
	Fourth quarter ended		Full year ended	
	31 December		31 December	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired	(33)	840	(5,037)	(156,770)
(Advances to)/repayment from associates (net)	(26,901)	1,833	(216,620)	(86,867)
Deconsolidation of a subsidiary	-	1	-	(2,322)
Decrease in other investments	11,110	239,391	-	36,754
Deposits received in respect of assets held-for-sale	-	(25)	-	4,102
Deposit paid for potential acquisition of subsidiaries	(27,700)	-	(27,700)	-
Dividends received from an associate	(6)	-	11,942	-
Dividends received from a joint venture	475	325	634	757
Interest received	6,233	11,416	22,297	22,543
Repayment from/(loan to) a non-controlling interest	6,990	194	6,990	(31,929)
Payment for acquisition of other investments	-	-	(16,097)	(357)
Payment for additions to:				
- investment properties	-	22	-	(4,976)
- property, plant and equipment	(1,512)	(18,640)	(16,496)	(37,482)
Payment for investments in associates and joint ventures	(56)	(37)	(18,027)	(81,242)
Proceeds from disposal of:				
- investment properties	-	993	-	10,041
- property, plant and equipment	23	(1)	298	1
- assets held-for-sale	1,393	5,587	9,753	43,286
- subsidiaries, net of cash disposed	5,064	73,003	5,064	73,003
- other investments	113	137	2,898	3,372
Net cash (used in)/from investing activities	(24,807)	315,039	(240,101)	(208,086)

	The Group		The Group	
	Fourth quarter ended		Full year ended	
	31 December		31 December	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from financing activities				
Advances from associates (net)	477	11,693	73,329	120,261
Capital contribution by non-controlling interests	358	-	45,859	-
Advances from a joint venture	6,723	-	9,491	-
Advances from non-controlling interests	19,787	-	19,787	-
Distributions to perpetual convertible capital securities ("PCCS") holders	(45)	(2,962)	(2,975)	(3,478)
Dividends paid to the owners of the Company	3	-	(22,855)	(19,078)
Interest paid	(5,698)	(7,729)	(21,523)	(15,665)
Issuance of ordinary shares	-	-	9,771	-
Loan from non-controlling interest	21	-	200	-
(Repayment of)/loan from an affiliate of a non-controlling interest	(6,990)	(283)	(6,990)	46,679
Payment of lease liabilities	(1,432)	(1,299)	(5,904)	(5,422)
Payment of transaction costs related to:				
- borrowings	(2,266)	-	(4,619)	(2,838)
- PCCS	-	-	-	(1,200)
Proceeds from issuance of PCCS	-	-	-	147,649
Proceeds from issuance of medium term notes	-	-	100,000	-
Repurchase of medium term notes	-	-	(22,000)	-
Proceeds from bank borrowings	370,551	288,156	1,274,264	611,205
Repayment of bank borrowings	(263,838)	(362,432)	(1,222,658)	(632,633)
Redemption of PCCS	(4,145)	-	(4,145)	(952)
Net cash from/(used in) financing activities	113,506	(74,856)	219,032	244,528
Net increase in cash and cash equivalents	61,338	224,811	148,776	194,764
Cash and cash equivalents at beginning of the period/year	414,599	93,380	313,389	125,711
Effect of exchange rate changes on balances held in foreign currencies	367	(4,802)	14,139	(7,086)
Cash and cash equivalents at end of the period/year	476,304	313,389	476,304	313,389

* Amount less than S\$1,000

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

	Share capital S\$'000	Share premium S\$'000	Statutory reserve S\$'000	Capital reserve S\$'000	Distributable reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Perpetual convertible capital securities S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Group											
At 1 January 2020	101,251	150,313	39,959	245	655,029	(18,626)	493,750	1,421,921	146,548	30,120	1,598,589
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	103,174	103,174	-	(2,063)	101,111
Other comprehensive income											
Translation differences on financial statements arising from liquidation of a foreign subsidiary, net of tax	-	-	-	-	-	51	-	51	-	-	51
Share of translation differences on financial statements of foreign associates and joint ventures, net of tax	-	-	-	-	-	7,558	-	7,558	-	-	7,558
Translation differences on financial statements of foreign subsidiaries, net of tax	-	-	-	-	-	27,220	-	27,220	-	(2,860)	24,360
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	-	-	-	-	-	3,143	-	3,143	-	-	3,143
Total other comprehensive income	-	-	-	-	-	37,972	-	37,972	-	(2,860)	35,112
Total comprehensive income for the year	-	-	-	-	-	37,972	103,174	141,146	-	(4,923)	136,223

	Share capital S\$'000	Share premium S\$'000	Statutory reserve S\$'000	Capital reserve S\$'000	Distributable reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Perpetual convertible capital securities S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Transaction with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends declared/paid to the owners of the Company	-	-	-	-	-	-	(41,121)	(41,121)	-	-	(41,121)
Issuance of new shares pursuant to											
- conversion of perpetual convertible capital securities ("PCCS")	15,032	127,373	-	-	-	-	-	142,405	(142,405)	-	-
- exercise of warrants	1,046	8,725	-	-	-	-	-	9,771	-	-	9,771
Distributions of PCCS	-	-	-	-	-	-	(2,975)	(2,975)	-	-	(2,975)
Redemption of PCCS	-	-	-	-	-	-	-	-	(4,143)	-	(4,143)
Liquidation of a subsidiary	-	-	(109)	-	-	-	109	-	-	-	-
Transfer to statutory reserve	-	-	13,828	-	-	-	(13,828)	-	-	-	-
Total contributions by and distributions to owners	16,078	136,098	13,719	-	-	-	(57,815)	108,080	(146,548)	-	(38,468)
Changes in ownership interests in subsidiaries											
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	5,146	5,146
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	45,859	45,859
Disposal of a subsidiary by non-controlling interests	-	-	-	-	-	-	-	-	-	(30)	(30)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	50,975	50,975
Total transactions with owners of the Company	16,078	136,098	13,719	-	-	-	(57,815)	108,080	(146,548)	50,975	12,507
At 31 December 2020	117,329	286,411	53,678	245	655,029	19,346	539,109	1,671,147	-	76,172	1,747,319

	Share capital S\$'000	Share premium S\$'000	Statutory reserve S\$'000	Capital reserve S\$'000	Distributable reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Perpetual convertible capital securities S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Group											
At 1 January 2019, as previously stated	81,405	9,821	36,607	245	655,029	12,854	354,535	1,150,496	161,285	11,713	1,323,494
Adjustment on initial recognition of IFRS 16	-	-	-	-	-	-	(1,965)	(1,965)	-	-	(1,965)
Adjusted balance at 1 January 2019	81,405	9,821	36,607	245	655,029	12,854	352,570	1,148,531	161,285	11,713	1,321,529
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	167,088	167,088	-	(1,512)	165,576
Other comprehensive income											
Share of translation differences on financial statements of foreign associates and joint ventures, net of tax	-	-	-	-	-	(7,543)	-	(7,543)	-	-	(7,543)
Translation differences on financial statements of foreign subsidiaries, net of tax	-	-	-	-	-	(22,441)	-	(22,441)	-	(772)	(23,213)
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	-	-	-	-	-	(1,496)	-	(1,496)	-	-	(1,496)
Total other comprehensive income	-	-	-	-	-	(31,480)	-	(31,480)	-	(772)	(32,252)
Total comprehensive income for the year	-	-	-	-	-	(31,480)	167,088	135,608	-	(2,284)	133,324

	Share capital S\$'000	Share premium S\$'000	Statutory reserve S\$'000	Capital reserve S\$'000	Distributable reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Perpetual convertible capital securities S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Transaction with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends paid to the owners of the Company	-	-	-	-	-	-	(19,078)	(19,078)	-	-	(19,078)
Issuance of PCCS	-	-	-	-	-	-	-	-	147,649	-	147,649
PCCS issue expenses	-	-	-	-	-	-	-	-	(1,100)	-	(1,100)
Distributions of PCCS	-	-	-	-	-	-	(3,478)	(3,478)	-	-	(3,478)
Redemption of PCCS	-	-	-	-	-	-	-	-	(948)	-	(948)
Issuance of new shares pursuant to conversion of PCCS	19,846	140,492	-	-	-	-	-	160,338	(160,338)	-	-
Transfer to statutory reserves	-	-	3,352	-	-	-	(3,352)	-	-	-	-
Total contributions by and distributions to owners	19,846	140,492	3,352	-	-	-	(25,908)	137,782	(14,737)	-	123,045
Changes in ownership interests in subsidiaries											
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	32,373	32,373
Derecognition of a subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	-	(11,682)	(11,682)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	20,691	20,691
Total transactions with owners of the Company	19,846	140,492	3,352	-	-	-	(25,908)	137,782	(14,737)	20,691	143,736
At 31 December 2019	101,251	150,313	39,959	245	655,029	(18,626)	493,750	1,421,921	146,548	30,120	1,598,589

	Share capital S\$'000	Share premium S\$'000	Capital reserve S\$'000	Distributable reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Perpetual convertible capital securities S\$'000	Total equity S\$'000
The Company								
At 1 January 2020	101,251	150,525	(5,988)	655,029	280,513	1,181,330	146,548	1,327,878
Total comprehensive income for the year								
Profit for the year	-	-	-	-	109,183	109,183	-	109,183
Total comprehensive income for the year	-	-	-	-	109,183	109,183	-	109,183
Transaction with owners, recognised directly in equity								
Contribution by and distributions to owners								
Dividends paid to the owners of the Company	-	-	-	-	(41,129)	(41,129)	-	(41,129)
Issuance of new shares pursuant to								
- conversion of PCCS	15,032	127,373	-	-	-	142,405	(142,405)	-
- exercise of warrants	1,046	8,725	-	-	-	9,771	-	9,771
Distributions of PCCS	-	-	-	-	(2,975)	(2,975)	-	(2,975)
Redemption of PCCS	-	-	-	-	-	-	(4,143)	(4,143)
Total contributions by and distributions to owners	16,078	136,098	-	-	(44,104)	108,072	(146,548)	(38,476)
Total transactions with owners of the Company	16,078	136,098	-	-	(44,104)	108,072	(146,548)	(38,476)
At 31 December 2020	117,329	286,623	(5,988)	655,029	345,592	1,398,585	-	1,398,585

	Share capital S\$'000	Share premium S\$'000	Capital reserve S\$'000	Distributable reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Perpetual convertible capital securities S\$'000	Total equity S\$'000
The Company								
At 1 January 2019, as previously stated	81,405	10,033	(5,988)	655,029	209,692	950,171	161,285	1,111,456
Adjustment on initial recognition of IFRS 16	-	-	-	-	(9)	(9)	-	(9)
Adjusted balance at 1 January 2019	81,405	10,033	(5,988)	655,029	209,683	950,162	161,285	1,111,447
Total comprehensive income for the year								
Profit for the year	-	-	-	-	93,393	93,393	-	93,393
Total comprehensive income for the year	-	-	-	-	93,393	93,393	-	93,393
Transaction with owners, recognised directly in equity								
Contribution by and distributions to owners								
Dividends paid to the owners of the Company	-	-	-	-	(19,085)	(19,085)	-	(19,085)
Issuance of new shares pursuant to conversion of PCCS	19,846	140,492	-	-	-	160,338	(160,338)	-
Distributions of PCCS	-	-	-	-	(3,478)	(3,478)	-	(3,478)
Redemption of PCCS	-	-	-	-	-	-	(948)	(948)
Issuance of PCCS	-	-	-	-	-	-	147,649	147,649
PCCS issue expenses	-	-	-	-	-	-	(1,100)	(1,100)
Total contributions by and distributions to owners	19,846	140,492	-	-	(22,563)	137,775	(14,737)	123,038
Total transactions with owners of the Company	19,846	140,492	-	-	(22,563)	137,775	(14,737)	123,038
At 31 December 2019	101,251	150,525	(5,988)	655,029	280,513	1,181,330	146,548	1,327,878

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

	Number of Shares	Share Capital (S\$'000)
Balance at 30 September 2020	913,249,037	117,327
Issuance of new shares from:		
conversion of PCCS	15,565	2
Balance at 31 December 2020	913,264,602	117,329

The total number of issued ordinary shares of US\$0.10 each, excluding treasury shares as at 31 December 2020 and 31 December 2019 was 913,264,602 and 795,384,155 respectively.

As at 31 December 2020 and 31 December 2019, a subsidiary of the Company held 307,682 ordinary shares, representing 0.03% and 0.04% of the Company's total number of issued ordinary shares on the two dates respectively.

As at 31 December 2020, there were:

- (a) no outstanding PCCS (31 December 2019: 113,576,237); and
- (b) the following unexercised warrants:

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

As at 31 December 2020, the maximum number of ordinary shares that may be issued upon full conversion/exercise of all the PCCS, Warrants (2019) and Warrants (2020) was 412,900,435 (31 December 2019: 306,374,083), which would increase the total number of issued ordinary shares to 1,326,165,037 (31 December 2019: 1,101,758,238).

As at 31 December 2020, a subsidiary of the Company held 30,768 Warrants (2019) (31 December 2019: 30,768) and 76,920 Warrants (2020) (31 December 2019: nil).

The Company did not hold any treasury shares as at 31 December 2020 and 31 December 2019.

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

The total number of issued ordinary shares excluding treasury shares as at 31 December 2020 and 31 December 2019 was 913,264,602 and 795,384,155 respectively.

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

There were no sales, transfers, cancellation and/or use of treasury shares during the three months ended 31 December 2020.

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

There were no sales, transfers, cancellation and/or use of subsidiary holdings during the three months ended 31 December 2020.

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

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

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

Not applicable.

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

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

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

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

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

	Fourth quarter ended 31 December		Full year ended 31 December	
	2020	2019	2020	2019
Earnings per share (cents)				
- basic	0.76	11.75	11.97	21.64
- diluted	0.52	8.62	8.87	17.12
Profit attributable to ordinary shareholders (S\$'000)	6,920	93,429	100,199	163,610
Profit attributable to ordinary shareholders and PCCS holders (S\$'000)	6,923	94,910	103,174	167,088
Weighted average number of ordinary shares in issue:				
- basic	912,956,920 ¹	795,076,473 ¹	837,078,611 ¹	756,097,371 ¹
- diluted	1,326,101,751 ¹	1,101,450,556 ¹	1,163,517,441 ¹	975,932,309 ¹

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

	The Group		The Company	
	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
Net asset value per ordinary share (cents)	183.05	197.27	153.14	166.95
Number of issued ordinary shares (excluding treasury shares)	912,956,920 ¹	795,076,473 ¹	913,264,602	795,384,155

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

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

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

Group performance

Revenue and cost of sales

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

	Fourth quarter ended 31 December		Full year ended 31 December	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Revenue from sale of properties	8,696	101,521	56,989	159,976
Rental income from investment properties	2,570	3,170	8,858	11,082
Hotel operations	9,201	18,307	32,880	60,681
Revenue from property financing	19,266	26,795	105,209	87,425
Total	<u>39,733</u>	<u>149,793</u>	<u>203,936</u>	<u>319,164</u>

4Q2020 vs 4Q2019

Revenue decreased by S\$110.0 million or 73.5%, from S\$149.8 million in 4Q2019 to S\$39.7 million in 4Q2020. This was due to decrease in revenue from sale of properties, rental income from investment properties, hotel operations and revenue from property financing of S\$92.8 million, S\$0.6 million, S\$9.1 million and S\$7.5 million respectively.

Revenue from sale of properties decreased by S\$92.8 million or 91.4%, from S\$101.5 million in 4Q2019 to S\$8.7 million in 4Q2020. The significant decline was due mainly to the absence of revenue recognition of residential and commercial units from the Millennium Waterfront project in the current period as these have been handed over in the prior years. The current quarter's revenue is solely contributed by the recognition of car park sales (4Q2020: 607 car park lots, 4Q2019: 864 residential units, 1 commercial unit and 16 car park lots).

Revenue from hotel operations decreased by S\$9.1 million or 49.7%, from S\$18.3 million in 4Q2019 to S\$9.2 million in 4Q2020, mainly arising from lower occupancies and average room rates achieved by the European hotels, as they continued to be impacted by the travel and lock down restrictions imposed due to the Covid-19 outbreak.

Revenue from property financing decreased by S\$7.5 million or 28.1%, from S\$26.8 million in 4Q2019 to S\$19.3 million in 4Q2020, mainly arising from the absence of net penalty interest income of S\$4.0 million recognised in 4Q2019 in relation to successful enforcement action on Case 1 PRC defaulted loan and a decrease in PRC consultancy income for the period from S\$3.3 million in 4Q2019 to \$0.5 million in 4Q2020.

Cost of sales comprise mainly land costs, development expenditure and cost adjustments (if any), borrowing costs, depreciation charge and other related expenditure. Cost of sales decreased by S\$72.3 million or 95.7%, from S\$75.6 million in 4Q2019 to S\$3.2 million in 4Q2020. This was due mainly to the lower revenue from sale of properties as mentioned above.

The Group's gross profit decreased by S\$37.7 million or 50.8%, from S\$74.2 million in 4Q2019 to S\$36.5 million in 4Q2020. The decrease was due mainly to the lower gross profit from sale of properties, rental income from investment properties, property financing and hotel operations of S\$22.2 million, S\$0.4 million, S\$8.1 million and S\$7.0 million respectively.

The Group achieved higher overall gross profit margin of 91.9% in 4Q2020 compared to 49.6% in 4Q2019. This is reflective of the change in sales mix related to sale of properties. Specifically, the car park lots of the Millennium Waterfront project were carried at nil book cost.

Administrative expenses

Administrative expenses comprise mainly staff costs, depreciation charge in relation to non-hotel assets, professional fees, and other expenses such as office, telecommunications and travelling expenses, stamp duties and other indirect PRC taxes. The administrative expenses of S\$9.2 million in 4Q2020 remain fairly consistent compared to 4Q2019.

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. The decrease in selling expenses of S\$2.8 million or 69.0% was attributable to the reduced scale of activity in the Group's hotel operations during the period. In addition, the 4Q2019 comparative also included costs incurred for the set-up of a temporary sales office and show units and other promotional expenses incurred in respect of the Pinnacle project in Dongguan.

Other expenses (net)

In 4Q2020, the Group recorded other expenses of S\$6.6 million which comprised mainly net fair value loss on financial derivatives of S\$30.5 million, fair value loss on investment properties of S\$4.3 million based on year end external valuation, and impairment loss on the Bilderberg Bellevue Hotel Dresden of S\$4.2 million. This was partially offset by net foreign exchange gain of S\$23.0 million arising mainly from the strengthening of Euro against S\$, and net fair value gain on equity securities of S\$8.7 million.

In 4Q2019, the Group recorded other expenses of S\$53.9 million which comprised mainly impairment loss in respect of the Crowne Plaza Chengdu Wenjiang and the adjoining hot spring of S\$46.2 million in aggregate, net fair value loss on financial derivatives of S\$2.3 million and write down of the carrying amounts of Chengdu Cityspring car parks included in development properties of S\$1.9 million. The acquisition of Bilderberg Bellevue Hotel Dresden also contributed approximately S\$0.5 million to the increase. This was partially offset by fair value gain from investment properties of S\$1.9 million and net foreign exchange gain of S\$2.9 million.

Other gains (net)

In 4Q2020, the Group recorded other gains of S\$0.8 million which comprised mainly gain from the disposal of certain commercial spaces of the Chengdu Cityspring project classified as assets held-for-sale.

In 4Q2019, the Group recorded other gains of S\$36.7 million which comprised mainly gain from the disposal of a subsidiary that owns the Oliphant office property in the Netherlands, and certain commercial spaces of the Chengdu Cityspring project classified as assets held-for-sale of S\$35.5 million and S\$1.6 million respectively. These gains were partially offset by S\$0.5 million impairment loss on Chengdu Cityspring car parks classified as assets held-for-sale.

Net finance (costs)/income

Net finance costs for 4Q2020 comprise S\$0.9 million (4Q2019: S\$0.8 million) of interest expense on lease liabilities recorded under IFRS 16.

Share of after-tax results of associates and joint ventures

Share of after-tax results of associates and joint ventures decreased by S\$58.0 million from a share of profit of S\$51.4 million in 4Q2019 to a share of loss of S\$6.6 million in 4Q2020. In December 2020, the Group's 20.4%-held Emerald of the Orient project commenced first time profit recognition upon the handover of the pre-sold villas and three blocks of the residential units. The 30%-owned

Star of East River project also commenced handover of the office block in the same month. Despite this, the Group's share of results from the two Dongguan projects decreased by S\$16.2 million to S\$7.3 million when compared to the share of profit in 4Q2019 from the handover of the last four residential blocks of the Star of East River project and credit adjustments made to the tax provision by the project company. In Europe, 33%-owned FSMC contributed a loss of S\$8.5 million in the current period compared to a share of profit of S\$22.1 million in 4Q2019. FSMC group's results were negatively impacted in 4Q2020 from impairment charge on certain Bilderberg hotels and additional deferred tax charge due to the effect of a change in headline corporate income tax rate in the Netherlands. The lower hotel profit contribution from the Bilderberg hotels due to the Covid-19 pandemic and lower fair value gain on investment properties also contributed to the negative movement in results. The impairment of the 50%-owned Le Méridien Frankfurt hotel and 33%-owned Hilton Rotterdam hotel in 4Q2020 also led to these two investees recording a loss for the current quarter compared to a profit in 4Q2019.

FY2020 vs FY2019

Revenue of the Group decreased by S\$115.3 million or 36.1%, from S\$319.2 million in FY2019 to S\$203.9 million in FY2020. This was due mainly to a decrease of S\$103.0 million, S\$27.8 million and S\$2.2 million in revenue from sale of properties, hotel operations and rental income from investment properties respectively. The decrease was partially offset by an increase in revenue from property financing of S\$17.8 million.

Revenue from sale of properties decreased by S\$103.0 million or 64.4%, from S\$160.0 million in FY2019 to S\$57.0 million in FY2020. This was due mainly to no further profit being recognised in respect of residential units and profit recognised from a lower number of commercial units, from the Millennium Waterfront project in FY2020 compared to FY2019. This was partially offset by the higher number of car park lots sold in FY2020. (FY2020: 4 commercial units and 3,997 car park lots; FY2019: 867 residential units, 122 commercial units and 199 car park lots).

Revenue from hotel operations decreased by S\$27.8 million or 45.8%, from S\$60.7 million in FY2019 to S\$32.9 million in FY2020. The significant decrease was attributable to the weaker performance of the hotel portfolio as a whole due to the impact of Covid-19 pandemic which resulted in lower tourist arrivals and reduction in business travel.

Revenue from property financing increased by S\$17.8 million or 20.3%, from S\$87.4 million in FY2019 to S\$105.2 million in FY2020. The increase was due mainly to European loan restructuring income of S\$15.8 million and an establishment fee of S\$3.5 million earned in respect of the future debt funding of the redevelopment of the City Tattersalls Club in Sydney in which the Group has a 39.9% equity interest. The increase was partially offset by lower interest income of S\$0.7 million generated from the PRC property financing business in FY2020.

The Group's gross profit decreased by S\$17.1 million or 9.1%, from S\$189.0 million in FY2019 to S\$171.9 million in FY2020. The decrease was due mainly to the lower gross profit generated from sale of properties, rental income from investment properties and hotel operations of S\$13.9 million, S\$1.4 million and S\$20.0 million respectively. This was partially offset by higher gross profit from property financing of S\$18.2 million.

The Group achieved higher overall gross profit margin of 84.3% in FY2020 as compared to 59.2% in FY2019. This was due mainly to the change in sales mix, particularly the bulk sale of car parks of Plots A, B, C and D of the Millennium Waterfront project which were carried at nil book cost.

Administrative expenses

Administrative expenses decreased by S\$9.5 million or 24.8%, from S\$38.2 million in FY2019 to S\$28.7 million in FY2020. The decrease was due mainly to lower staff costs including provision for bonus and the absence of professional fees incurred by the Group in relation to the acquisition of the Bilderberg Bellevue Hotel Dresden in March 2019.

Other (expenses)/income (net)

In FY2020, the Group recorded other income of S\$1.3 million which comprised mainly net foreign exchange gain of S\$74.3 million due to the strengthening of Euro against S\$, and net fair value gain on equity securities of S\$7.4 million, partially offset by net fair value loss on financial derivatives of S\$69.3 million, net fair value loss on investment properties of S\$4.3 million, impairment loss on the Bilderberg Bellevue Hotel Dresden of S\$4.2 million, hotel base stocks written off and hotel pre-opening expenses of S\$1.2 million in total relating to the Crowne Plaza Utrecht Centraal Station Hotel, and hotel management fees of S\$1.2 million.

In FY2019, the Group recorded other expenses of S\$61.9 million which comprised mainly impairment loss in respect of the Crowne Plaza Chengdu Wenjiang and the adjoining hot spring of S\$46.2 million in aggregate, net foreign exchange loss of S\$27.4 million, hotel management fees of S\$2.6 million, write down of carrying amounts of Chengdu Cityspring car parks included in development properties of S\$1.9 million, hotel base stocks written off and hotel pre-opening expenses amounting to S\$1.4 million in aggregate incurred in respect of Hampton by Hilton Utrecht Centraal Station. The acquisition of Bilderberg Bellevue Hotel Dresden also contributed approximately S\$1.0 million to the increase. This was partially offset by net fair value gain on financial derivatives of S\$24.8 million and fair value gain on investment properties of S\$1.9 million.

Other gains (net)

In FY2020, the Group recorded other gains of S\$2.9 million which comprised mainly S\$2.8 million gain from the disposal of certain commercial spaces of the Chengdu Cityspring project classified as assets held-for-sale and S\$0.3 million gain on disposal of other investments, partially offset by loss on liquidation of subsidiaries of S\$0.2 million.

In FY2019, the Group recorded other gains of S\$42.8 million which comprised mainly gain from the disposal of a subsidiary holding the Oliphant property amounting to S\$35.5 million, certain commercial spaces of the Chengdu Cityspring project classified as assets held-for-sale of S\$7.7 million and gain from disposal of investment properties of S\$0.7 million. This was partially offset by the loss on deconsolidation of NLP1 of S\$0.6 million and an impairment loss on assets held-for-sale of S\$0.5 million.

Net finance (costs)/income

Net finance costs for FY2020 of S\$3.6 million comprise S\$3.5 million (FY2019: S\$3.3 million) of interest expense on lease liabilities recorded under IFRS 16.

Share of after-tax results of associates and joint ventures

The Group recorded a share of after-tax loss of associates and joint ventures of S\$12.4 million in FY2020 compared to a share of after-tax profit of associates and joint ventures of S\$71.2 million in FY2019. FSMC contributed a loss of S\$21.4 million to the Group in FY2020 compared to a share of profit of S\$21.4 million in FY2019. The deterioration of FSMC's results accounted for S\$42.8 million or over 50% of the year-on-year S\$83.6 million negative movement in total share of results.

FSMC's results were negatively impacted in FY2020 by the Covid-19 outbreak which resulted in lower trading performance of the Bilderberg hotels and impairment charge made on certain Bilderberg hotels. FSMC's results were also adversely impacted by additional deferred tax charge due to the effect of a change in headline corporate income tax rate in the Netherlands and a prepayment penalty arising from a loan restructuring exercise in June 2020. Lower fair value gain on investment properties and the absence of profit on disposal of three Bilderberg hotels in FY2019 also contributed to the negative movement in results. The impairment of the 50%-owned Le Méridien Frankfurt hotel and 33%-owned Hilton Rotterdam hotel in 4Q2020 led to these two investees recording a loss in FY2020 compared to a profit in FY2019. This has further contributed to S\$8.2 million negative movement in share of results.

The Group's share of results from the Star of East River and Emerald of the Orient projects decreased by S\$29.0 million to a share of profit of S\$14.4 million in FY2020. Profit from the first time revenue recognition by the Emerald of the Orient project in December 2020 and the handover

of one SOHO block and the office block of the Star of East River project in FY2020 was lower than the total profit recognised from the handover of six residential blocks of the Star of East River project in FY2019.

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

Non-current assets

Property, plant and equipment increased by S\$25.5 million or 7.4%, from S\$345.8 million as at 31 December 2019 to S\$371.4 million as at 31 December 2020. The increase was due mainly to the fit-out of the Crowne Plaza Utrecht Centraal Station Hotel which commenced operations in early June 2020, as well as room renovations carried out at the Bilderberg Bellevue Hotel Dresden. This was partially offset by an impairment charge on Bilderberg Bellevue Hotel Dresden of S\$4.2 million.

The carrying amount of the Group's investment properties increased by S\$3.1 million or 3.2%, to S\$97.9 million as at 31 December 2020. This was attributable to the translation gain on consolidation of S\$7.4 million partially offset by fair value loss of \$4.3 million.

Interests in associates and joint ventures increased by S\$251.9 million or 84.5%, from S\$298.1 million as at 31 December 2019 to S\$549.9 million as at 31 December 2020. The increase was mainly attributable to the Group's investment in a transit-orient development in Humen, Dongguan via an effective 17.3% equity interest in the project company during the current year. As at 31 December 2020, the carrying amount of this associate amounted to S\$254.7 million.

Other investments decreased by S\$17.0 million or 22.8%, from S\$74.6 million as at 31 December 2019 to S\$57.6 million as at 31 December 2020. The decrease was due mainly to the reclassification of convertible debt securities from non-current to current, as these debt securities mature in December 2021. This was partially offset by the net acquisition of quoted equity investments of S\$13.5 million and fair value gain on unquoted equity securities of S\$7.4 million.

Non-current trade and other receivables decreased by S\$57.8 million or 7.0%, from S\$824.8 million as at 31 December 2019 to S\$767.0 million as at 31 December 2020. The decrease was due mainly to the (i) reclassification of two cross collateralised PRC property financing loans with loan principal of S\$66.8 million (RMB330.0 million) to current receivables as the Group commenced legal enforcement action in the Shanghai court in November 2020 against the borrower group as the loans have been in arrears for one month's interest for eight consecutive months since March 2020, (ii) reclassification of loan receivables from a 10%-owned joint venture amounting to S\$40.5 million (RMB200.0 million) to current receivables as the loan would mature in December 2021, and (iii) repayment of loan due from a 30%-owned associate amounting to S\$39.7 million (RMB195.9 million) during the current financial year. This was partially offset by net disbursement of property financing loans amounting to S\$40.9 million in FY2020 and foreign exchange gain of S\$49.0 million arising from the positive exchange rate movement on foreign-currency denominated balances.

Current assets

Development properties increased by S\$154.7 million or 39.7%, from S\$390.0 million as at 31 December 2019 to S\$544.8 million as at 31 December 2020. The increase was due mainly to the development of the Pinnacle project in Dongguan and Plot F of the Millennium Waterfront project in Chengdu.

Trade and other receivables increased by S\$167.1 million or 53.0%, from S\$315.3 million as at 31 December 2019 to S\$482.4 million as at 31 December 2020. The increase was due mainly to (i) above-mentioned reclassification of property financing loans in default amounting to S\$66.8 million and the loan receivables from a joint venture amounting to S\$40.5 million from non-current receivables, (ii) advances to non-controlling interests and their affiliates amounting to S\$6.3 million and S\$32.4 million respectively, (iii) deposit paid of S\$27.7 million in respect of a potential acquisition of a Hong Kong incorporated property development company with a development project in Panyu, Guangzhou, (iv) prepaid taxes of S\$22.8 million for The Pinnacle project, and (v) advances to an associate of S\$8.6 million. This was partially offset by the repayment of a loan to a third party of S\$39.5 million.

Other investments increased by S\$39.5 million as at 31 December 2020 due to a reclassification of convertible debt securities from non-current assets as these debt securities mature in December 2021.

Current liabilities

Contract liabilities increased by S\$332.9 million, from S\$39.3 million as at 31 December 2019 to S\$372.2 million as at 31 December 2020. This was due mainly to cash receipts from (i) the pre-sale of six residential blocks and ground level retail for five blocks of The Pinnacle project amounting to S\$291.8 million, and (ii) the pre-sale of SOHO loft units of Plot F of the Millennium Waterfront project amounting to S\$36.3 million.

Loans and borrowings

Gross borrowings increased by S\$118.7 million or 18.9%, from S\$628.9 million as at 31 December 2019 to S\$747.6 million as at 31 December 2020. This was due mainly to the issuance of S\$100.0 million in principal amount of 3.29% fixed rate notes due 2025 in February 2020, of which S\$22.0 million was repurchased by the Group in June 2020, and new bank borrowings obtained to fund the deposit amounting to S\$27.7 million of a potential acquisition of a Hong Kong incorporated property development company with a development project in Panyu, Guangzhou.

The Group maintained a net gearing ratio of 0.16 as at 31 December 2020.

Foreign currency risk management

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

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

In January 2020, the Group subscribed for units in a 39.9%-owned project development trust to redevelop the City Tattersalls Club in Sydney. The Group has also adopted the same approach as its European assets, which is to fully hedge its Australian dollar cost base.

As at 31 December 2020, the Group had 14 CCSs outstanding with an aggregate notional amount of €331.2 million, A\$26.1 million, RMB530.6 million and US\$25.0 million; five FCSs with aggregate notional amounts of i) €243.1m million and ii) RMB100.0 million, and four FXFs with an aggregate notional amount of €80.0 million. These financial instruments are measured at fair value with changes in fair value recognised in the profit and loss account. The fair values of the instruments are mainly dependent on the forward foreign exchange rates, discount rates and yield curves of the notional amounts, as applicable. On the other hand, the changes in fair value of the instruments will be offset by the corresponding changes in fair values of the underlying foreign currency denominated assets when the respective instruments approach their maturity dates and foreign currency denominated borrowings are taken up to close out the instruments, thereby resulting in zero cumulative impact to the profit or loss. The cumulative net positive impact to the retained earnings arising from the various financial derivatives and underlying foreign currency denominated assets as at 31 December 2020 amounted to approximately S\$3.4 million.

As at 31 December 2020, the Group recorded a cumulative net translation gain of S\$19.4 million as part of reserves in its shareholders' equity. This arose from the translation of the net assets and

income and expenses of the Group's foreign operations in the PRC, Europe and Australia to S\$ at the exchange rates prevailing at the end of the reporting year.

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

Statement of cash flows of the Group

4Q2020

Net cash used in operating activities amounted to S\$27.4 million for 4Q2020 due mainly to the payment of interest and income tax of S\$4.3 million and S\$3.6 million respectively and payment of construction costs for The Pinnacle and the Millennium Waterfront projects. This was partially offset by the net drawdown of bank borrowings of S\$4.6 million and pre-sale cash proceeds collected of S\$19.1 million in the current quarter, of which S\$8.4 million was in relation to The Pinnacle project in Dongguan which was launched progressively since April 2020

Net cash used in investing activities amounted to S\$24.8 million for 4Q2020 due mainly to the deposit paid of S\$27.7 million in respect of a potential acquisition of a Hong Kong incorporated property development company with a development project in Panyu, Guangzhou, and the net advances granted to associates of S\$26.9 million. This was partially offset by net proceeds received from disposal of subsidiaries of S\$5.1 million, receipts from the withdrawal of other investments of S\$11.1 million, repayment of loans granted to a non-controlling interest of S\$7.0 million and interest received of S\$6.2 million.

Net cash from financing activities amounted to S\$113.5 million for 4Q2020. This was due mainly to net drawdown of bank borrowings and advance from non-controlling interests and a joint venture of S\$106.7 million, S\$19.8 million and S\$6.7 million respectively. This was partially offset by loan repayment to an affiliate of a non-controlling interest of S\$7.0 million, payment of interest of S\$5.7 million, transaction costs related to bank borrowings of S\$2.3 million, as well as redemption of PCCS of S\$4.1 million.

FY2020

Net cash from operating activities amounted to S\$169.8 million for FY2020. This was boosted by the cash collected of S\$318.0 million from pre-sale activities, S\$291.8 million of which was contributed by the launch of The Pinnacle project in Dongguan since April 2020. This was partially offset by the payment of interest and income tax of S\$11.5 million and S\$27.3 million respectively, net repayment of bank borrowings of S\$15.7 million and the payment of construction costs for The Pinnacle and the Millennium Waterfront projects.

Net cash used in investing activities of S\$240.1 million for FY2020 was due mainly to the (i) advances to an associate of S\$260.1 million to fund the Humen transit-oriented development joint venture in Dongguan, (ii) net acquisition of quoted equity investments of S\$16.1 million, (iii) payments for additions of property, plant and equipment of S\$16.5 million, mainly in relation to the fit out of the Crowne Plaza Utrecht Centraal Station Hotel and rooms renovation of the Bilderberg Bellevue Hotel Dresden, (iv) the subscription of units in the 39.9%-owned project development trust amounting to S\$18.0 million to redevelop the iconic 125-year old City Tattersalls Club in Sydney, (v) deposit paid of S\$27.7 million in respect of a potential acquisition of a Hong Kong incorporated property development company with a development project in Panyu, Guangzhou, and (vi) consideration paid to acquire a 49.5%-owned subsidiary of S\$5.0 million. These were partially offset by (i) repayment of advance and dividends received from the 30%-owned associated company that owns the Star of East River project company of S\$39.1 million and S\$11.9 million

respectively, (ii) interest received of S\$22.3 million, (iii) proceeds from disposal of assets held-for-sale and other investments of S\$12.7 million in aggregate, (iv) repayment of loans granted to a non-controlling interest of S\$7.0 million and (v) proceeds from disposal of subsidiaries of S\$5.1 million.

Net cash from financing activities amounted to S\$219.0 million for FY2020. This consisted of net proceeds from 5-year medium term notes issued amounting to S\$78.0 million, net drawdown of bank borrowings of S\$51.6 million, net advances from associates and a joint venture of S\$82.8 million in aggregate, as well as contributions from non-controlling interests of S\$65.8 million, mainly to fund the Humen transit-oriented development project, and gross proceeds from the issuance of ordinary shares of S\$9.8 million arising from the exercise of warrants. The inflows were partially offset by payment of interim dividends to the shareholders of the Company of S\$22.9 million, repayment to an affiliate of a non-controlling interest of S\$7.0 million, payment of interest expense, transaction costs related to borrowings, and lease liabilities of S\$21.5 million, S\$4.6 million and S\$5.9 million respectively, as well as distributions to PCCS holders and redemption of PCCS of S\$3.0 million and S\$4.1 million respectively.

Note:

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

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

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

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

Industry Outlook

People's Republic of China ("PRC")

According to the National Bureau of Statistics ("NBS"), the PRC reported a 4Q2020 GDP growth of 6.5%, resulting in a 2.3% GDP growth for 2020. A poll by Reuters projected that the PRC is expected to outperform its peers and grow at 8.4% for 2021, its fastest pace in a decade.

Despite the Covid-19 pandemic, prices of new homes in 2020 topped the previous year according to a report by the Business Times. However, the report also highlights that prices of new homes in the PRC rose at a slower pace in December 2020 due to the tightening policies to cool the property market. New home prices in 100 cities rose 0.25% in December 2020 as compared to a 0.32% gain in November 2020. The China Index Academy ("CIA") reported that Dongguan and Guangzhou, two cities in the Greater Bay Area, led the price increase. Throughout 2020, new home prices rose 3.46%, higher than the 3.34% seen in 2019. Separately, the CIA reported that land sales by volume increased 7% in 2020 over 2019, with the average transaction price per square metre rising 7% over 2019, supported by double-digit growth of land prices in tier-1 cities.

In a bid to rein in runaway home prices and a housing bubble, the PRC government introduced new restrictions on bank loans to both homeowners and property developers, according to reports by Nikkei Asia and SCMP. Nikkei Asia reports that the restrictions apply only to Chinese lenders and not international banks operating in the PRC. Home mortgage loans by large, medium and small-sized local banks are capped at 32.5%, 20%, and 7.5% of all outstanding loans respectively. A cap of between 40% to 12.5% applies to loans to real estate companies for the top-tier to the lowest tier local banks, according to a five-tier ranking.

The Netherlands

Rebounding in 3Q2020, the Dutch economy grew 7.8% relative to 2Q2020 but contracted 2.5% relative to a year ago. The growth was predominantly brought about by a sharp increase in household consumption, and increase in public consumption, trade balances and investment according to the second estimate conducted by Statistics Netherlands (“CBS”). An economist from ING commented that solid recovery was seen in 3Q2020 and the start of 4Q2020 but strict lockdowns introduced in mid-December reversed those gains. He believed that 4Q2020 saw a contraction of 2.0% from 4Q2019 and forecasted GDP could be 2.6% in 2021 in their base case scenario, reaching 99% of its pre-Covid-19 size by the end of 2021. However, uncertainty remains high as resurgences of the pandemic and reinstated social distancing measures continue to weigh on the recovery early into 2021.

A December press release from CBS reports that prices of owner-occupied dwellings (excluding new constructions) were on average 8.9% higher in November 2020 compared to a year ago. The report mentioned that the increase in house prices slowed down in 2019, but have accelerated again in 2020. According to The Netherlands’ Cadastre, the total number of transactions in November was 18,449, about a 1.0% increase over the previous year. During the first eleven months of 2020, a total of 209,303 dwellings were sold, representing an increase of approximately 7.0% relative to the same period in 2019. ING predicts that owner-occupied home prices will be 0.5% cheaper in 2021 as compared to 2020 due to rising unemployment, lower confidence and the 6% increase in transfer tax for investors in the residential real estate sector that was introduced in the beginning of 2021. ING expects that this will reduce investor demand for housing, which could increase supply for first-time buyers who are exempted from the transfer tax as long as they are under the age of 35 and buying a house that is below 400,000 euros.

ING reports that the hospitality sector saw a turnover decline of 40% in 2020, but it also expects this sector to have one of the highest growth in 2021, barring further negative development on the pandemic front. ING’s chief economist commented that some “10% of the Dutch economy is not functioning” and expects the Dutch economic recovery to start sometime between spring and summer of 2021. Bankruptcies are expected to rise which would further affect the unemployment rate.

Company Outlook

Property Development

The underlying demand for properties, especially residential properties, in Dongguan continues to be strong. All 830 units of the first four residential apartment blocks in Skyline Garden and 168 units of the last two residential apartment blocks of The Pinnacle were sold on the first day of their sales launch on 31 December 2020 and 1 January 2021 respectively. Buying interest for the last residential apartment block of the Skyline Garden which is expected to be launched in 2Q2021 is likely to be similarly strong. The Group is hence optimistic about the mega 1 million sqm GFA Humen transit-orientated development project acquired in late June 2020 in respect of which the first pre-sales launch is expected to be in 2H2021.

The Group has further expanded its property development footprint in the Greater Bay Area (“GBA”) with two new projects signed subsequent to year end. In January 2021, the Group signed a cooperation agreement in relation to, among others, the acquisition by the Group of an 18% equity stake in a local holding company (“Holdco”) and the provision by the Group of an interest free secured property financing loan of RMB500 million to Holdco. Holdco has a 93% equity interest but a 100% economic interest in a real estate developer which has the rights to develop a plot of land in Fenggang, Dongguan with a site area of about 33,800 sqm, subject to the successful resettlement of existing inhabitants on the land and obtaining re-zoning approval. In February 2021, the Group entered into a conditional sale and purchase agreement to acquire the entire issued share capital of a Hong Kong-incorporated company which wholly owns a largely residential property development company in Panyu, Guangzhou (“Panyu ProjectCo”). The Group’s effective equity interest in Panyu ProjectCo will be 95% as the acquisition will be made through a subsidiary which will be 95%-owned by the Group as at completion. The transaction is conditional upon, among other things, the seller group obtaining the necessary shareholders’ approvals. The condition in relation to such shareholders’ approvals is expected to be satisfied given that the

majority shareholders of the seller group have provided irrevocable undertakings to vote in favour of the transaction. The Group continues to be optimistic about the GBA and will actively pursue further opportunities in the region to capitalise on the positive outlook of the GBA development plan.

Over in Chengdu, subsequent to the bulk sale of the 2,856 carpark lots at Plots A, B and C in 2Q2020 and 3Q2020, the Group has sold 393 carpark lots at Plot D and 3 carpark lots at Plot B in 4Q2020 in a similar bulk sale to the same buyer. Plot F of the development, comprising 15 floors of 807 SOHO loft units (49,350 sqm) and 5 floors of over 25,000 sqm of saleable retail space, is expected to be completed and handed over around March 2021. As at 31 December 2020, 80.3% of the SOHO GFA has been sold. In October 2020, the Company stated that it was approached by an independent third party with regards to its interest in the Chengdu Millennium Waterfront project, including Plot E, the last development plot of the project. To-date, no definitive agreement has been reached with such independent third party and discussions are ongoing. The Company is in concurrent discussions with other third parties which have expressed similar interest. There is no assurance that such discussions will result in a definitive agreement or transaction. The Company will make further announcements as appropriate when there are any material updates or developments on this matter.

Property Holding

Overall occupancy of the Group's European operating hotels decreased significantly in 4Q2020 from a strong 3Q2020 due to both a drop in leisure demand post the summer holidays as well as a further lockdown due to the resurgence of Covid-19 cases resulting in the tightening of measures by the various governments to control the pandemic situation. The Group's European operating hotels achieved an overall EBITDA of €1.1 million for 4Q2020 (€4.1 million for 4Q2019) and EBITDA loss of €1.1 million for FY2020 (profit of €17.8 million for FY2019). The EBITDA for FY2020 included an estimated €8.4 million in government subsidies. The Group expects the performance of its European operating hotel portfolio to remain weak and uncertain. In addition, hotel performance will be materially and adversely impacted if the Group's European operating hotels are not eligible for the government subsidies or the government subsidies are no longer available in the future.

The owner and lessor of the Le Méridien Frankfurt hotel ("LMF Propco") has reached an amicable agreement with the lessee, mhp Parkhotel GmbH, to terminate the lease with effect from 31 January 2021. LMF Propco subsequently entered into a new lease agreement with a new lessee entity, FSCT DE Property 1 OpCo GmbH. The hotel, which continues to operate under the name "Le Méridien Frankfurt", will be managed by Event which is also the hotel manager of the Group's 12 Bilderberg hotels in the Netherlands and Germany.

Well-known healthcare group, Siemens Healthineers Nederlands B.V., has signed a 15-year lease of approximately 2,500 sqm of commercial space at the Group's Berg and Bosch property in Bilthoven, the Netherlands. The entry of the established healthcare group marks a significant milestone for the property which is occupied mainly by tenants in the healthcare industry.

In January 2020, East Sun signed an agreement to divest a 51% controlling equity interest in Dongguan Wan Li Group Limited valuing the remaining Wanli Portfolio at RMB320 million which is approximately 100% premium over its allocated cost. A RMB50 million non-refundable deposit has been received and the remaining consideration is expected to be paid by late 2021 / early 2022. The new investor will take the lead in the re-zoning exercise for the Wanli Portfolio.

The positive outlook for the Dongguan property market augurs well for some of the properties in the East Sun Portfolio and Wanli Portfolio which are located in certain districts with good redevelopment potential. East Sun is applying to re-zone an industrial property in the East Sun Portfolio to residential use. In relation to another industrial property owned by East Sun, it is in the process of setting up a JV with an owner of an adjacent property and a prospective tenant to jointly develop the 2 properties into a higher density modern industrial complex. East Sun has completed the demolition of the existing outdated building structure on its site in preparation of the re-zoning application. Thereafter, the JV will have a quota to re-zone another industrial property in the same district in Dongguan to residential use.

Property Financing

The borrower group with two cross collateralised loans amounting to RMB330 million has been in arrears for a month's interest for 8 consecutive months since March 2020. In November 2020, the Group commenced legal action in the Shanghai court to recover the outstanding loan principal and interest. The loans are secured on, among others, residential villa and a 5-floor retail mall in Shanghai with a combined LTV of 53.4%. In view of the positive outcome of the legal actions in respect of the 2 previous loans defaulted in December 2015 and January 2016, the Group is optimistic about the recovery exercise of the RMB330 million defaulted loans. The Group has not recognised any interest income from the defaulted loans since November 2020. No provision has been made on the outstanding loan principal as of 31 December 2020.

Subsequent to 31 December 2020, the Group has just disbursed a RMB900 million secured loan in relation to a development land in Tangxia, Dongguan in February 2021. The Group will seek to grow its PRC loan portfolio prudently.

For the European PF loans, despite the difficult hospitality operating conditions, the 33%-owned FSMC group, which owns 95% of the Dutch Bilderberg hotel portfolio, has been able to fully service the interest on the loan owed to the Group in FY2020. However, FSMC may exercise its right to defer interest payment during FY2021 if the hospitality trading remains weak due to the second lockdown in Europe and the traditionally weak winter season.

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

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

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

Name of Dividend	Interim Tax-exempt (One-tier) Ordinary Dividend
Date of Payment	1 October 2020
Dividend Type	Cash
Dividend Amount	1.1 Singapore cents per ordinary share

The Company will pay the following tax exempt (one-tier) second interim ordinary dividend to ordinary shareholders.

Name of Dividend	Second interim tax-exempt (one-tier) dividend
Date of Payment	26 February 2021
Dividend Type	Cash
Dividend Amount	2.0 Singapore cents per ordinary share

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

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

Name of Dividend	Interim Tax-exempt (One-tier) Ordinary Dividend
Date of Payment	13 September 2019
Dividend Type	Cash
Dividend Amount	1.1 Singapore cents per ordinary share

Name of Dividend	Final Tax-exempt (One-tier) Ordinary Dividend
Date of Payment	3 June 2020
Dividend Type	Cash
Dividend Amount	1.6 Singapore cents per ordinary share

(c) Date payable

26 February 2021

(d) Record date

5pm on 18 February 2021

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

Not applicable.

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

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

Part II Additional Information Required for Full Year Announcement

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

Information about reportable segments

	Property development \$'000	Property investment \$'000	Property financing \$'000	Hotel operations \$'000	Total reportable segments \$'000	Unallocated \$'000	Total \$'000
2020							
Segment revenue	56,989	6,909	105,209	39,536	208,643	10,735	219,378
Elimination of inter-segment revenue	-	-	-	(6,656)	(6,656)	(8,786)	(15,442)
External revenue	<u>56,989</u>	<u>6,909</u>	<u>105,209</u>	<u>32,880</u>	<u>201,987</u>	<u>1,949</u>	<u>203,936</u>
Profit/(loss) from operating activities	51,793	13,105	103,892	(21,805)	146,985	(5,412)	141,573
Finance income	13,113	426	1,365	2,877	17,781	5,339	23,120
Finance costs	(10,089)	(634)	(9)	(5,640)	(16,372)	(10,336)	(26,708)
Net finance income/(costs)	<u>3,024</u>	<u>(208)</u>	<u>1,356</u>	<u>(2,763)</u>	<u>1,409</u>	<u>(4,997)</u>	<u>(3,588)</u>
Share of after-tax profit/(loss) of associates and joint ventures	<u>13,483</u>	<u>(5,472)</u>	<u>467</u>	<u>(20,863)</u>	<u>(12,385)</u>	<u>12</u>	<u>(12,373)</u>
Segment profit/(loss) before income tax	<u>68,300</u>	<u>7,425</u>	<u>105,715</u>	<u>(45,431)</u>	<u>136,009</u>	<u>(10,397)</u>	<u>125,612</u>
<N1>							
2019							
Segment revenue	159,976	9,450	87,425	65,668	322,519	12,243	334,762
Elimination of inter-segment revenue	-	-	-	(4,987)	(4,987)	(10,611)	(15,598)
External revenue	<u>159,976</u>	<u>9,450</u>	<u>87,425</u>	<u>60,681</u>	<u>317,532</u>	<u>1,632</u>	<u>319,164</u>
Profit/(loss) from operating activities	91,416	14,633	73,736	(47,229)	132,556	(10,449)	122,107
Finance income	15,711	2,683	486	3,248	22,128	1,670	23,798
Finance costs	(12,032)	(1,077)	(13)	(6,882)	(20,004)	(2,924)	(22,928)
Net finance income/(costs)	<u>3,679</u>	<u>1,606</u>	<u>473</u>	<u>(3,634)</u>	<u>2,124</u>	<u>(1,254)</u>	<u>870</u>
Share of after-tax profit/(loss) of associates and joint ventures	<u>65,461</u>	<u>18,342</u>	<u>358</u>	<u>(12,931)</u>	<u>71,230</u>	<u>(8)</u>	<u>71,222</u>
Segment profit/(loss) before income tax	<u>160,556</u>	<u>34,581</u>	<u>74,567</u>	<u>(63,794)</u>	<u>205,910</u>	<u>(11,711)</u>	<u>194,199</u>
<N1>							

<N1> The hotel operations segment includes an impairment charge of S\$4.2 million (FY2019: S\$46.2 million), depreciation charge of S\$10.8 million (FY2019: S\$9.2 million), hotel pre-opening expenses incurred of S\$0.4 million (FY2019: S\$0.9 million) and hotel base stocks written off of S\$0.7 million (FY2019: S\$0.5 million).

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

Property development

Revenue from the property development segment decreased by S\$103.0 million or 64.4%, from S\$160.0 million in FY2019 to S\$57.0 million in FY2020.

Pre-tax profit decreased by S\$92.3 million or 57.5%, from S\$160.6 million in FY2019 to S\$68.3 million in FY2020. The decrease was due mainly to the absence of gain on disposal of the Group's interest in the indirect wholly-owned subsidiary owning the Oliphant property of S\$53.3 million in FY2019, of which S\$35.5 million and S\$17.8 million were recorded under other gains and share of after-tax profit of associates, respectively.

Furthermore, the share of profit from the Star of East River and Emerald of the Orient projects in Dongguan decreased by S\$29.4 million or 67% to S\$14.4 million in FY2020. This was due mainly to a lower volume of units handed over for the 30%-owned Star of East River project partially offset by the first time revenue recognition by the 20.4%-owned Emerald of the Orient in FY2020. Revenue on fewer residential and commercial units in the Millennium Waterfront project being recognised in FY2020 had also contributed to the decline.

Property investment

Revenue from the property investment segment decreased by S\$2.6 million or 26.9%, from S\$9.5 million in FY2019 to S\$6.9 million in FY2020. This is mainly attributable to the effect of deconsolidation of NLP1 in second half of FY2019.

Pre-tax profit from this segment decreased by S\$27.2 million or 78.5%, from S\$34.6 million in FY2019 to S\$7.4 million in FY2020. The decrease was due mainly to the net fair value loss on investment properties of S\$4.3 million (FY2019: fair value gain of S\$1.9 million), and attributable share of fair value loss of S\$1.3 million (FY2019: share of fair value gain of S\$21.8 million) on the investment properties held by the associates and a joint venture.

Property financing

Revenue from property financing increased by S\$17.8 million or 20.3%, from S\$87.4 million in FY2019 to S\$105.2 million in FY2020.

Pre-tax profit from this segment increased by S\$31.1 million or 41.8%, from S\$74.6 million in FY2019 to S\$105.7 million in FY2020. The increase was mainly boosted by the European loan restructuring income of S\$15.8 million, establishment fee of S\$3.5 million earned in respect of the future debt funding of the redevelopment of the City Tattersalls Club in Sydney in which the Group has a 39.9% equity interest, and higher interest income generated from a higher average PRC loan portfolio of S\$487.2 million (FY2019: S\$437.0 million).

Hotel operations

Revenue from the hotel operations segment decreased by S\$27.8 million or 45.8%, from S\$60.7 million in FY2019 to S\$32.9 million in FY2020. The significant decrease was attributable to the weaker performance of the hotel portfolio as a whole due to the Covid-19 pandemic which resulted in lower tourist arrivals and reduction in business travel.

Pre-tax loss from this segment decreased by S\$18.4 million or 28.8% from S\$63.8 million in FY2019 to S\$45.4 million in FY2020. Other than the impact of the weaker operating performance of the hotels, the lower pre-tax loss was also due to lower impairment charge made in FY2020 compared to FY2019. Specifically, the Bilderberg Bellevue Hotel Dresden was impaired by S\$4.2 million in FY2020, whilst in FY2019, the Crowne Plaza Chengdu Wenjiang and the adjoining hotspring were impaired by S\$46.2 million in aggregate.

16. A breakdown of revenue as follows:-

Group	FY2020	FY2019	Increase/ (Decrease) %
	S\$'000	S\$'000	
(a) Revenue reported for first half year	104,148	124,775	(16.5)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	57,005	38,955	46.3
(c) Revenue reported for second half year	99,788	194,389	(48.7)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	44,106	126,621	(65.2)

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

	FY2020 (S\$'000)	FY2019 (S\$'000)
First interim	10,044	8,749
Second interim	18,262	-
Final	-	12,814
Total	28,306	21,563

The amount of second interim tax-exempt (one-tier) ordinary dividend for the year ended 31 December 2020 disclosed above is based on 2.0 Singapore cents declared and the number of issued ordinary shares as at 31 December 2020. The actual amount of second interim dividend payable would be based on the actual number of issued ordinary shares as at the record date which has been set at 18 February 2021. The total amount for FY2020 may hence be subject to adjustments.

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

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

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

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

BY ORDER OF THE BOARD

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
10 February 2021

FIRST SPONSOR GROUP LIMITED

(Registration No. AT-195714)

CONFIRMATION BY THE BOARD

The Directors of the Company hereby confirm, to the best of their knowledge, that nothing has come to the attention of the Board of Directors which may render the Group's unaudited financial results for the fourth quarter and the full year ended 31 December 2020 to be false or misleading in any material respect.

On behalf of the Board of Directors

Ho Han Leong Calvin
Non-Executive Chairman

Neo Teck Pheng
Group Chief Executive Officer and Executive Director

10 February 2021