



First Sponsor Group Limited

Investor Presentation

23 October 2015

The initial public offering of the Company's shares was sponsored by DBS Bank Ltd., who assumes no responsibility for the contents of this presentation.

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.

We had on 10 July 2014 issued a prospectus which was lodged for registration by the Monetary Authority of Singapore (the “Prospectus”). The results contained in this document should be reviewed in conjunction with the Prospectus.

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Section 1

Key Message

Key Message

- 1. 3Q2015 recorded a 31.6% increase in revenue and 20.7% increase in profit before tax, continuing the positive trend for the 4th quarter running since 4Q2014 with the Group delivering (at least) double digit growth each quarter consistently.**
- 2. The Group has experienced growth in all of its three core businesses, with its YTD September profit before tax of S\$50.0m already exceeding that of FY2014 by 23.5% or S\$9.5m.**
- 3. Handover of residential units of the Millennium Waterfront project is progressing smoothly. 3 additional blocks of Plot B residential units were handed over in 3Q2015. Plot C residential blocks which were launched for pre-sales since January 2014 are expected to be handed over from December 2015 onwards.**
- 4. The Group's recurrent income base is boosted by the growth in the property holding and property financing business segments with a 461.3% and 65.2% increase in gross profit respectively in 3Q2015, contributing an aggregate S\$6.9m of the S\$8.8m increase in quarter-on-quarter gross profit. The former is largely a result of the successful execution of the Netherlands expansion plan whereas the latter is supported by a growing loan book.**

Key Message

5. **Healthy financial position as at 30 September 2015 bolstered by S\$660.5m of cash, monetary loan receivables and unutilised committed credit facilities. With a notable low gearing ratio of 16.7% and conservative interest cover of over 40 times, the Group is ready to gear up for its continuing expansion in the Netherlands and the PRC.**

Section 2

Financial Highlights

2.1 Statement of Profit or Loss - Highlights

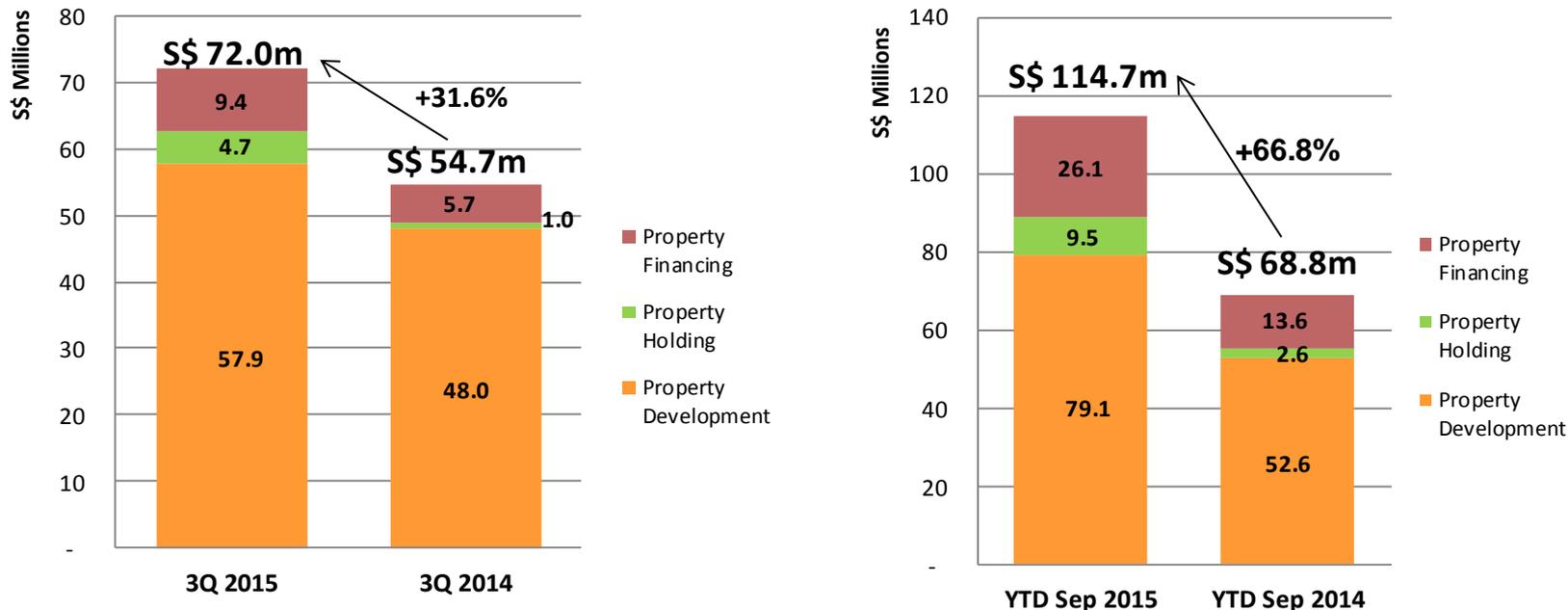
Statement of Profit or Loss - Highlights						
In S\$'000	3Q2015	3Q2014	Change %	YTD Sep 2015	YTD Sep 2014	Change %
Revenue	72,038	54,722	31.6%	114,666	68,750	66.8%
Gross profit	26,987	18,200	48.3%	53,444	27,437	94.8%
Profit before income tax	22,629	18,746	20.7%	50,033	10,295	386.0%
Profit attributable to equity holders of the Company	17,094	14,869	15.0%	35,448	2,447	1348.6%
Basic EPS (cents)	2.90	2.56	13.3%	6.01	0.52	1055.8%
Adjusted profit before income tax	22,629	18,746	20.7%	49,471 ⁽¹⁾	18,500 ⁽²⁾	167.4%
Adjusted profit attributable to equity holders of the Company	17,094	14,869	15.0%	34,886 ⁽¹⁾	10,652 ⁽²⁾	227.5%

(1) Adjusted results exclude reversal of IPO expenses of S\$0.6m in YTD Sep 2015.

(2) Adjusted results exclude IPO expenses of S\$3.5m and share-based charge of S\$4.7m in YTD Sep 2014.

2.2 Statement of Profit or Loss – Revenue

Revenue



Property Development

- The increase in 3Q2015 is mainly due to the further revenue recognition from Plot B of the Millennium Waterfront project, comprising mainly the handover of 3 non-riverfront residential blocks in Plot B. The revenue in 3Q2014 is mainly attributable to the S\$45.2m one-time revenue from the relinquishment of Chengdu Wenjiang Factory Land and Chengdu Wenjiang Factory.

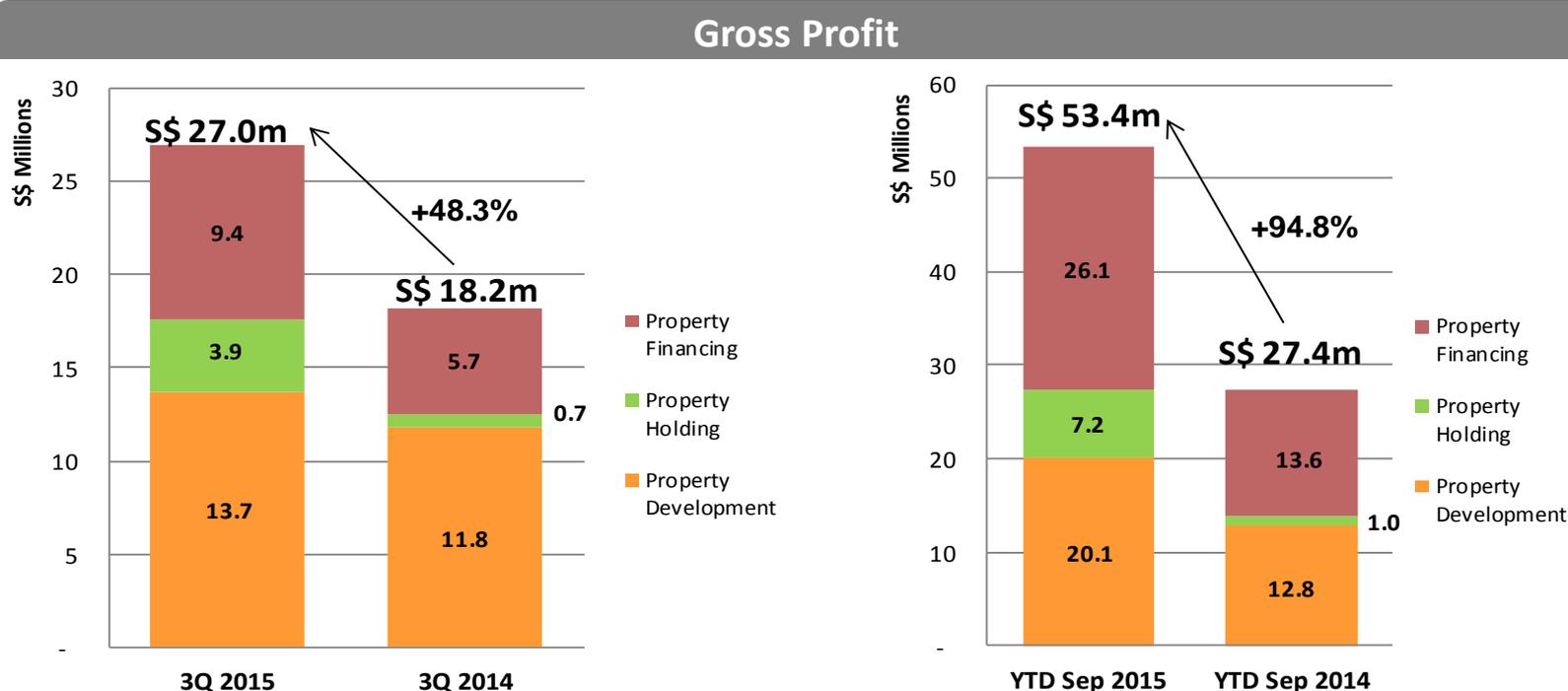
Property Holding (includes hotel operations)

- The increase in 3Q2015 is mainly due to rental revenue contribution of S\$1.7m and S\$1.6m from Zuiderhof I (acquired in February 2015) and Arena Towers (acquired in June 2015) respectively.

Property Financing

- 3Q2015 recorded higher property financing revenue due to a larger entrusted loan portfolio.

2.3 Statement of Profit or Loss – Gross Profit



Property Development

- Gross profit achieved of S\$13.7m in 3Q2015 is mainly due to revenue recognition from the Millennium Waterfront project, comprising the handover of 3 non-riverfront residential blocks in Plot B. The gross profit in 3Q2014 is mainly contributed by the relinquishment of Chengdu Wenjiang Factory Land and Chengdu Wenjiang Factory with no significant project handover.

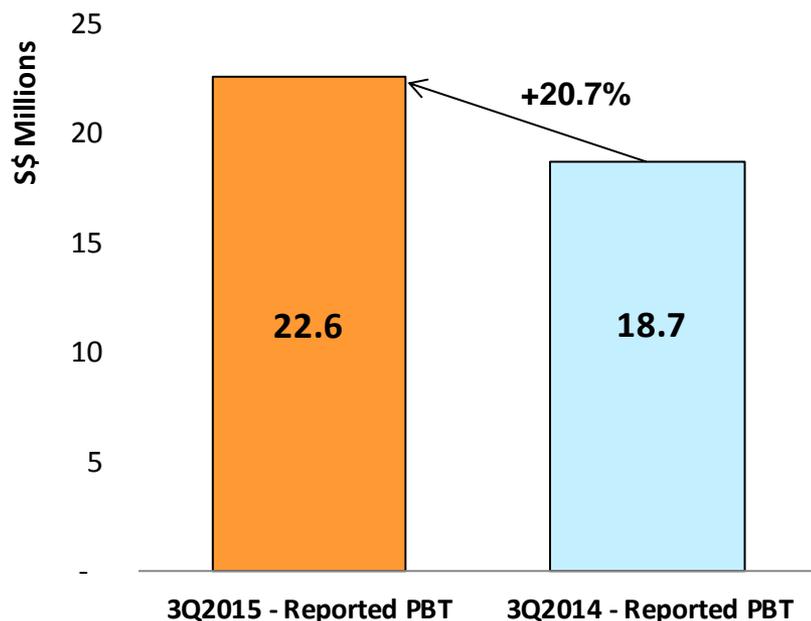
Property Holding (includes hotel operations)

- The increase in gross profit of S\$3.2m in 3Q2015 is mainly attributable to the gross profit contribution of S\$1.4m and S\$1.5m from Zuiderhof I and Arena Towers respectively.

Property Financing

- Higher gross profit from the property financing business recorded in 3Q2015 due to a larger entrusted loan portfolio.

2.4 Statement of Profit or Loss – 3Q2015 vs 3Q2014

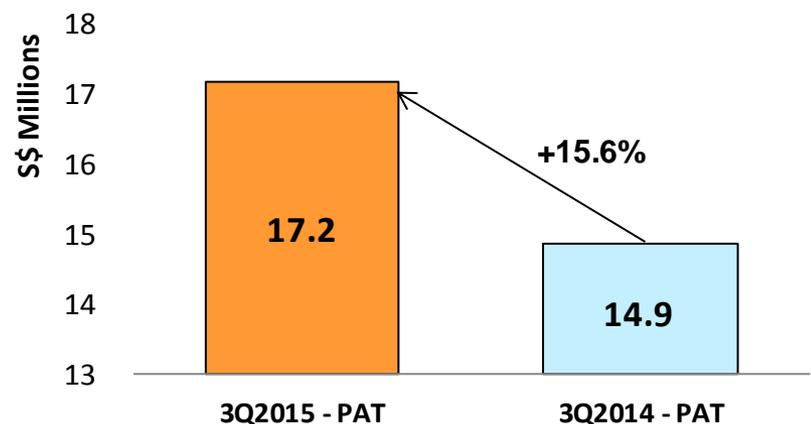


The significant increase in profit before tax is mainly due to:

- Higher gross profit contribution from all three business segments of the Group with an aggregate increase in gross profit of S\$8.8m.
- Net increase in foreign exchange gain of S\$1.9m.

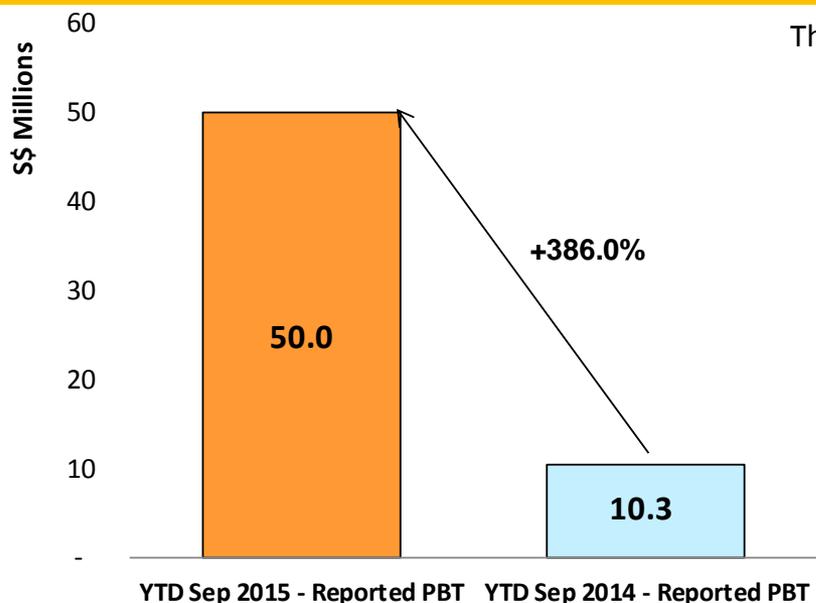
The increase was partially offset by:

- Fair value loss on cross-currency swap of S\$3.9m.
- Increase in administrative and selling expenses of a total of S\$1.1m.
- One time gain on disposal of lease prepayments and PPE in relation to the relinquishment of Chengdu Wenjiang Factory Land and Chengdu Wenjiang Factory of S\$0.9m in 3Q2014. No such gain is recorded in 3Q2015.
- Cost adjustments relating to M Hotel Chengdu and investment properties of S\$0.8m.



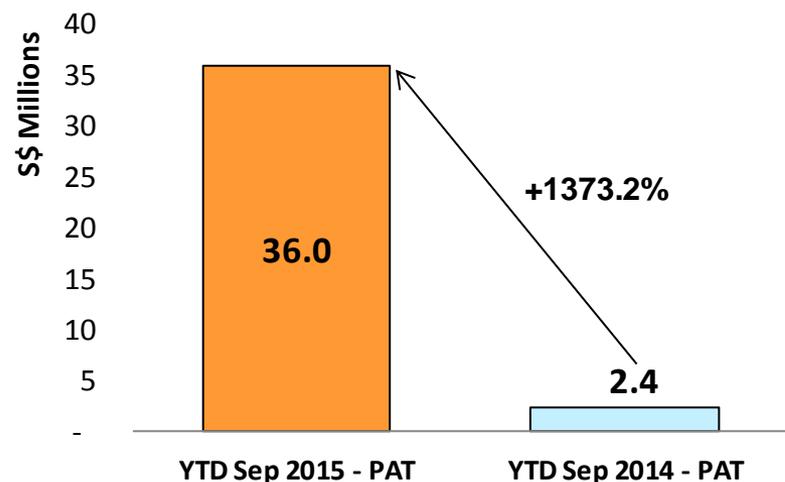
The reported effective tax rate is 24.0% for 3Q2015.

2.5 Statement of Profit or Loss – YTD Sep 2015 vs YTD Sep 2014



The significant increase in the profit before tax is mainly due to:

- Higher gross profit contribution from all three business segments of the Group with an aggregate increase in gross profit of S\$26.0m.
- Additional interest income arising from loans to the Chengdu Wenjiang Government of S\$8.1m which were disbursed from late 1Q2014 onwards.
- One time share-based charge of S\$4.7m and one time IPO expenses of S\$3.5m incurred in YTD Sep 2014.
- Net investment return of S\$5.1m recognised as part of other income in YTD 30 Sep 2015 in connection with the termination of the Zhongtang agreements.
- Net increase in foreign exchange gain of S\$3.9m.



The increase in the pre-tax profit was partially offset by:

- Fair value loss on cross-currency swap of S\$4.9m.
- Higher selling expenses of S\$2.5m and higher finance costs of S\$1.7m.
- Lower other gains of S\$0.6m.
- Cost adjustments relating to M Hotel Chengdu and investment properties of S\$1.6m.

The reported effective tax rate is 27.9% for YTD Sep 2015.

2.6 Statement of Financial Position - Highlights

Statement of Financial Position - Highlights			
In S\$'000	30-Sep-15	30-Jun-15	Change %
Total assets	1,651,485	1,574,237	4.9%
Total cash	120,298	98,988	21.5%
Receipts in advance	242,674	256,178	(5.3%)
Total debt	275,767 ⁽¹⁾	270,607 ⁽²⁾	1.9%
Net asset value (NAV)⁽³⁾	976,114	924,267	5.6%
NAV per share (cents)	165.49	156.70	5.6%
Gearing ratio⁽⁴⁾	16.7%	18.9%	(2.2%)
Interest cover ratio⁽⁵⁾	41.5	42.3	(1.9%)

(1) Comprises gross borrowings of S\$279.3m net of unamortised upfront fee of S\$3.5m.

(2) Comprises gross borrowings of S\$273.7m net of unamortised upfront fee of S\$3.1m.

(3) NAV excluding non-controlling interests.

(4) Computed as net debt ÷ total equity including non-controlling interests.

Net debt = gross borrowings + derivative liability – cash and cash equivalents

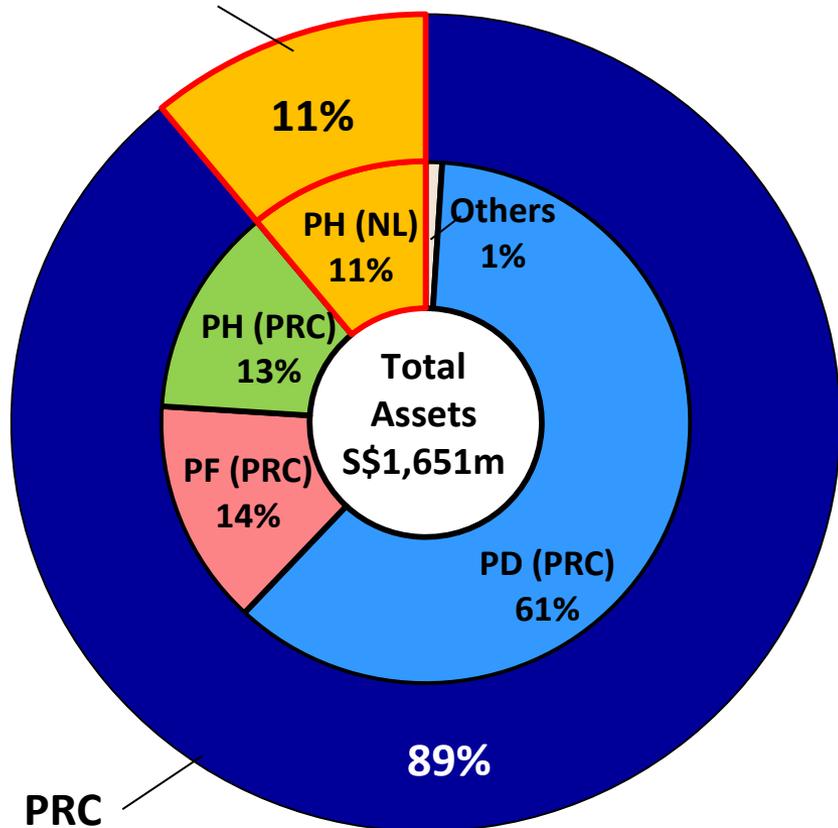
(5) Interest cover = PBT (excluding accounting interest due to /from financial institutions) / net interest expense

2.7 Statement of Financial Position - Total Assets

Total Assets – by business and geographic segments

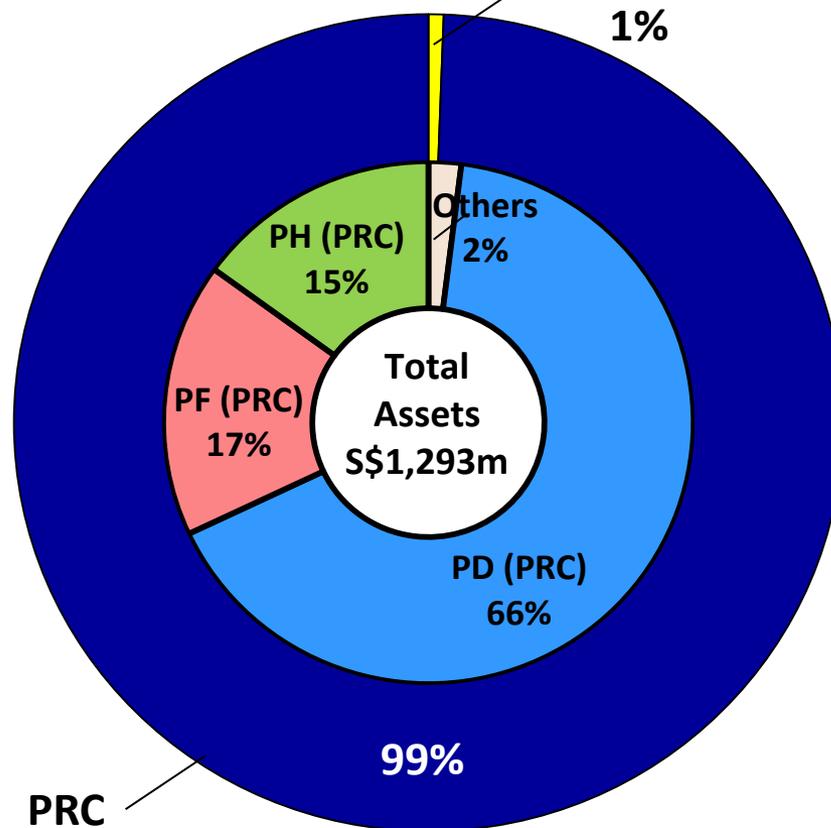
As at 30 September 2015

The Netherlands



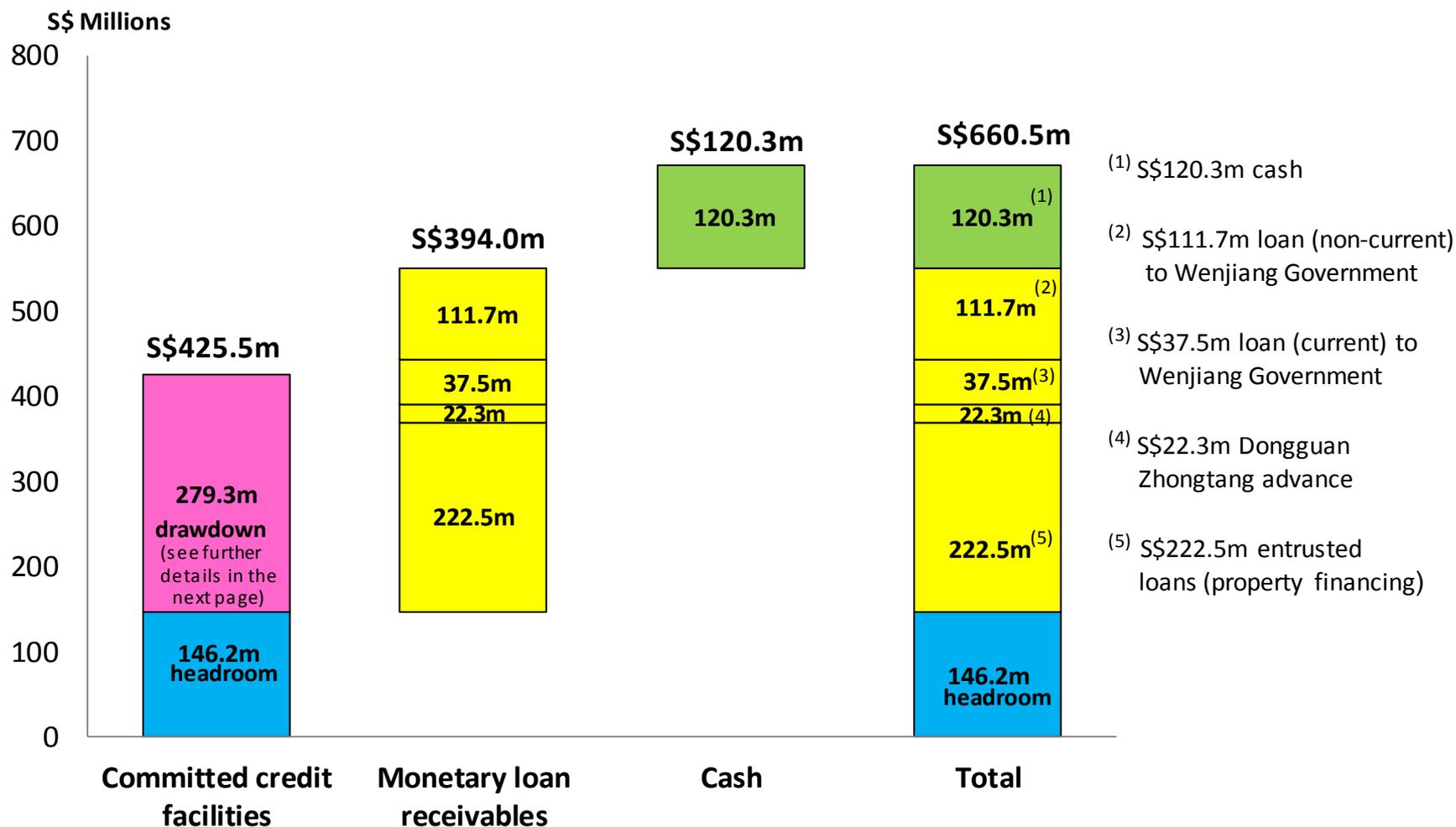
As at 31 December 2014

Others



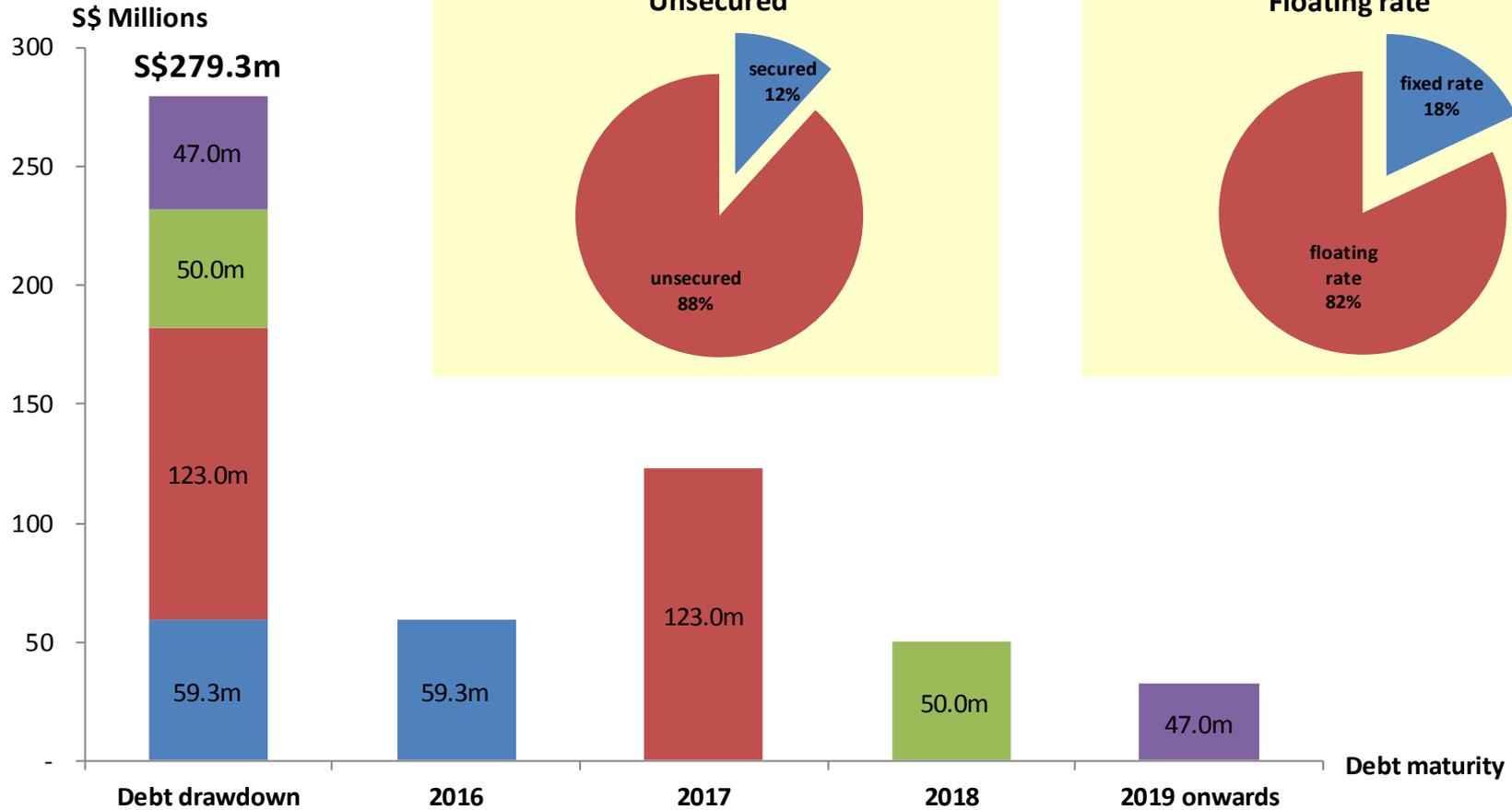
The Group has diversified geographically and rebalanced its asset allocation in its three core business segments subsequent to the property acquisition of Zuiderhof I and Arena Towers in 1Q2015 and 2Q2015 respectively.

2.8 Liquidity Management as at 30 September 2015



- Healthy balance sheet backed by S\$660.5m of cash, monetary loan receivables, and unutilised committed credit facilities as at 30 September 2015. The Group also has a S\$1 billion Multicurrency Debt Issuance Programme to tap on for any future funding needs.

2.9 Debt maturity and composition as at 30 September 2015



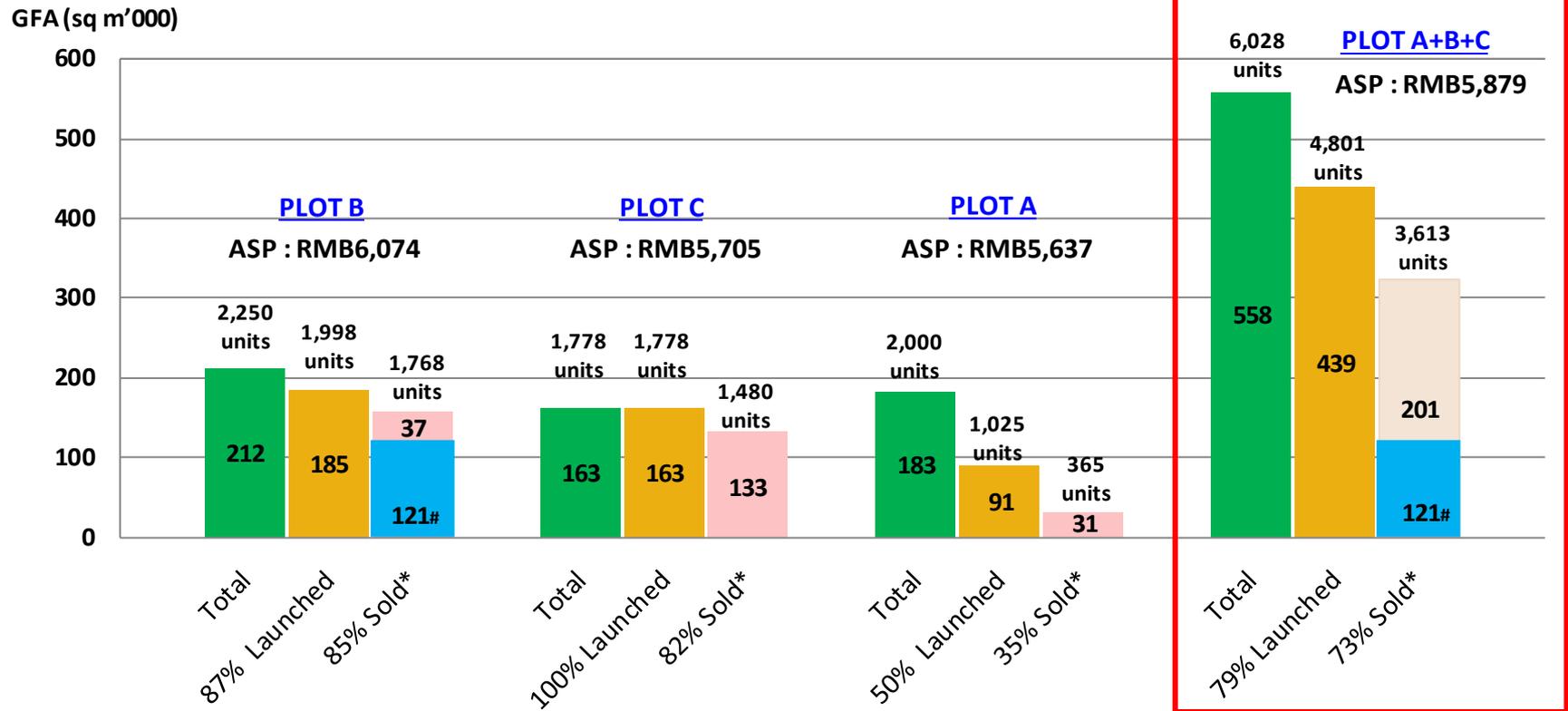
Section 3

Key Business Review 3Q2015 – Property Development

3.1 Property Development – Millennium Waterfront project

- Launched 3 additional Plot A residential blocks for sale in September 2015.
- 73% cumulative pre-sale rate for the residential units launched.

Plots A, B and C Residential Pre-sale Performance as at 30 Sept 2015



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

1,345 residential units (GFA: 120,632 sq m) with a gross sales value of S\$152.8m have been cumulatively recognised since December 2014.

3.1 Property Development – Millennium Waterfront project

- Since December 2014, 10 out of 15 residential blocks of Plot B have been handed over.
- First time handover of Plot B car park lots in 3Q2015.
- Expected handover of Plot C residential units from December 2015 onwards.



Plot B riverfront residential blocks



Aerial view of Plot A blocks under construction



Plot C residential blocks

3.1 Property Development – Millennium Waterfront project



Notes:

- This diagram is not drawn to scale.
- Based on artist's impression which may not be fully representative of the actual development.
- As at 30 September 2015 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

- Site preparation works are in progress for the Star of East River project.
- The Group has recently concluded the signing of a long-term lease with a reputable local cinema operator as one of the anchor tenants for the retail mall component.
- The Group continues to work towards the tender for East River Plot Two (constituting approximately 25% of the total site area).



Section 4

Key Business Review 3Q2015 – Property Holding

4.1 Property Holding – M Hotel and Millennium Waterfront Hotel, Chengdu

M Hotel Chengdu

	YTD 30 Sept 2015	YTD 30 Sept 2014	Increase/(decrease)
Occupancy	43.1%	24.4%	18.7%
ADR	RMB377	RMB412	(RMB35)
RevPar	RMB163	RMB101	RMB62

- The hotel's performance continues to improve as it enters into the second full year of operations.
- The Group is monitoring the Chengdu market conditions for the leasing or sale of the space originally intended for Phase III (21,875 sq m) of the M Hotel Chengdu expansion plan on a strata title basis.

Millennium Waterfront Chengdu Hotel

- Construction is currently progressing as planned.



4.2 Property Holding – Netherlands Portfolio



Property	Zuiderhof I	Arena Towers
Description	Office and ancillary car parks	2 hotels and ancillary car parks
Location	South Axis, Amsterdam	Amsterdam Southeast
Land Tenure	Perpetual leasehold (ground lease paid to May 2050)	Perpetual leasehold (ground lease paid to August 2053)
Net Lettable Floor Area	12,538 sq m	17,396 sq m
Number of car park lots	111	509
Purchase Price	€51.5m	€54.6m
Occupancy	100%	100%
Number of Tenant(s)	1	2
Weighted Average Lease Term (WALT)	3.8 years	23.2 years
Expected stabilised net rental yield	7.5%	7.2%
Acquisition Completion Date	18 February 2015	17 June 2015

Section 5

Key Business Review 3Q2015 – Property Financing

5.1 Property Financing - Overview of Financial Performance

	Revenue (S\$' m) ⁽¹⁾	As a % of Group Revenue	Profit before tax (S\$' m) ⁽²⁾	As a % of Group Profit before tax
3Q2015	9.4	13.0%	11.0	48.5%
3Q2014	5.7	10.4%	6.1	32.3%
YTD Sep 2015	26.1	22.7%	30.5	61.0%
YTD Sep 2014	13.6	19.8%	15.7	152.9%

	Third Party Loan Balance as at	Average Third Party Loan Balance for the year to date ended
30 September 2015	RMB996.0m (S\$222.5m)	RMB931.4m (S\$202.5m)
30 September 2014	RMB575.0m (S\$119.3m)	RMB518.6m (S\$106.0m)

To-date, we have not experienced any loan default and interest servicing on all loans has been current.

Loan book as at 30 September 2015

The Group's entrusted loan balance was RMB996.0m with interest rates ranging from 17.0% to 18.0% per annum. Each counterparty LTV ratio ranges between 28.4% to 55.7%.

- (1) Comprises mainly interest income from entrusted loans to third parties.
- (2) PBT is higher than revenue as interest income generated from surplus funds is higher than expenses incurred for the period.

Thank You
