



First Sponsor Group Limited
Investor Presentation
25 October 2017



**Bilderberg Europa Hotel Scheveningen
The Hague, The Netherlands**

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Section 1

Key Message

Key Message

- 1. The Group achieved a 13.9% increase in net profit to S\$22.0 million to mark its 12th consecutive quarter on quarter profit growth since IPO in July 2014.**
- 2. All 7,302 residential units and 297 out of 371 commercial units within the residential development of the Millennium Waterfront project launched to-date had been sold*. Pursuant to the exceptional sales performance, the Group will continue to recognise development profit from these sales in 4Q2017 and 2018.**
- 3. All 272 residential units of the Group's 30% owned Star of East River project in Dongguan that were launched in late September 2017 were snapped up on the first day of sale. The Group is optimistic about the sales performance of the remaining 949 residential units which are expected to be launched for sale during the course of 2018.**
- 4. The hotspring facility, to be managed by the Group and located within the same premises as the Group's Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels, is set to commence operations in late October 2017. This additional source of income will complement the operations of both hotels.**

** As at 30 September 2017 and includes sales under option agreements or sale and purchase agreements, as the case may be.*



Key Message

5. **The Group has financially supported the expansion plan of its 33% owned FSMC NL Property Group B.V. via interest bearing loans disbursed pursuant to the acquisition of the Bilderberg Portfolio. Arising from a business review, the Group felt that it is more appropriate to classify interest income from loans extended to its associates as part of its property financing income given that such income would be earned on a recurrent basis.**
6. **The Bilderberg Portfolio has shown strong financial performance with its year to date EBITDA exhibiting a 20% growth.**
7. **The Group had signed a conditional agreement with a Dutch residential fund for the sale of a residential block of approximately 268 apartments to be developed next to the Dreeftoren office building on a forward funding basis. With this, revenue and funding of the development are secured, thereby reducing the development risk of the project. The key conditions to be fulfilled are the successful re-zoning of the land site for this residential development and procurement of the building permit.**

Key Message

8. **On the PRC property financing loan recovery front, while the Group has secured a favourable court ruling in relation to penalty interest for Case 1, the Group may have to compromise on a lower interest entitlement due to the need to balance public interest arising from the criminal charges involving the legal representative of the borrower. As for Case 2, the Group has successfully reduced the original defaulted loan exposure from RMB470 million to RMB340 million, with penalty interest amounting to RMB42.6* million and the associated RMB130 million principal loan repayment duly received.**
9. **Backed by a strong balance sheet, the Group continues to be on a disciplined quest for investment opportunities in the Netherlands, PRC and other regions. Going forward, the Group may further tap into the debt and equity capital markets to fund its expansion plan.**

** Comprises net penalty interest of S\$4.3m (RMB20.9m) recognised in 3Q2017.*

Section 2 **Financial Highlights**

2.1 Statement of Profit or Loss - Highlights

Statement of Profit or Loss - Highlights						
In S\$'000	3Q2017	3Q2016 (restated)	Change %	YTD Sep 2017	YTD Sep 2016 (restated)	Change %
Revenue⁽¹⁾	64,821	82,431	(21.4%)	204,113	175,340	16.4%
Gross profit	29,644	24,409	21.4%	79,412	56,796	39.8%
Profit before tax	27,914	23,584	18.4%	61,536	52,575	17.0%
Attributable profit⁽²⁾	22,020	19,333	13.9%	45,623	40,174	13.6%
Basic EPS (cents)	3.73	3.28	13.9%	7.74	6.81	13.6%
Interest cover⁽³⁾	n.m. ⁽⁴⁾	18.0x	n.a.	1,266.1x	13.8x	n.a.

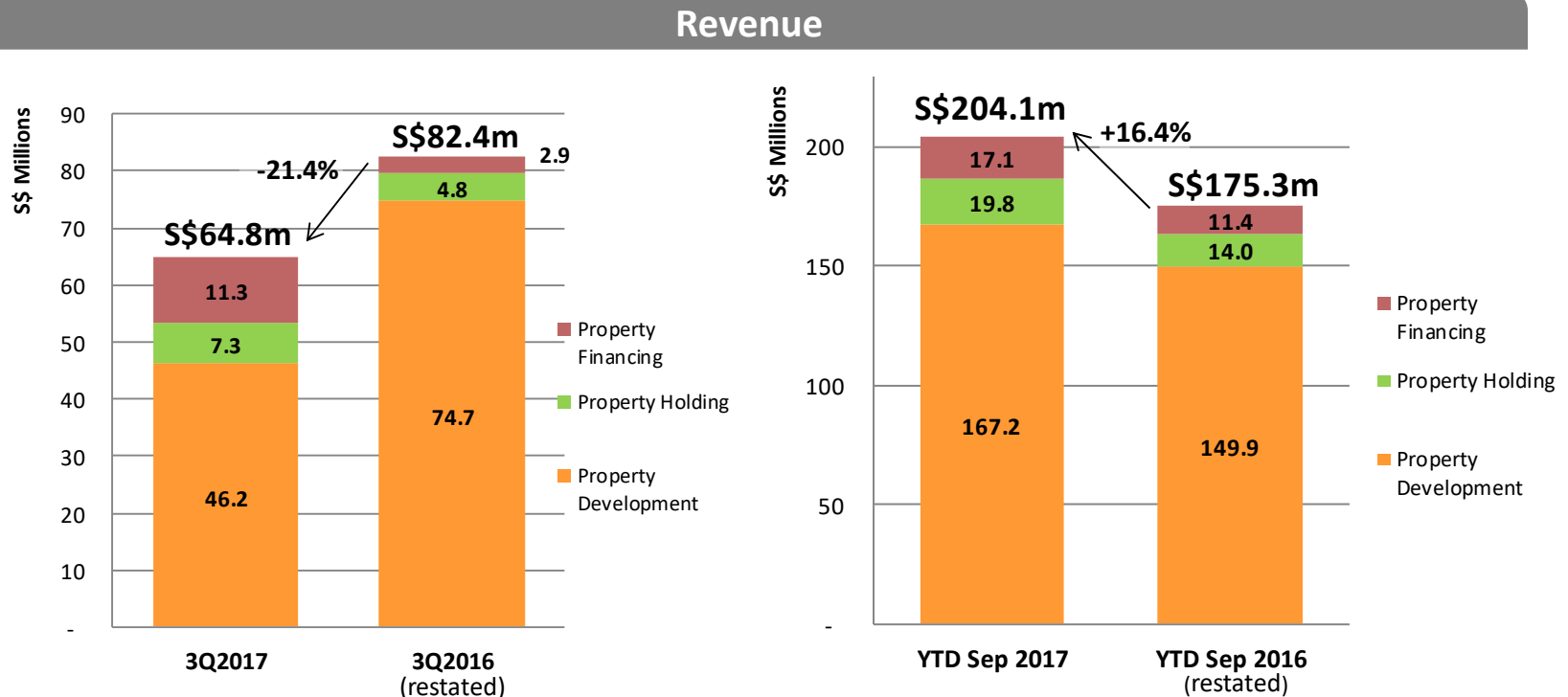
(1) Arising from a business review, the Group felt that it is more appropriate to classify interest income from loans extended to its Dutch associates as part of its property financing income given that such income would be earned on a recurrent basis. The associated financing costs for such loans are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

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

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

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

2.2 Statement of Profit or Loss – Revenue



Property Development

The decrease in 3Q2017 is due mainly to the lower number of residential units from the Millennium Waterfront project being handed over in 3Q2017 (354 residential units) as compared to 3Q2016 (731 residential units).

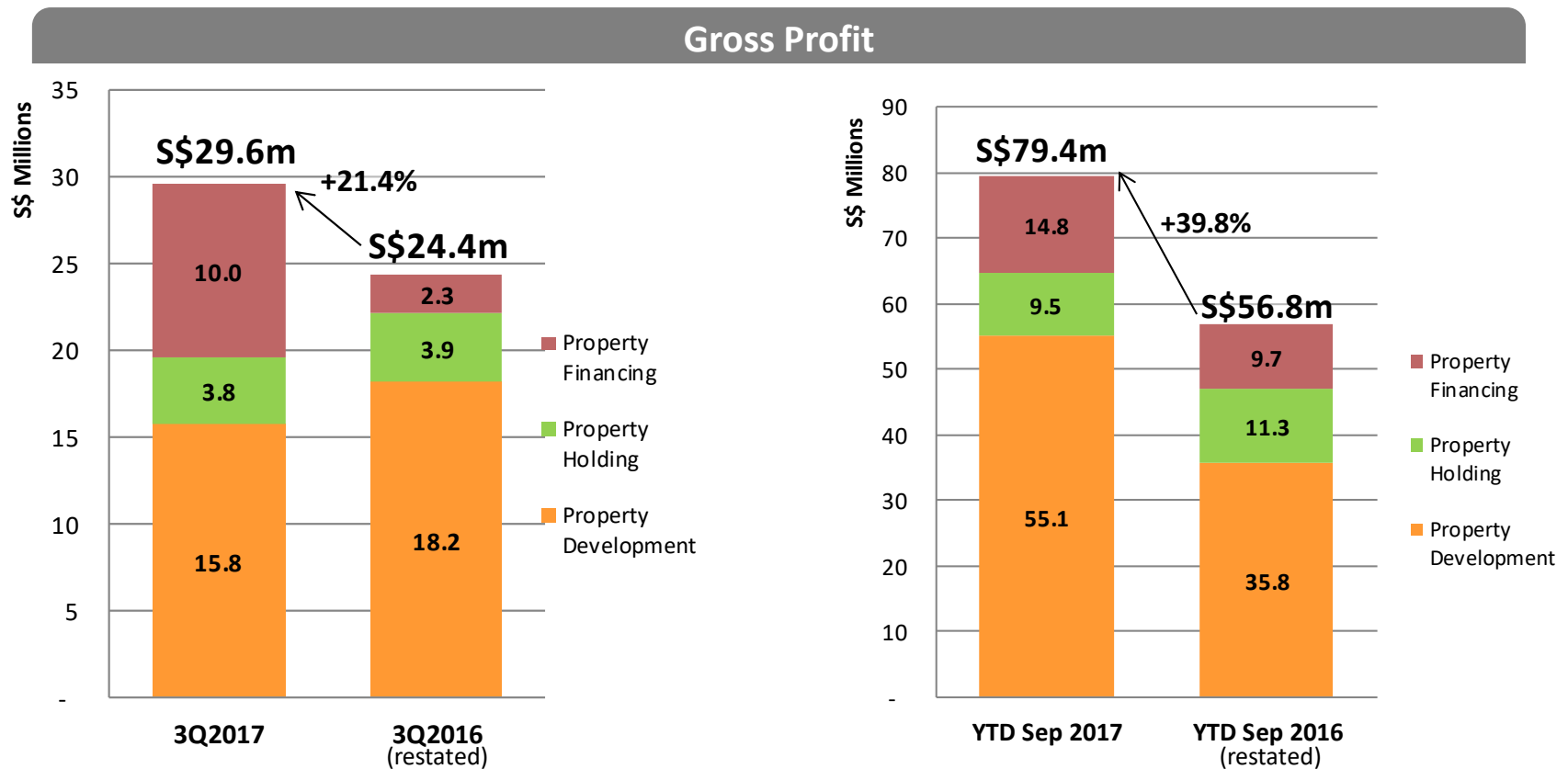
Property Holding

The increase in 3Q2017 is due mainly to a full quarter's revenue contribution from Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels which commenced operations in late December 2016. This is partially offset by lower rental revenue from the Zuiderhof I property as a result of lease incentives granted for a lease extension of another 7 years.

Property Financing

The increase in 3Q2017 is due to the recognition of net penalty interest income of S\$4.3m (RMB20.9m) upon the successful foreclosure auction of the mortgaged properties for a RMB60m defaulted loan (Case 2.2) and extension of interest bearing loans to the FSMC Group for the acquisition of the Bilderberg Portfolio.

2.3 Statement of Profit or Loss – Gross Profit



Property Development

Decrease in gross profit of S\$2.4m in 3Q2017 is due mainly to the lower number of residential units from the Millennium Waterfront project being handed over in 3Q2017 as compared to 3Q2016.

Property Holding

Gross profit remains relatively stable despite the increase in revenue mainly because of depreciation charge from the Wenjiangs hotels.

Property Financing

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

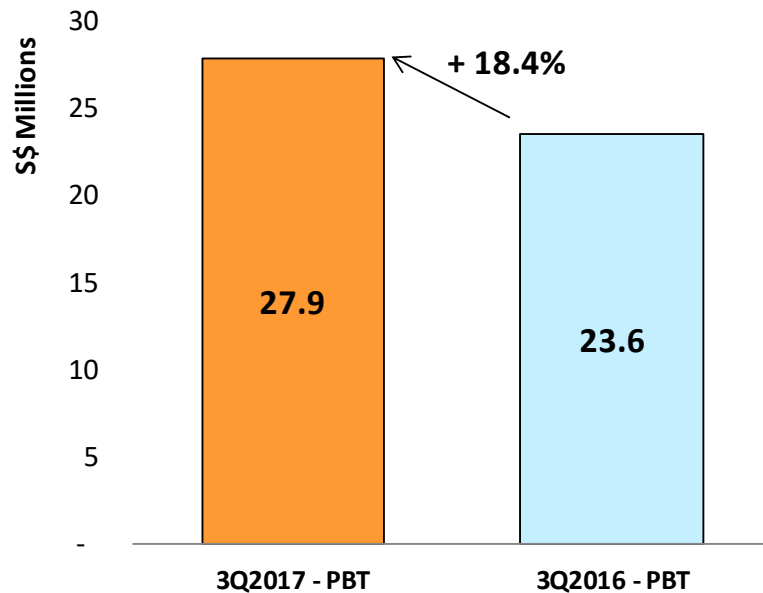
2.4 Income Contribution from the Dutch Operations

In S\$'000	3Q2017	3Q2016 (restated)	Change %	YTD Sep 2017	YTD Sep 2016 (restated)	Change %
Rental income	3,421	3,461	(1.2%)	10,040	10,318	(2.7%)
Interest income from FSMC	5,916	2,090	183.1% (1)	9,938	7,221	37.6%
Cost of sales	(1,710)	(768)	122.6% (2)	(3,399)	(2,189)	55.3%
Gross profit	7,627	4,783	59.5%	16,579	15,350	8.0%
Administrative expenses	(491)	(312)	57.4% (3)	(1,005)	(623)	61.3%
Share of FSMC's gain on disposal of non-core properties	-	(25)	(100.0%)	-	6,511	(100.0%)
Share of FSMC's other post tax results	110	211	(47.9%)	1,032	694	48.7%
Total	7,246	4,657	55.6%	16,606	21,932	(24.3%)
Recurrent income	7,246	4,682	54.8%	16,606	15,421	7.7%
Non-recurrent income	-	(25)	(100.0%)	-	6,511	(100.0%)
Total	7,246	4,657	55.6%	16,606	21,932	(24.3%)

- (1) Due mainly to loans disbursed to the FSMC Group for the acquisition of the Bilderberg Portfolio.
- (2) Due mainly to the financing cost of the loans extended to the FSMC Group in relation to the acquisition of the Bilderberg Portfolio.
- (3) Due mainly to higher travelling expenses incurred.

Excluding Poortgebouw, Boompjes, Terminal Noord, Dreeftoren and Oliphant properties, the Dutch rental properties (LFA: 92,515 sqm, occupancy of 85% and WALT of approximately 9.3 years) have a net property income in excess of S\$24m (€16m) per annum. The FY2016 EBITDA of the Bilderberg Portfolio is S\$20.7m (€13.4m).

2.5 Statement of Profit or Loss – 3Q2017 vs 3Q2016

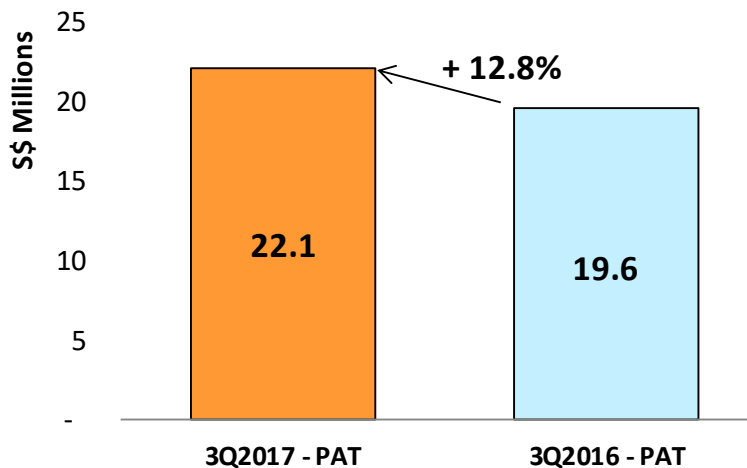


The increase in profit before tax is due mainly to:

- Higher gross profit contribution from the property financing business segment [S\$7.7m increase]
- Higher foreign exchange gain net of fair value loss on cross-currency swaps [net S\$3.3m increase]

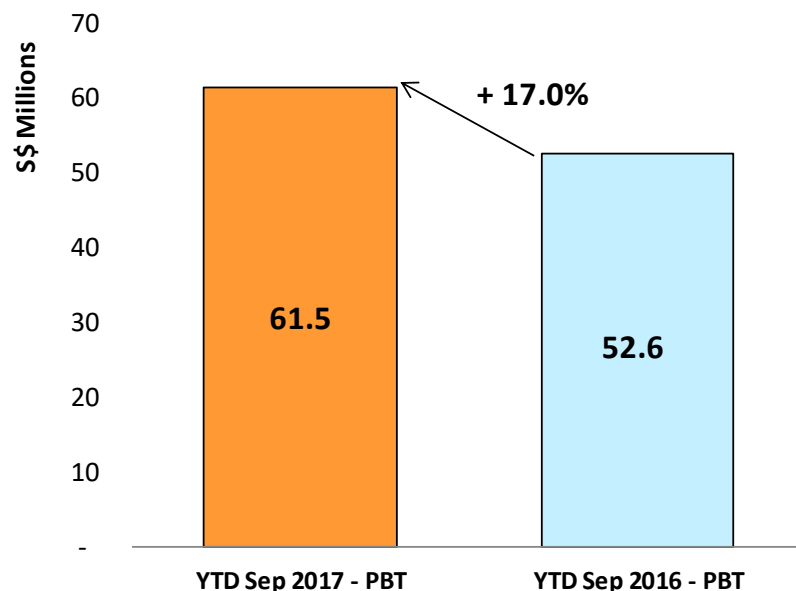
The increase is partially offset by:

- Lower gross profit contribution from the property development and property holding business segment [S\$2.5m decrease]
- Higher administrative and selling expenses incurred [S\$1.8m increase]
- No one off reversal of cost accruals related to the Chengdu Cityspring Project [S\$1.6m decrease]
- Lower net finance income [S\$0.7m decrease]



The adjusted effective tax rate is 23.7% for 3Q2017.

2.6 Statement of Profit or Loss – YTD Sep 2017 vs YTD Sep 2016

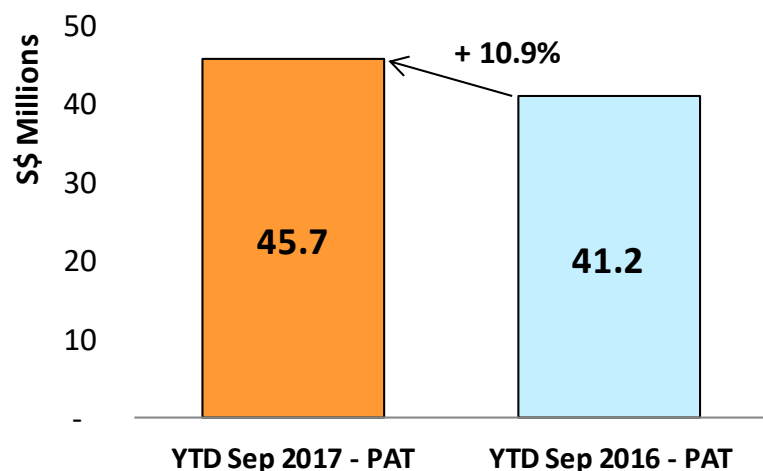


The increase in profit before tax is due mainly to:

- Higher gross profit contribution from the property development and property financing business segments [S\$24.4m increase]

The increase is partially offset by:

- Lower gross profit contribution from the property holding business segment [S\$1.8m decrease]
- Higher administrative and selling expenses incurred [S\$1.0m increase]
- Lower share of profit from associates [S\$6.2m decrease]
- Higher fair value loss on cross-currency swaps partially mitigated by higher foreign exchange gain [net S\$3.9m increase]
- Lower net finance income [S\$3.6m decrease]



The adjusted effective tax rate is 23.1% for YTD Sep 2017.

2.7 Statement of Financial Position - Highlights

Statement of Financial Position - Highlights			
In S\$'000	30-Sep-17	30-Jun-17	Change %
Total assets	2,016,578	1,687,975	19.5%
Total cash	405,167	379,663	6.7%
Receipts in advance	271,398	258,928	4.8%
Total debt	513,678 ⁽¹⁾	240,976 ⁽²⁾	113.2%
Net asset value (NAV)⁽³⁾	1,044,578	1,022,077	2.2%
NAV per share (cents)	177.10	173.29	2.2%
Gearing ratio⁽⁴⁾	0.13x	net cash	n.m.

(1) Comprises gross borrowings of S\$521.8m net of unamortised upfront fee of S\$8.1m.

(2) Comprises gross borrowings of S\$247.4m net of unamortised upfront fee of S\$6.4m.

(3) NAV excluding non-controlling interests and includes translation reserve of S\$40.1m (Jun 2017: S\$33.7m).

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

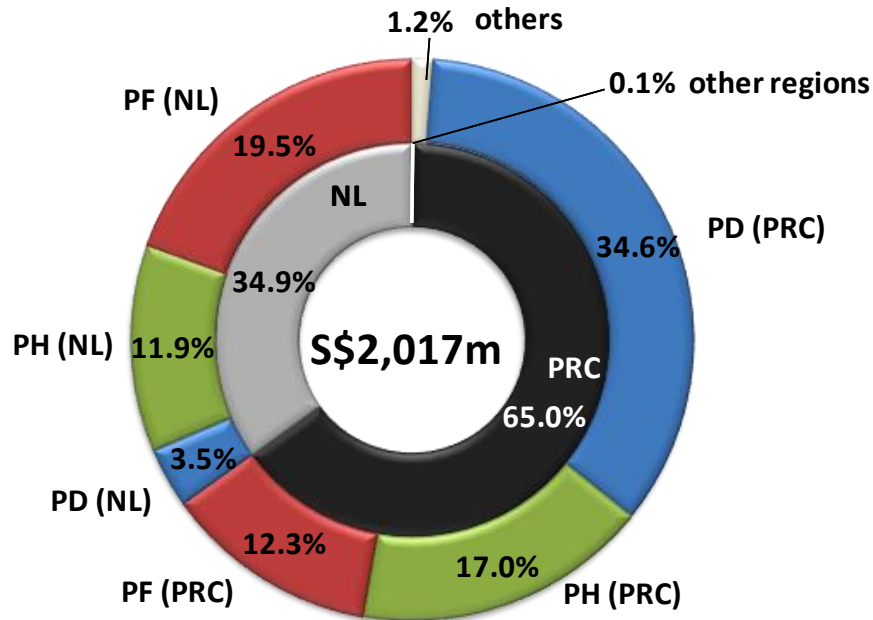
Net debt = gross borrowings + derivative liability – cash and cash equivalents.

2.8 Statement of Financial Position - Total Assets

Total Assets – by business and geographic segments

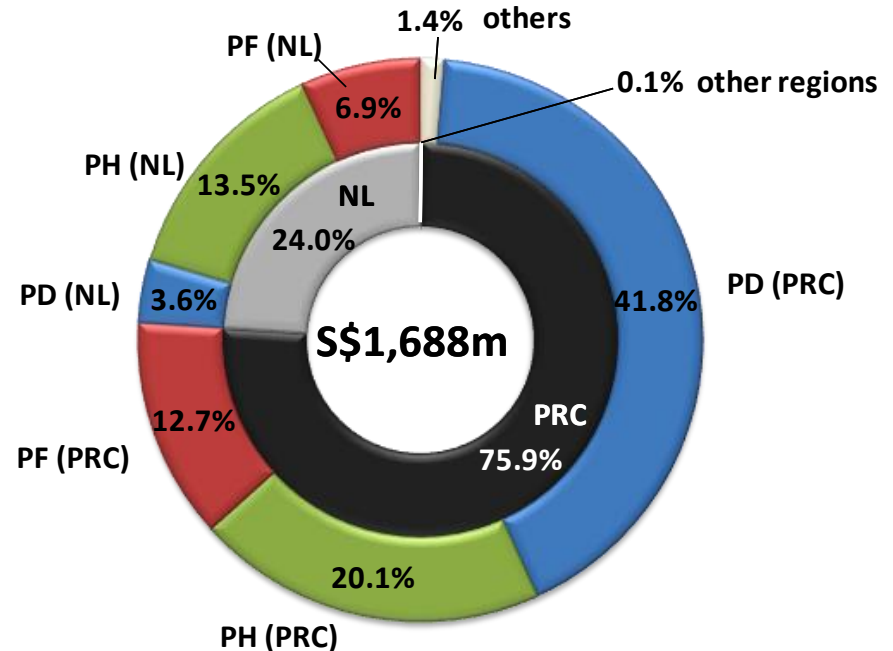
As at 30 September 2017

Total assets: S\$2,017m



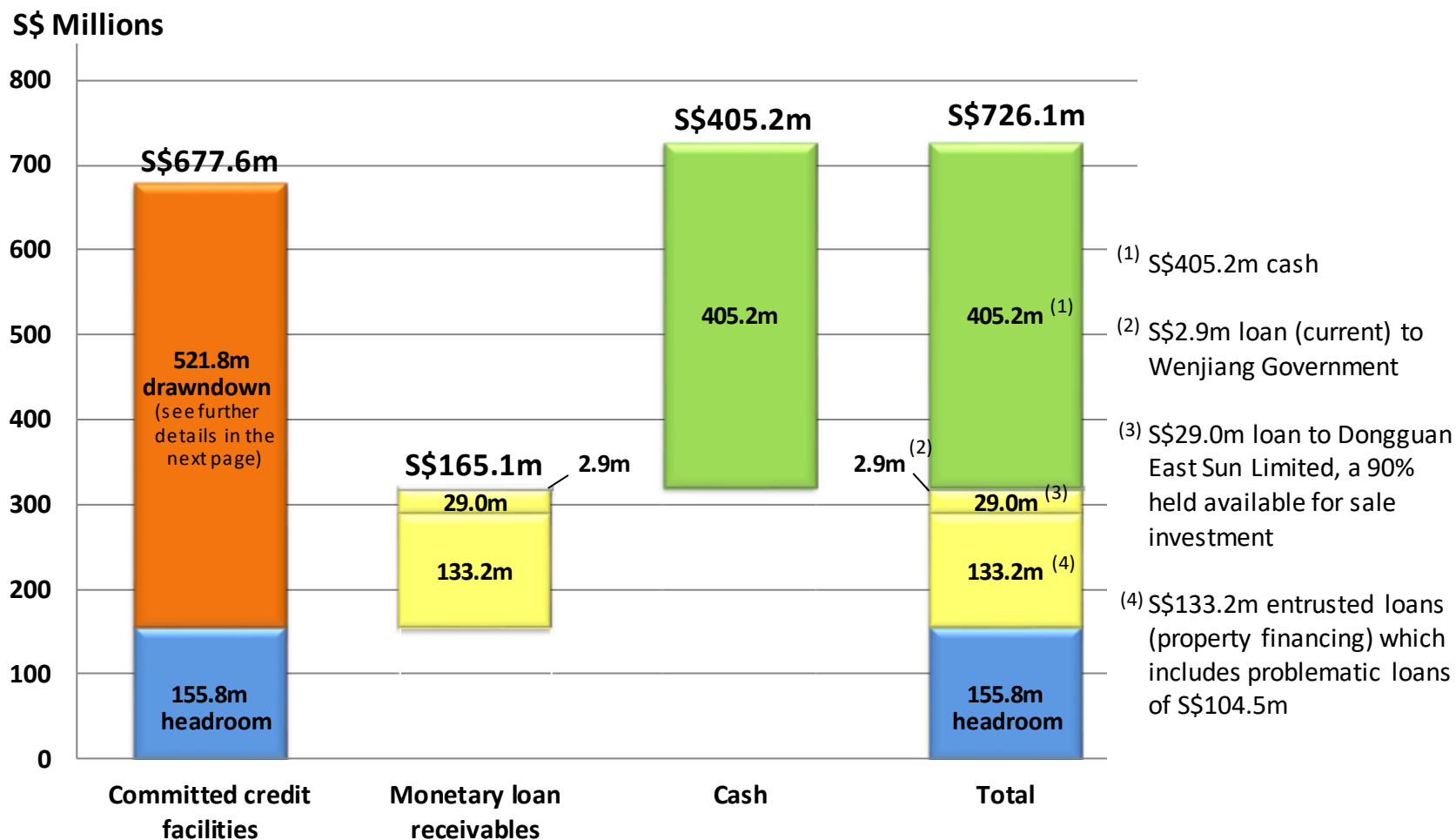
As at 30 June 2017

Total assets: S\$1,688m



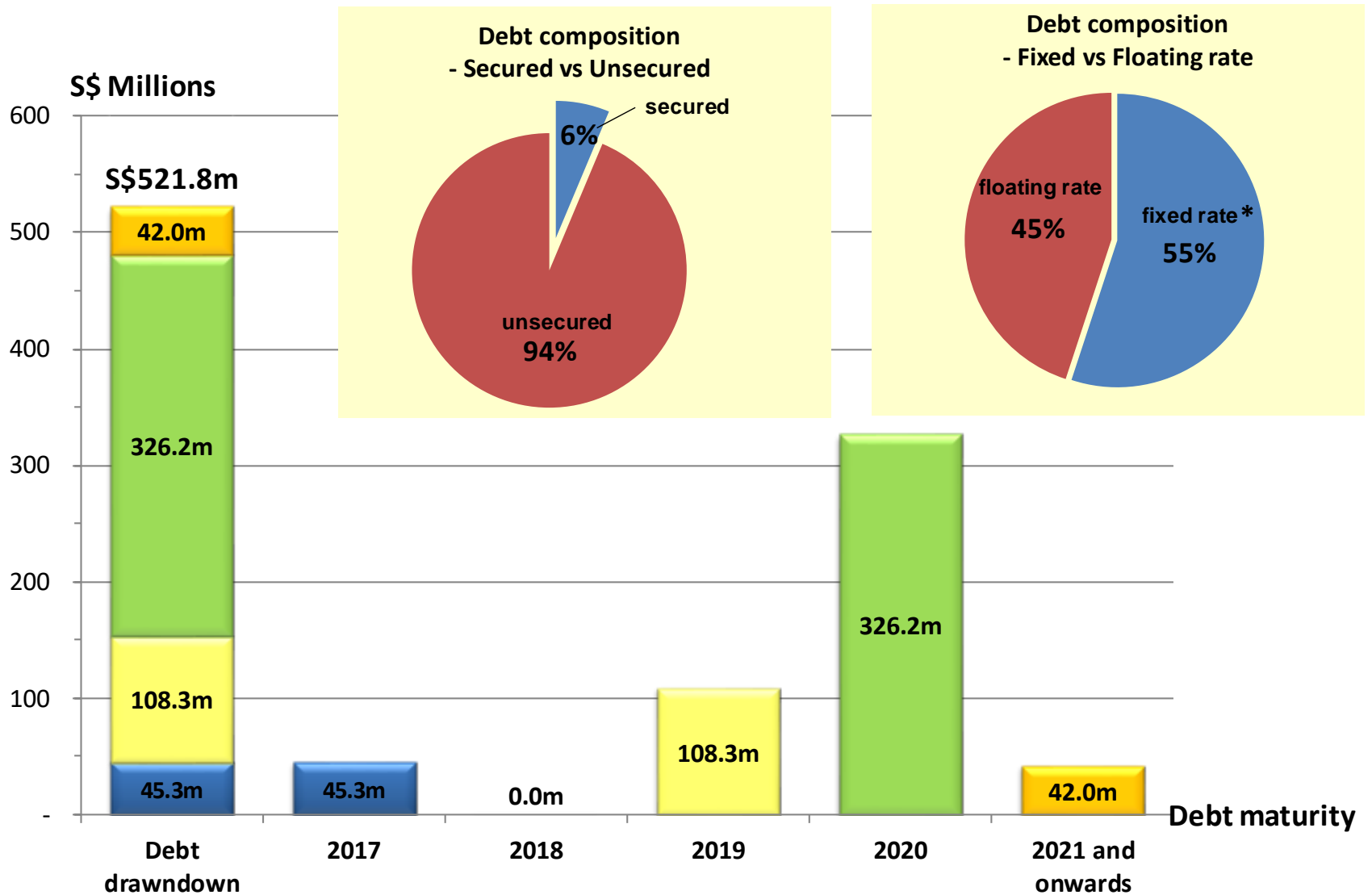
NL = The Netherlands
 PRC = The People's Republic of China
 PD = Property Development
 PH = Property Holding
 PF = Property Financing

2.9 Liquidity Management as at 30 September 2017



- Healthy balance sheet backed by S\$726.1m of cash, monetary loan receivables, unutilised committed bank facilities as at 30 September 2017. The Group also has a further S\$1 billion Multicurrency Debt Issuance Programme to tap on.
- In October 2017, the Group has secured an additional S\$75m revolving credit facility with a 4 year tenure.

2.10 Debt Maturity and Composition as at 30 September 2017



* Done via cross currency swaps

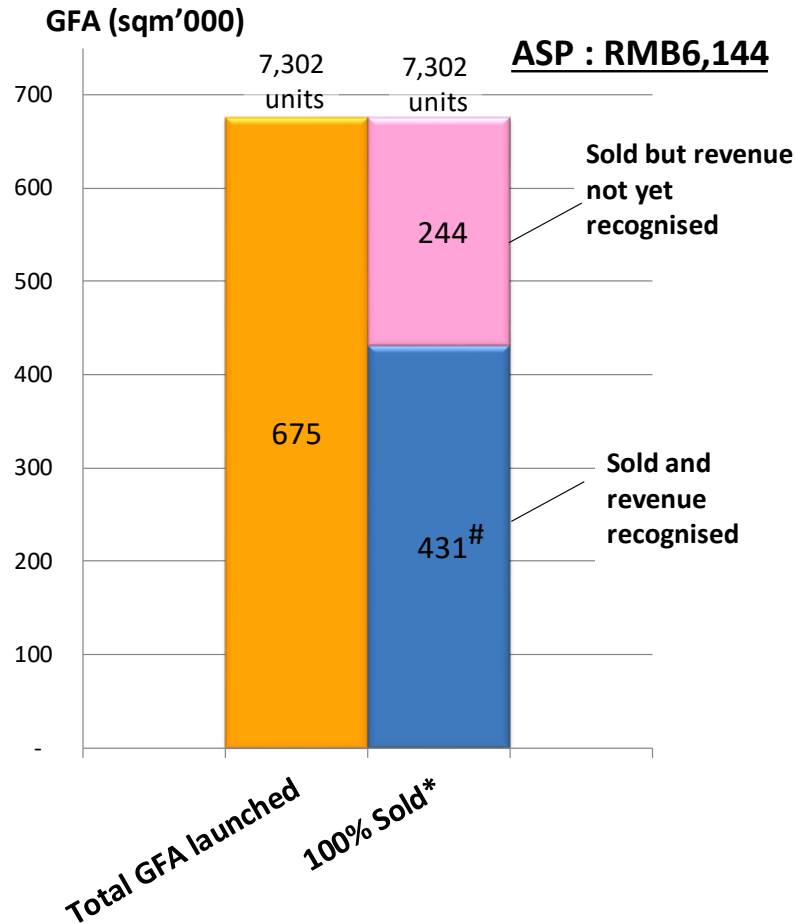
Section 3

Key Business Review 3Q2017 – Property Development

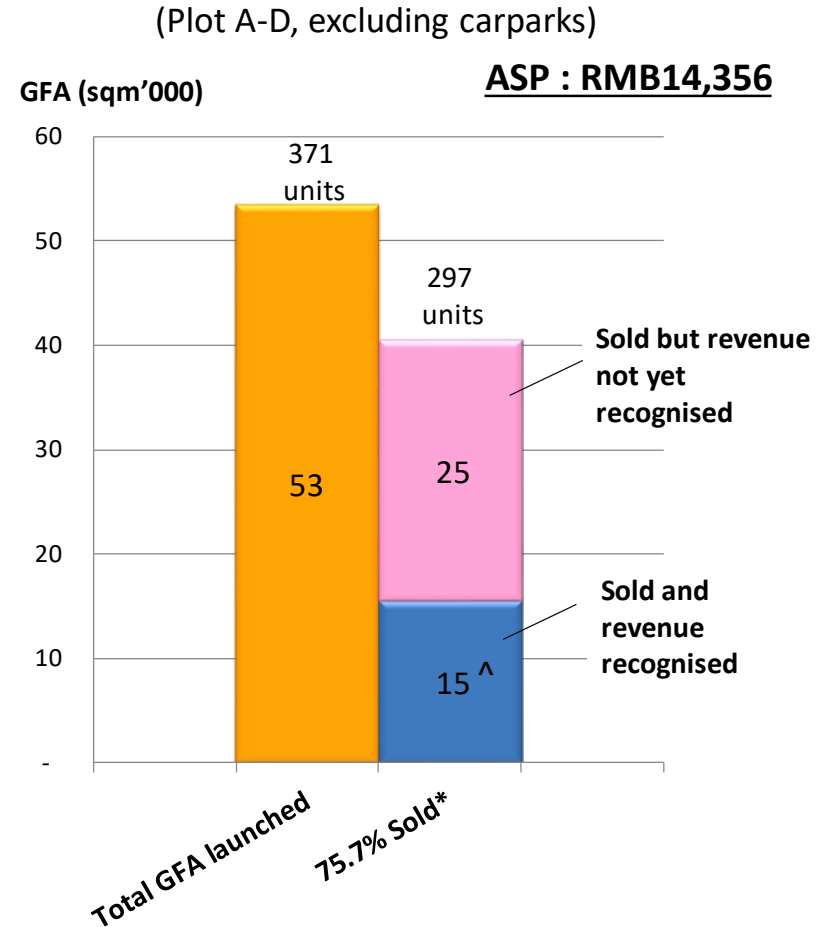
3.1 Property Development – Millennium Waterfront Project, Chengdu

Pre-sale Performance as at 30 September 2017

Overall Residential



Commercial



Residential : recognised 4,712 units, 430,974 sqm GFA, S\$535.7m gross sales value as at 30 September 2017.

^ Commercial : recognised 137 units, 15,412 sqm GFA, S\$47.5m gross sales value as at 30 September 2017.

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

3.1 Property Development – Millennium Waterfront Project, Chengdu

- All 7,302 residential units and 297 out of 371 commercial units within the residential development of the Millennium Waterfront project launched to-date had been sold as at 30 September 2017.
- In view of the current market conditions, the Group will carefully assess the development feasibility of Plot E and F, the remaining undeveloped plots of the Millennium Waterfront project, which are designated as commercial land.
- The Group will hand over the remaining residential units of Plot A in 4Q2017. Plot D is expected to be handed over in 4Q2018.



Plot D

3.1 Property Development – Millennium Waterfront Project, Chengdu

Plot A

- 2,000 residential units, 118 commercial units and 1,718 car park lots
- Pre-sales of residential units commenced in March 2015
- % of total saleable GFA launched for sale sold³ :
 - Residential: 100.0%
 - Commercial: 77.5%
- Cumulative handover of 893 residential and 25 commercial units as at 30 September 2017

Plot C

- 1,778 residential units, 91 commercial units and 1,508 car park lots
- Pre-sales of residential units commenced in January 2014
- % of total saleable GFA launched for sale sold³ :
 - Residential: 100.0%
 - Commercial: 64.1%
- Cumulative handover of 1,762 residential and 41 commercial units as at 30 September 2017

Plot D

- Construction work commenced in October 2016
- 1,274 residential units, 66 commercial units, 1,295 car park lots and two commercial blocks
- Pre-sales of residential units commenced in December 2016
- % of total saleable GFA launched for sale sold³ :
 - Residential: 100.0%
 - Commercial: 75.7%
- Expected to commence handover of residential units in 2018

Plot B

- 2,250 residential units, 96 commercial units, 1,905 car park lots and a three-storey commercial building
- Pre-sales of residential units commenced in November 2012
- % of total saleable GFA launched for sale sold³ :
 - Residential: 100.0%
 - Commercial: 82.5%
- Cumulative handover of 2,057 residential and 71 commercial units as at 30 September 2017

Plot E

Plot F

Plot G

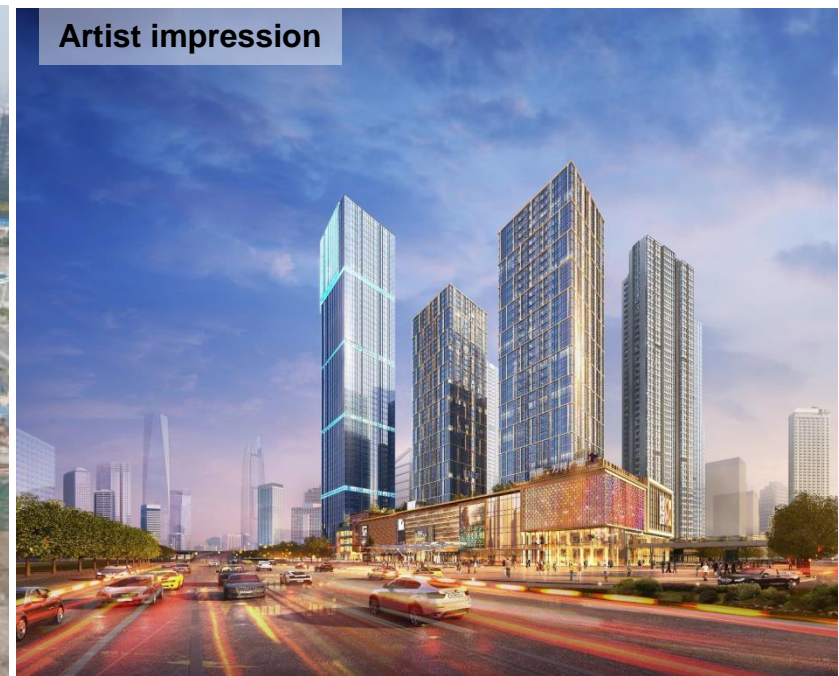
- Commencement of operations of Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels on 28 December 2016

Notes:

1. This diagram is not drawn to scale.
2. Based on artist's impression which may not be fully representative of the actual development.
3. As at 30 September 2017 and includes sales under option agreements or sale and purchase agreements, as the case may be.

3.2 Property Development – Star of East River Project, Dongguan

- All 272 residential units that were launched for sale in 3Q2017 were sold at approximately RMB25,900 psm within the first day of launch. These residential units are expected to be handed over in 4Q2018.
- Encouraged by the strong market demand, the Group is optimistic about the sales performance of the remaining 949 residential units which are expected to be launched for sale during the course of 2018.



3.3 Property Development – Dreeftoren, Amsterdam Southeast

Residential Development

- The Group had signed a conditional agreement with a Dutch residential fund for the sale of a residential block of approximately 268 apartments to be developed next to the Dreeftoren office building on a forward funding basis. With this, revenue and funding of the development are secured, thereby reducing the development risk of the project.
- The key conditions to be fulfilled are the successful re-zoning of the land site for this residential development and procurement of the building permit.

Office Redevelopment

- While both the residential and office redevelopment preparation works are ongoing, the property is generating positive cashflow after financing costs.



3.4 Property Development – Redevelopment of Boompjes, Rotterdam

- The building permit for the residential redevelopment of Boompjes has become irrevocable.
- 75% of the residential units were pre-sold on a forward funding basis and the remaining 25% will be launched for sale in 4Q2017.

Artist impression



Section 4

Key Business Review 3Q2017 – Property Holding

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

	Crowne Plaza	Holiday Inn Express
	YTD Sep 2017	YTD Sep 2017
Occupancy	30.4%	37.9%
ADR	RMB314	RMB212
RevPar	RMB95	RMB80

- Since commencement of operations in late December 2016, the two Wenjiang hotels have consistently achieved higher occupancy and ADR each quarter.
- The imminent opening of the hotspring facilities in late October 2017 will further complement the operations of the two hotels.



4.2 Property Holding – Bilderberg Portfolio



- On 2 August 2017, the Group has, through its 33% owned FSMC NL Property Group B.V., acquired a 95% equity stake in Queens Bilderberg (Nederland) B.V. (QBN) which owns the Bilderberg Portfolio in the Netherlands.

Portfolio value: €205.0m (*€125,500 per room*)

Acquisition yield: 6.5% based on FY2016 EBITDA

Key property statistics: 16 owned hotels (1,633 rooms) + 1 leased hotel (62 rooms)
13,661 sqm of conference space
49 F&B outlets (including 2 Michelin starred restaurants)

- The Bilderberg Portfolio is an exceptional mix of leading conference hotels and distinctive trophy assets, with a balance mix of leisure and commercial demand.

4.2 Property Holding – Bilderberg Portfolio



	YTD Sep 2017	YTD Sep 2017		
		5 Crown Hotels	11 Hotels with Potential	1 Leased Hotel
Rooms	1,695	763	870	62
EBITDA	€11.8m	€7.6m	€3.9m	€0.3m

Trading Performance	YTD Sep 2017	YTD Sep 2016	% Change
Occupancy	66.0%	62.8%	n.a.
ADR	€98	€95	3.8%
RevPar	€64	€60	8.1%
TrevPar	€131	€123	6.7%
EBITDA	€11.8m	€9.9m	<u>19.8%</u>

The Bilderberg Portfolio achieved 20% year to date EBITDA growth



Section 5

Key Business Review 3Q2017 – Property Financing

5.1 PRC Property Financing - Overview of Financial Performance

	Revenue (S\$m)	As a % of Group Revenue	Profit before tax (S\$m)	As a % of Group Profit before tax
3Q2017	5.4 ⁽¹⁾	8.4%	5.8	20.7%
3Q2016	0.8	1.0%	0.9	3.7%
YTD Sep 2017	7.2 ⁽¹⁾	3.5%	8.3	13.5%
YTD Sep 2016	4.2	2.5%	2.2 ⁽²⁾	4.2%

	Average Third Party Loan Balance for the quarter ended	Average Third Party Loan Balance for the year to date ended	Third Party Loan Balance as at
30 September 2017 ⁽³⁾	RMB690.4m (S\$140.9m)	RMB675.3m (S\$137.8m)	RMB650.0m (S\$133.2m)
30 September 2016 ⁽³⁾	RMB730.0m (S\$152.6m)	RMB761.0m (S\$159.1m)	RMB730.0m (S\$148.9m)

(1) The court has completed the foreclosure action for Loan 2.2 and the Group has recognised S\$4.3m of penalty interest accordingly in 3Q2017. The cumulative penalty interest of S\$47.1m (RMB230.7m) as at 30 September 2017 for the remaining defaulted loans has not been recognised.

(2) Net of S\$2.4m legal fee provision for the defaulted loan cases.

(3) Includes the defaulted loan cases.

5.2 Status of Problematic Loans

Case 1

- Case 1 relates to a defaulted loan of RMB170.0m for which the foreclosure procedures have been suspended pending the closure of the various alleged criminal cases involving the legal representative of the borrower. The court has granted penalty interest of 24% per annum from 21 December 2015 and 30.4% per annum from 5 August 2016 in favour of the Group.
- While the Group has secured a favourable court ruling in relation to penalty interest, due to the need to balance public interest arising from the criminal charges involving the legal representative of the borrower, the Group may have to compromise and accept a lower interest entitlement.

5.2 Status of Problematic Loans

Case 2

- The original defaulted loan exposure of RMB470 million has been reduced to RMB340 million with penalty interest amounting to RMB42.6* million and the associated RMB130 million principal loan repayment duly received.
- The auctions of the mortgaged properties for Loan 2.5 and 2.6 have been successfully completed on 11 October 2017, and the remaining auctions for Case 2 are expected to take place in the next quarter or beginning of 2018.
- Furthermore, the Group has placed caveats on the excess cash proceeds raised from the auction of certain properties of the corporate guarantors that were mortgaged to other third party lenders. This, together with the excess cash proceeds from the completed auction of those properties mortgaged to the Group, will act as an additional credit cushion for the recovery exercise of the remaining loans in Case 2.

* Comprises net penalty interest of S\$4.3m (RMB20.9m) recognised in 3Q2017.

5.3 Status of Problematic Loans – Summary

Loan No.	Date of First Disbursement	Date of Maturity	Principal (RMB'm)	Court	Status	Applicable Interest rate p.a. (%)	Loan to Value ratio (a) (%)	Interest yet to be Recognised (S\$m* net of VAT)	
								As of 30-9-2017	FY2017 Monthly
1	Case 1 In default when interest due was not received on 21-Dec-15.		170.0	Shanghai First Intermediate Court	Foreclosure procedures suspended pending criminal proceeding involving a legal representative of the borrower.	24% (30.4% from 5-Aug-16)	50.9% (Adj. LTV: 76.7%)	16.5	0.9
2.1	Case 2^(c) In default when interest due was not received on 21-Jan-16. All loans under Case 2 were cross-collateralized.		70.0		Foreclosure procedures commenced.	24% (30.4% from 4-Jan-17)	19.7% ^(b) (Adj. LTV: 29.0%)	6.1	0.4
2.2			-		Cash proceeds from the auction had been received.	-		0.9 ^(d)	-
2.4			64.0		Foreclosure procedures commenced.	24% (30.4% from 5-Dec-16)		5.7	0.3
2.5			60.0		Auction completed, pending payment by bidder and fund release from the court.	24% (30.4% from 28-Nov-16)		5.4	0.3
2.6			67.0		Shanghai Pudong New Area People's Court	24% (30.4% from 29-Nov-16)		6.0	0.3
2.7			29.0		Foreclosure procedures commenced.			2.6	0.1
2.8			50.0		Shanghai Second Intermediate Court	24.0%		3.9	0.2
Case 2 Subtotal			340.0					30.6	1.6
Total (Case 1 + Case 2)			510.0				47.1	2.5	

*RMB 1: S\$0.2041

(a) Adjusted LTVs include the cumulative unrecognised interest as of 30 September 2017.

(b) The LTV for Case 2 includes (i) the value of the guarantors' unencumbered assets with first preservation order of RMB1,033m; (ii) approx. RMB30m excess cash held by the court from the auction proceeds of the mortgaged properties under Loan 2.3; and (iii) approx. RMB60m excess cash held by the court from the auction proceeds of certain properties of the corporate guarantors for which the Group had also placed a caveat.

(c) Cash proceeds received from the foreclosure procedures for:

- Loan 2.3 – RMB70m loan principal and RMB19.5m of default interest collected in 1Q2017.
- Loan 2.2 – RMB60m loan principal and RMB23.2m of default interest collected in 3Q2017. Remaining default interest of RMB4.5m is yet to be settled.

(d) Remaining penalty interest yet to be received, pending the auction of 2 mortgaged residential units in Chengdu.

Thank You

Disclaimer

This document may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, customers and partners, expected levels of occupancy rate, property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.