

**First Sponsor Group Limited
Investor Presentation
25 July 2019**



Artist's impression
Plot F and E of Millennium Waterfront Project, Chengdu, the PRC

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Section 1

Key Message

Key Message

1. The Group achieved a net profit of S\$15.1 million in 2Q2019, a 24.7% quarter on quarter growth. This is the 18th quarterly growth out of 21 quarters of results that have been reported since the Group's IPO in July 2014.
2. The Board has approved an interim tax-exempt (one-tier) cash dividend of 1.1 Singapore cents per share for FY2019 which is a 10% increase in pay out from that of last year. Since its IPO in July 2014, the Group has steadily increased its total annual dividend pay out to shareholders in line with the good performance of the Group.
3. The first of six saleable residential apartment blocks in the 20.4%-owned Emerald of the Orient development project, Dongguan, obtained its pre-sale permit in late June 2019 with more than 95% of the saleable units being successfully sold within the first week of the pre-sale launch. The saleable units for the remaining five saleable residential apartment blocks will be launched for pre-sale when their respective pre-sale permits are obtained in the next few months.
4. On 20 May 2019, the Group completed the acquisition of a 60% equity stake in three adjacent plots of mixed used development land with a gross floor area ("GFA") of approximately 78,400 sqm in Chang'an, Dongguan and has since taken the lead in the management of the development project named The Pinnacle comprising approximately 607 residential apartments, 226 SOHO units and 3,000 sqm of retail space. The launch of the pre-sale of the predominately residential development project is expected to be in late 2019 / early 2020.

Key Message

5. Following the acquisition of the 60% equity stake in The Pinnacle, the Group and a wholly-owned subsidiary of China Poly Group, a PRC-based company listed on the Shanghai Stock Exchange with a market capitalisation of approximately S\$30.2 billion as of 14 June 2019, entered into a joint venture to develop three adjacent plots of mixed use development land in the southeast of Wanjiang district, Victory Community in Dongguan, which is in the vicinity of the Group's SOER project. The development project, in which the Group holds a 27% equity stake, has a total GFA of approximately 214,700 sqm which comprises approximately 134,000 sqm of residential GFA and 80,700 sqm of commercial / other GFA.
6. The Group is expecting to launch the pre-sale of the SOHO units in Plot F of Chengdu Millennium Waterfront in 3Q2019.
7. The newly developed Oliphant Amsterdam office, the net lettable area of which increased 50% to 21,160 sqm, is currently 98% leased (93% with signed lease agreements and 5% with a signed letter of intent) with a WALT of approximately 10.3 years. The Group is considering the sale of the Oliphant office property to its associated company, FSMC, to generate development profit while retaining a meaningful stake for future capital appreciation and recurrent income.
8. Over the course of 2019, the Group acquired the remaining sub-apartment rights of the mixed use building located in the CBD of Amsterdam named Meerparc. With full ownership of this strata-titled freehold building, the Group is well positioned to capitalise on any redevelopment opportunity.

Key Message

9. Development works for the 193-room Hampton by Hilton hotel, situated next to the Utrecht Central Station, the Netherlands, were completed and the hotel commenced operations on 17 June 2019. Development works for the 142-room Crowne Plaza hotel on the same site are expected to be completed in late 2019 / early 2020.
10. The Group increased its equity interest in the property ownership entity of the Hilton Rotterdam hotel from 24.7% to 33.0% in June 2019.
11. The Group has commenced the first phase of an extensive capital expenditure program for the recently acquired Westin Bellevue Dresden Hotel. New conference rooms will be added and more than 320 rooms of the 340-room hotel will be substantially refurbished in phases under the program which is expected to cost more than €12.0 million in total.
12. The mortgaged properties of the borrower under Case 1 defaulted loan were auctioned off successfully for approximately RMB235 million in June 2019. The Group has not recognized any interest income since the borrower's default in December 2015. As the Shanghai court had previously ruled that the Group has first priority ranking in respect of the net auction proceeds, the Group will work with the Shanghai court to enforce the court judgment, after taking into account any public interest.

Key Message

13. The PRC property financing loan book stood at approximately RMB2.1 billion as at 30 June 2019. Following the Group's entry into Australia through the disbursement by its 50:50 joint venture with Tai Tak of an A\$50.0 million loan secured on an income producing prime property located in Melbourne in late 2018, the Group is keen to increase its exposure to the property market in the key cities of Australia which may be by way of property financing including hybrid forms of financing with an option for equity participation. The Group will continue to grow its property financing business in the PRC and Australia in a prudent manner.
14. With the successful completion of the Group's second rights issue in May 2019, the Group has further strengthened its balance sheet and is ready to capitalise on good business opportunities in the Netherlands, Germany, the PRC and Australia for further growth and expansion.

Section 2 **Financial Highlights**

2.1 Statement of Profit or Loss - Highlights

Statement of Profit or Loss - Highlights

In S\$'000	2Q2019	2Q2018	Change %	1H2019	1H2018	Change %
Revenue	79,435	44,112	80.1%	124,775	91,916	35.7%
Gross profit	53,997	27,878	93.7%	86,359	58,534	47.5%
Profit before tax	29,770	15,662	90.1%	61,843	37,556	64.7%
Attributable profit ⁽¹⁾	15,053	12,073	24.7%	38,857	29,195	33.1%
Basic EPS (cents)	1.86	1.66	12.0%	5.35	4.30	24.4%
Diluted EPS (cents) ⁽²⁾	1.67	1.57	6.4%	4.58	4.12	11.2%
Interest cover ⁽³⁾	22.2x	n.m ⁽⁴⁾	n.a.	19.7x	n.m ⁽⁴⁾	n.a.

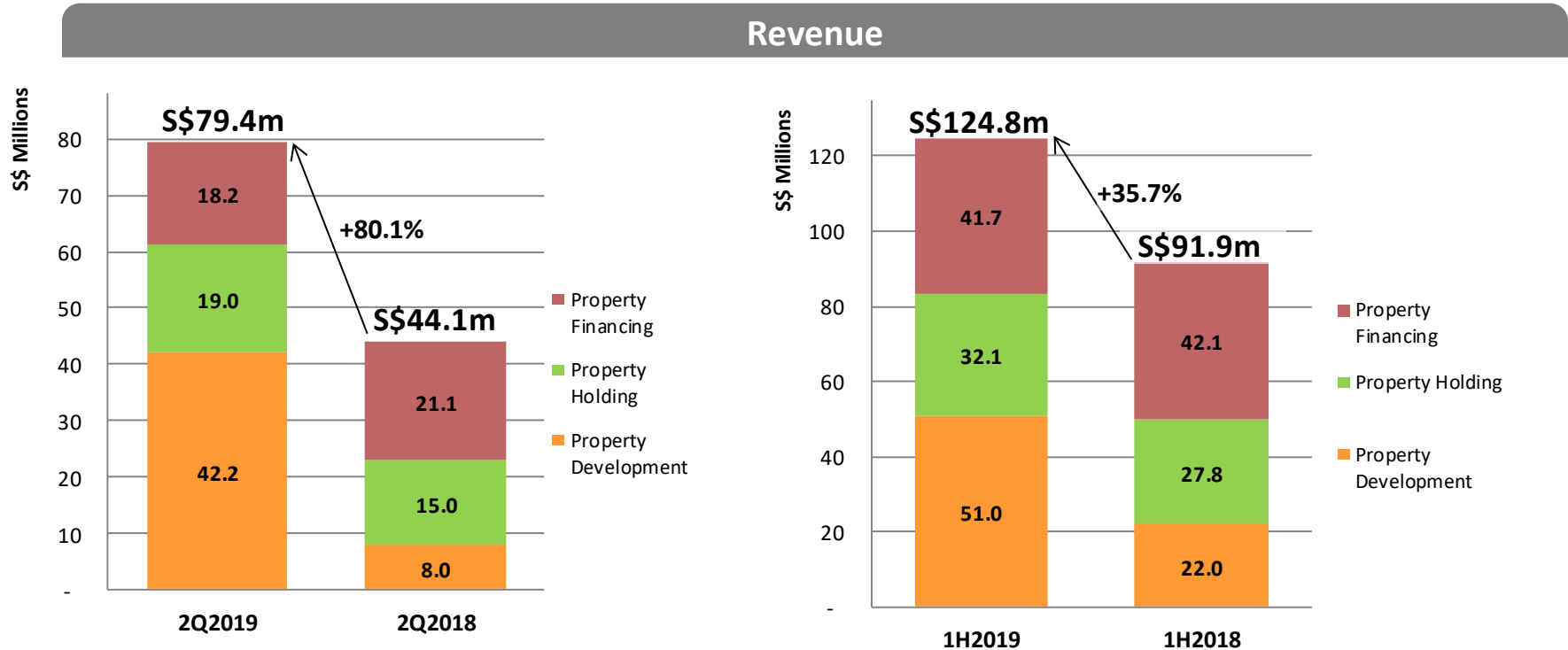
(1) "Attributable profit" refers to profit attributable to equity holders of the Company.

(2) Dilutive effect arising from assumed conversion of all perpetual convertible capital securities and exercise of all warrants.

(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 increase was due mainly to higher number of commercial units handed over for the Millennium Waterfront project (2Q2019: 100 units vs 2Q2018: 1 unit).

Property Holding

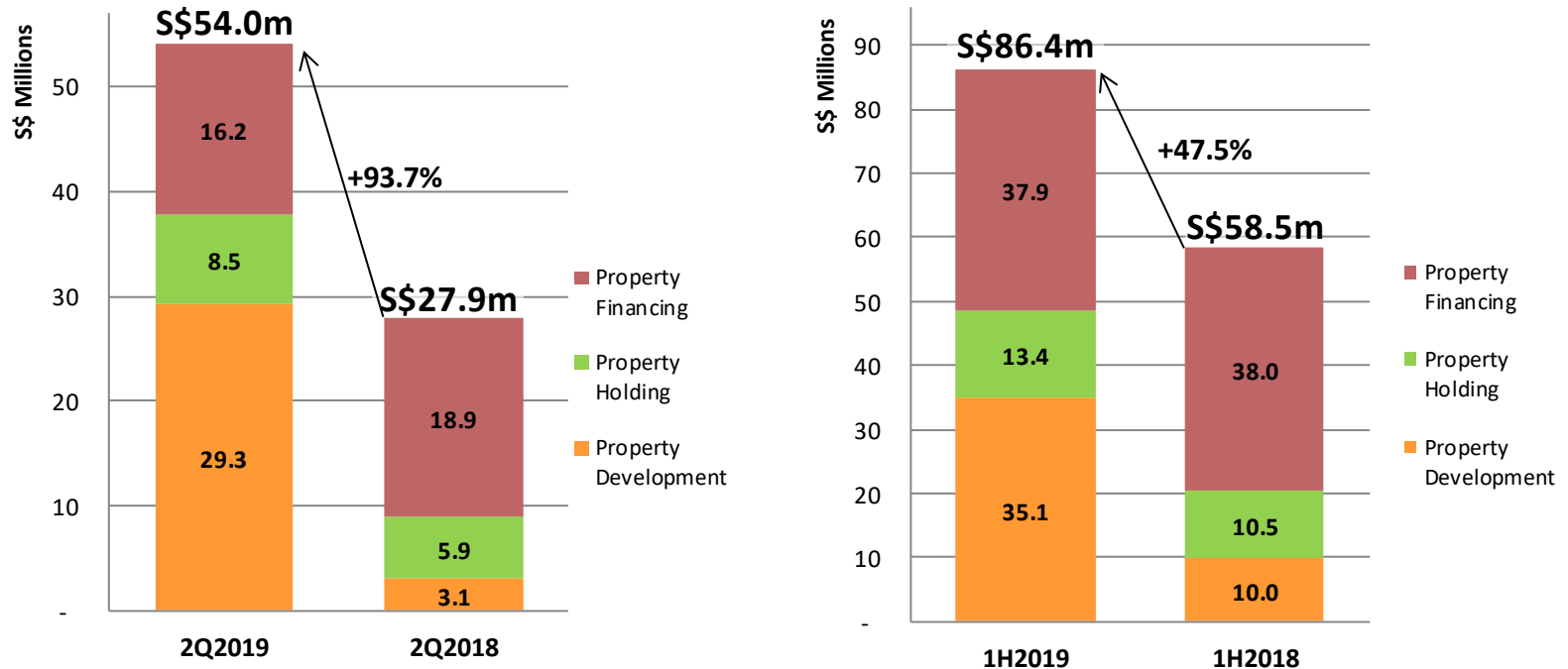
The increase in 2Q2019 was due mainly to full quarter revenue contribution from newly acquired Westin Bellevue Dresden Hotel.

Property Financing

The decrease in 2Q2019 was due to the absence of one-off penalty interest income of S\$5.1m which was recognised in 2Q2018, partially offset by income from a larger loan portfolio.

2.3 Statement of Profit or Loss – Gross Profit

Gross Profit



Property Development

The increase was due mainly to higher number of commercial units handed over for the Millennium Waterfront project (2Q2019: 100 units vs 2Q2018: 1 unit).

Property Holding

The increase in 2Q2019 was due mainly to full quarter revenue contribution from newly acquired Westin Bellevue Dresden Hotel.

Property Financing

The decrease in 2Q2019 was due to the absence of one-off penalty interest income of S\$5.1m which was recognised in 2Q2018, partially offset by income from a larger loan portfolio.

2.4 European Property Portfolio Performance

In S\$'000	2Q2019	2Q2018	Change %	1H2019	1H2018	Change %
Dutch office income	4,437	5,296	(16.2%)⁽³⁾	10,510	10,854	(3.2%)
European hotel income	13,435	13,474	(0.3%)	16,562	17,217	(3.8%)
- Operating hotels ⁽¹⁾	10,535	10,472	0.6% ⁽⁴⁾	10,840	11,372	(4.7%)
- Leased hotels ⁽²⁾	2,900	3,002	(3.4%) ⁽⁵⁾	5,722	5,845	(2.1%)
Total	17,872	18,770	(4.8%)	27,072	28,071	(3.6%)

(1) Includes the Bilderberg Portfolio, Hilton Rotterdam hotel and Westin Bellevue Dresden hotel.

(2) Includes the Le Méridien Frankfurt hotel and Arena Towers Amsterdam (Holiday Inn/Holiday Inn Express).

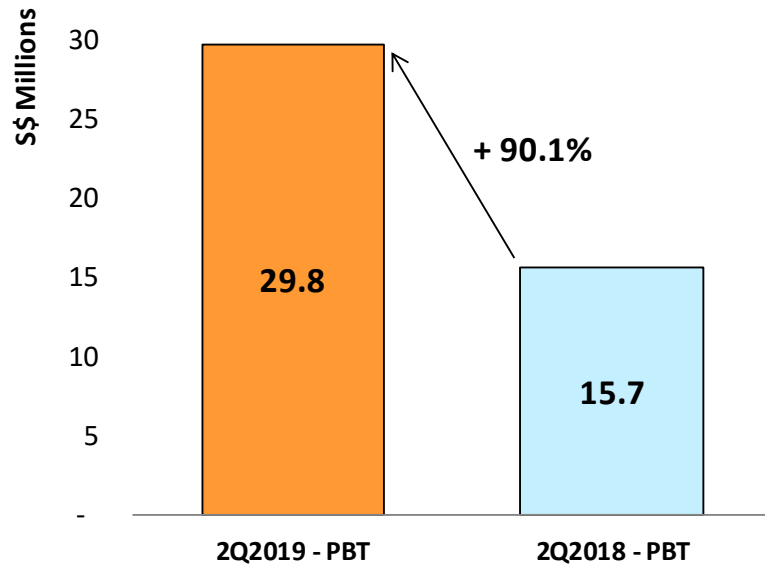
(3) Due mainly to one-off agent fees incurred from the leasing of Oliphant Amsterdam, offset by the increase in income contribution from the Munthof Amsterdam which has completed its redevelopment in January 2019, and higher rent contribution arising from higher occupancy of the Mondriaan Tower Amsterdam. The development of Oliphant Amsterdam has been completed and is expected to contribute to the income of the Group's European property portfolio from 2H2019.

(4) Due mainly to the additional income contribution from the recently acquired Westin Bellevue Dresden Hotel offset by disposal of 5 hotels in the Bilderberg hotel portfolio and the softening of the Dutch hospitality market during the quarter, which was partly attributable to the increase in VAT rate from 6% to 9% for hotel rooms and F&B business since 1 January 2019.

(5) Due to the weakening of EUR against S\$.

Excluding Dreeftoren Amsterdam, the Dutch office portfolio and European leased hotels (LFA: 147,000 sqm, occupancy of 87%) have a WALT of approximately 9.6 years.

2.5 Statement of Profit or Loss – 2Q2019 vs 2Q2018

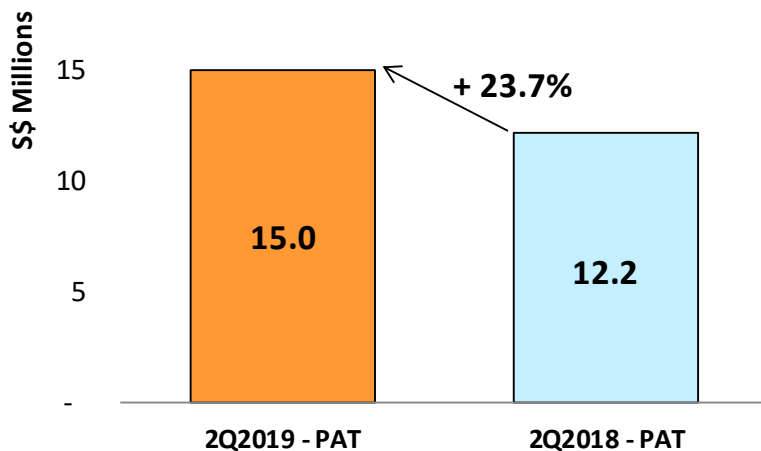


The increase in profit before tax was due mainly to:

- Higher gross profit contributions from the property development and property holding business segments [S\$28.9m increase]

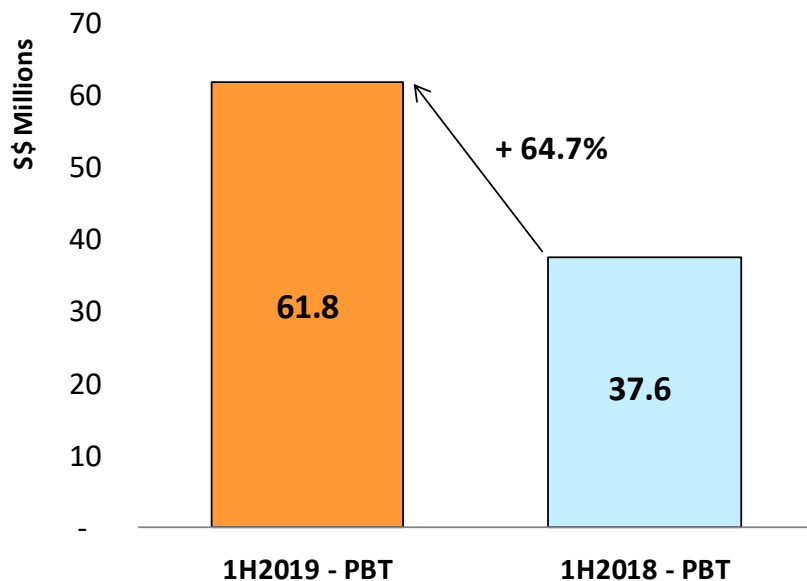
The increase was partially offset by:

- Lower gross profit contribution from the property financing business segment [S\$2.7m decrease]
- Higher fair value loss (net) on cross-currency swaps net of foreign exchange gain [S\$8.9m increase]
- One-off hotel pre-opening expenses and hotel base stock costs written off [S\$1.0m increase]
- Lower net finance income [S\$1.8m decrease]



The adjusted effective tax rate was 23.9% for 2Q2019.

2.6 Statement of Profit or Loss – 1H2019 vs 1H2018

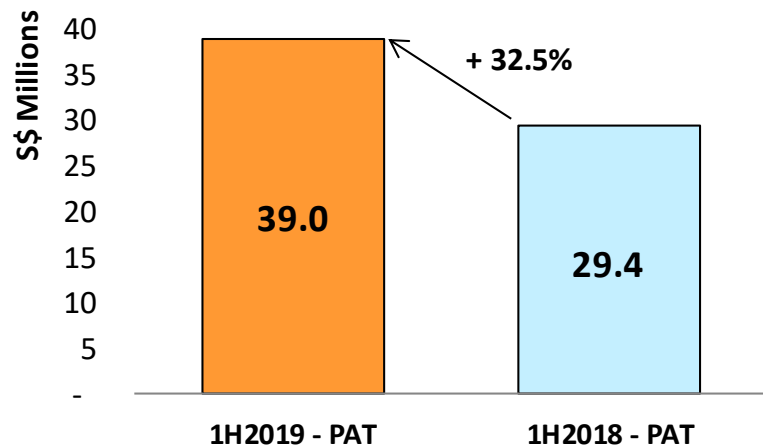


The increase in profit before tax was due mainly to:

- Higher gross profit contributions from the property development and property holding business segments [S\$28.0m increase]
- Higher share of after-tax profit from associates and joint ventures [S\$9.0m increase]

The increase was partially offset by:

- Higher fair value loss (net) on cross-currency swaps net of foreign exchange gain [S\$6.2m increase]
- One-off hotel pre-opening expenses and hotel base stock costs written off [S\$1.1m increase]
- Lower net finance income [S\$3.8m decrease]



The adjusted effective tax rate was 25.1% for 1H2019.

2.7 Statement of Financial Position – Highlights

Statement of Financial Position - Highlights			
In S\$'000	30-Jun-19	31-Mar-19	Change %
Total assets	2,780,108	2,669,682	4.1%
Cash and structured deposits ⁽¹⁾	257,875	326,204	(20.9%)
Contract liabilities	115,647	161,196	(28.3%)
Total debt ⁽²⁾	737,935	795,572	(7.2%)
Net asset value (NAV) ⁽³⁾	1,471,230	1,342,130	9.6%
NAV per share (cents)	185.04	205.38	(9.9%)
Adjusted NAV per share (cents) ⁽⁴⁾	156.33	168.62	(7.3%)
Gearing ratio ⁽⁵⁾	0.32x	0.35x	n.a.

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

(2) Comprises gross borrowings of S\$745.5m and S\$804.3m net of unamortised upfront fee of S\$7.6m and S\$8.7m for 30 June 2019 and 31 March 2019 respectively.

(3) NAV includes Series-2 perpetual convertible capital securities ("Series-2 PCCS") of S\$146.5m (Mar 2019: Series-1 PCCS of S\$156.1m) and translation reserve of S\$0.7m (Mar 2019: S\$21.4m), and excludes non-controlling interests.

(4) Represents NAV per share adjusted for the full conversion of Series-2 PCCS and exercise of all warrants to ordinary shares.

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

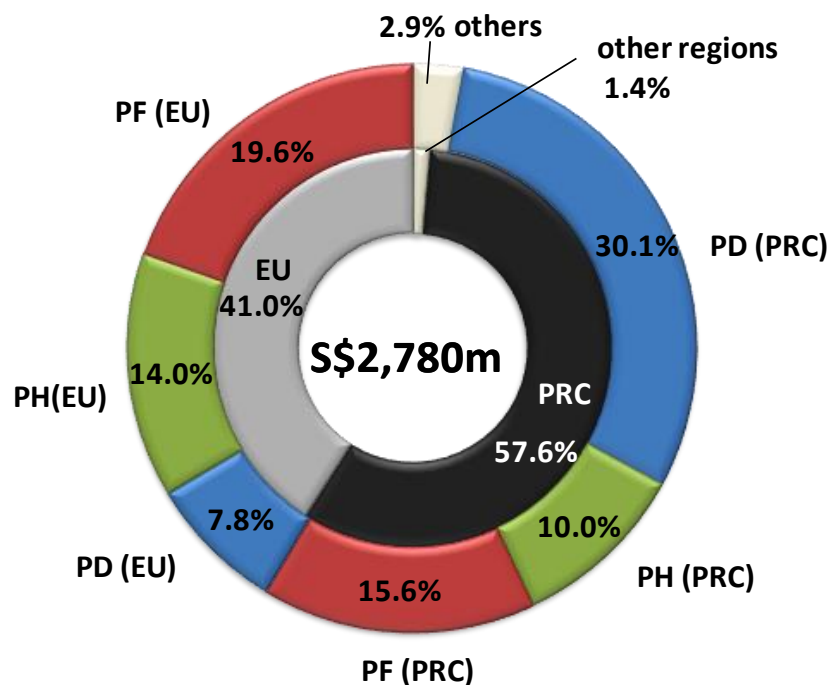
Net debt = gross borrowings – cash and structured deposits.

2.8 Statement of Financial Position - Total Assets

Total Assets – by business and geographic segments

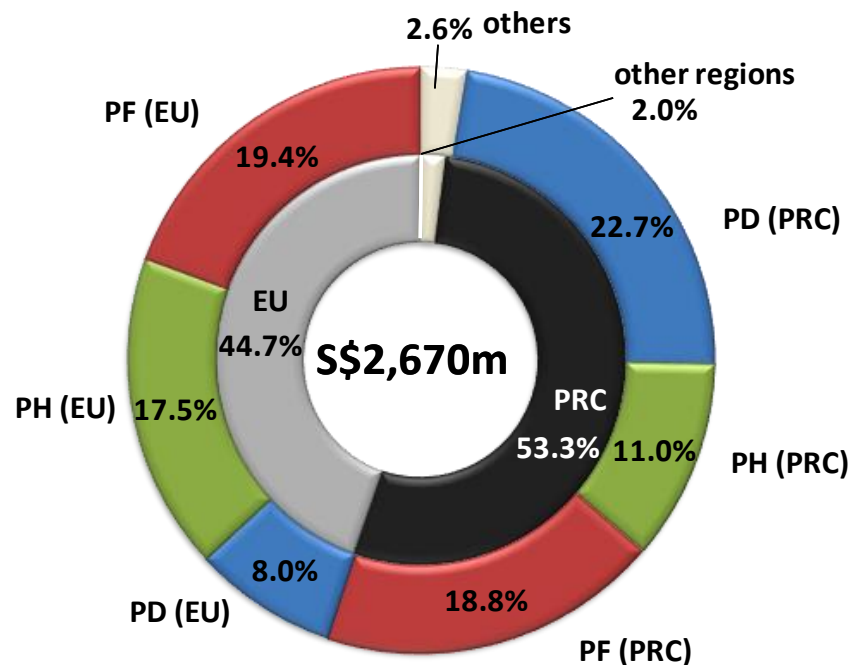
As at 30 June 2019

Total assets: S\$2,780m



As at 31 March 2019

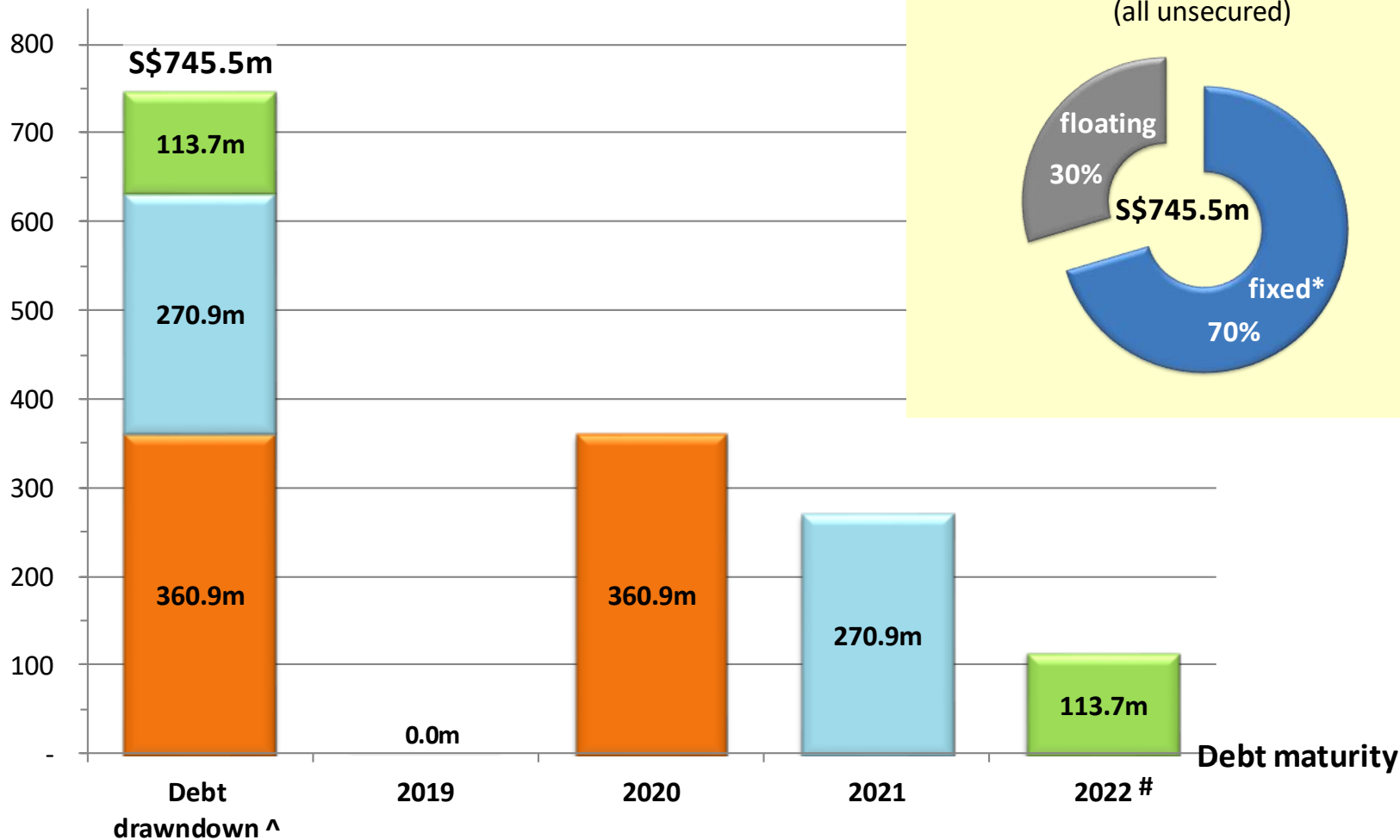
Total assets: S\$2,670m



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

2.9 Debt Maturity and Composition as at 30 June 2019

S\$ Millions



* Done via cross currency swaps.

^ Available remaining headroom of S\$261.4m comprises mainly committed credit facilities.

Section 3

Key Business Review 2Q2019 – Property Development

3.1 Property Development – Plot F, Millennium Waterfront Project, Chengdu

- The loft SOHO units are expected to be launched for pre-sale in 3Q2019.



Plot F

- To comprise 15 floors of 807 loft SOHO units (49,350 sqm) and over 25,000 sqm of commercial and retail space including F&B/restaurants, cinema and supermarket, as well as 806 car park lots.

Current stage of construction



3.1 Property Development – Plot F/E, Millennium Waterfront Project, Chengdu

Plot F

- 15 floors of 807 loft SOHO units (49,350 sqm)
- 4 floors of F&B/restaurants (9,734 sqm)
- 3 floors of commercial/retail (2,084 sqm)
- 2 floors of cinema/retail (7,787 sqm)
- 1 floor of supermarket/retail (5,615 sqm)
- 806 car park lots

Plot E

- Expected to comprise:
- Three blocks of approx. 2,900 SOHO units and a elder care centre of total 304,300 sqm including a hospital building (69,500 sqm)
 - 91,800 sqm of commercial/retail space
 - 3,200 car park lots



This diagram is not drawn to scale.

Based on artist's impression which may not be fully representative of the actual development.

3.2 Property Development – Star of East River Project, Dongguan

Residential Blocks

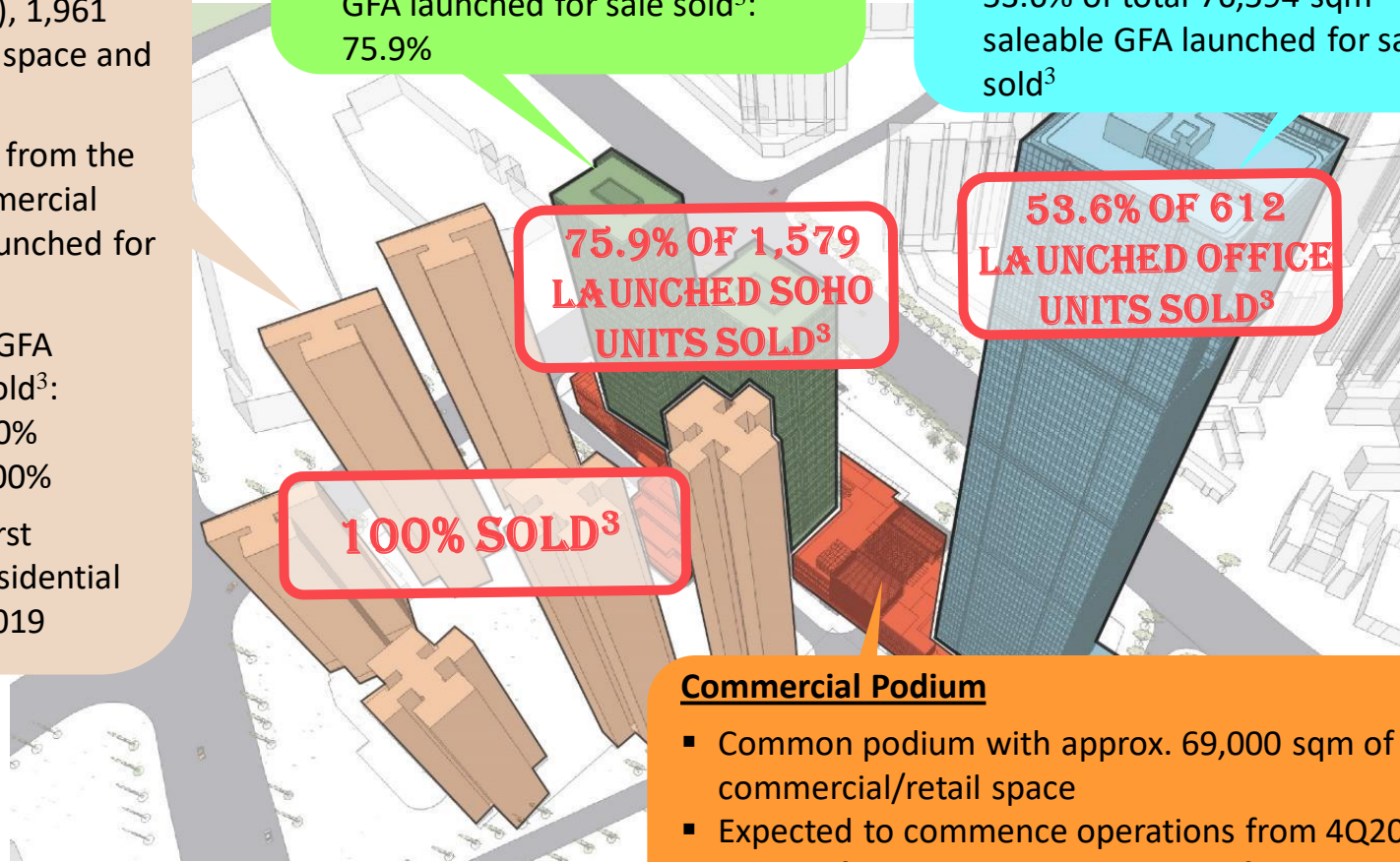
- Six blocks of 1,221 residential units (132,000 sqm), 1,961 sqm of commercial space and 1,201 car park lots
- All residential units from the six blocks and commercial space have been launched for sale
- % of total saleable GFA launched for sale sold³:
 - Residential : 100%
 - Commercial : 100%
- Commenced the first handover of two residential blocks in January 2019

SOHO Blocks

- Two blocks of 2,328 SOHO units (75,000 sqm)
- % of total 50,962 sqm saleable GFA launched for sale sold³: 75.9%

Office Block

- 250m high office tower block with approx. 102,000 sqm of office space
- 53.6% of total 76,594 sqm saleable GFA launched for sale sold³



**75.9% OF 1,579
LAUNCHED SOHO
UNITS SOLD³**

**53.6% OF 612
LAUNCHED OFFICE
UNITS SOLD³**

100% SOLD³

Commercial Podium

- Common podium with approx. 69,000 sqm of commercial/retail space
- Expected to commence operations from 4Q2019
- 73.5% of total 31,000 sqm lettable floor area is pre-leased as at 30 June 2019

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 June 2019 and includes sales under option agreements or sale and purchase agreements, as the case may be.

3.3 Property Development – Emerald of the Orient, Dongguan



High-rise Residential Blocks

- Six blocks of 1,076 residential units (120,300 sqm), including 222 units to be kept for a minimum holding period of 5 years as per land tender conditions, and 973 car park lots
- One block obtained its pre-sale permit in late June 2019 with more than 95% of the saleable units being sold within the first week of the pre-sale
- The saleable units for the remaining five blocks will be launched for pre-sale upon obtaining the pre-sale permits in the next few months

Others

- Approx. 89,500 sqm to be built for the municipal comprising office, residential, kindergarten and other general amenities as per the land tender conditions

Residential Villa Cluster

- 168 residential villas (24,700 sqm), including 31 villas to be kept for a minimum holding period of 5 years as per land tender conditions
- All 137 saleable villas are fully sold

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 June 2019 and includes sales under option agreements or sale and purchase agreements, as the case may be. % sold excludes units to be kept for minimum holding period of 5 years after the housing title certificates have been obtained.

3.4 Property Development – The Pinnacle, Dongguan

SOHO Cluster

- Comprises 226 SOHO units (8,900 sqm)
- Expected to be launched for pre-sale in phases from late 2019 / early 2020

High-rise Residential Blocks

- Eight blocks of 607 residential units (63,500 sqm) and approx. 412 car park lots
- Expected to be launched for pre-sale in phases from late 2019 / early 2020



Ground Level Retail:

- Approx. 3,000 sqm of retail space located at ground level of residential and SOHO blocks

Others

- Approx. 3,000 sqm of public amenities including a kindergarten (1,900 sqm)

Based on artist's impression which may not be fully representative of the actual development.
This diagram is not drawn to scale.

3.5 Property Development – Wanjiang Victory Land, Dongguan

- Following the acquisition of the 60% equity stake in The Pinnacle, the Group entered into a joint venture to develop three adjacent plots of mixed used development land in the southeast of Wanjiang District, Victory Community in Dongguan, which is in the vicinity of the Group's SoER project.
- The Group is excited to team up with a new joint venture partner which is a wholly-owned subsidiary of Poly Developments and Holdings Group Co., Ltd., a PRC-based company listed on the Shanghai Stock Exchange with a market capitalisation of approximately S\$30.2 billion as of 14 June 2019.
- The site is situated approximately 0.6km and 1.9km away from the Group's Star of East River and Emerald of the Orient projects respectively.
- The development project, in which the Group holds a 27% equity stake, has a total GFA of approximately 214,700 sqm which comprises approximately 134,000 sqm of residential GFA and 80,700 sqm of commercial / other GFA.

3.5 Property Development – Wanjiang Victory Land, Dongguan

Wanjiang Victory Land

- Site area : 42,343 sqm
- Land price : RMB3.0 billion
- Saleable GFA: up to approx. 208,000 sqm (residential 64% / commercial 36%)
excludes 6,700 sqm of public amenities

Emerald of the Orient

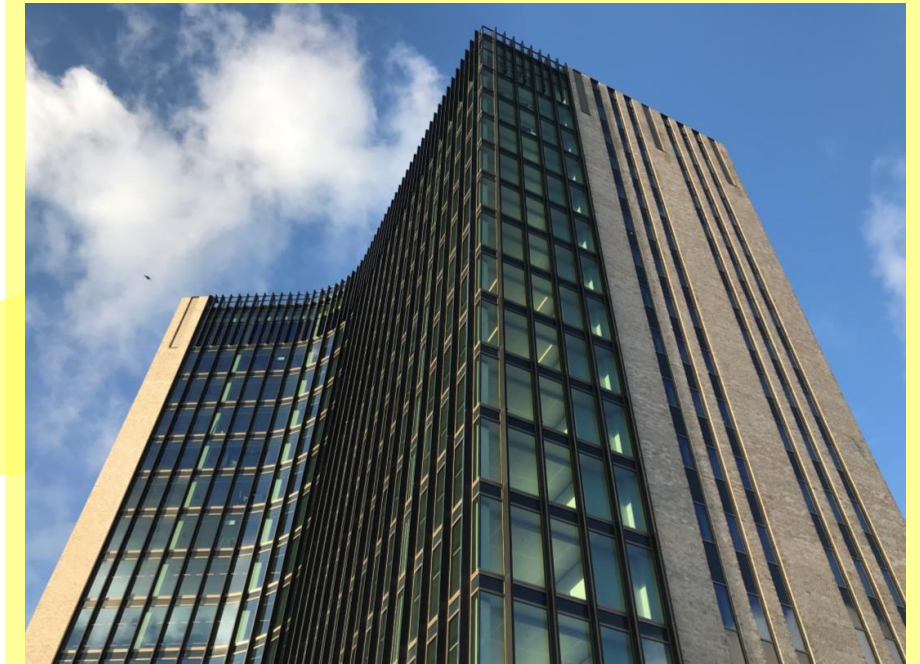


Star of East River



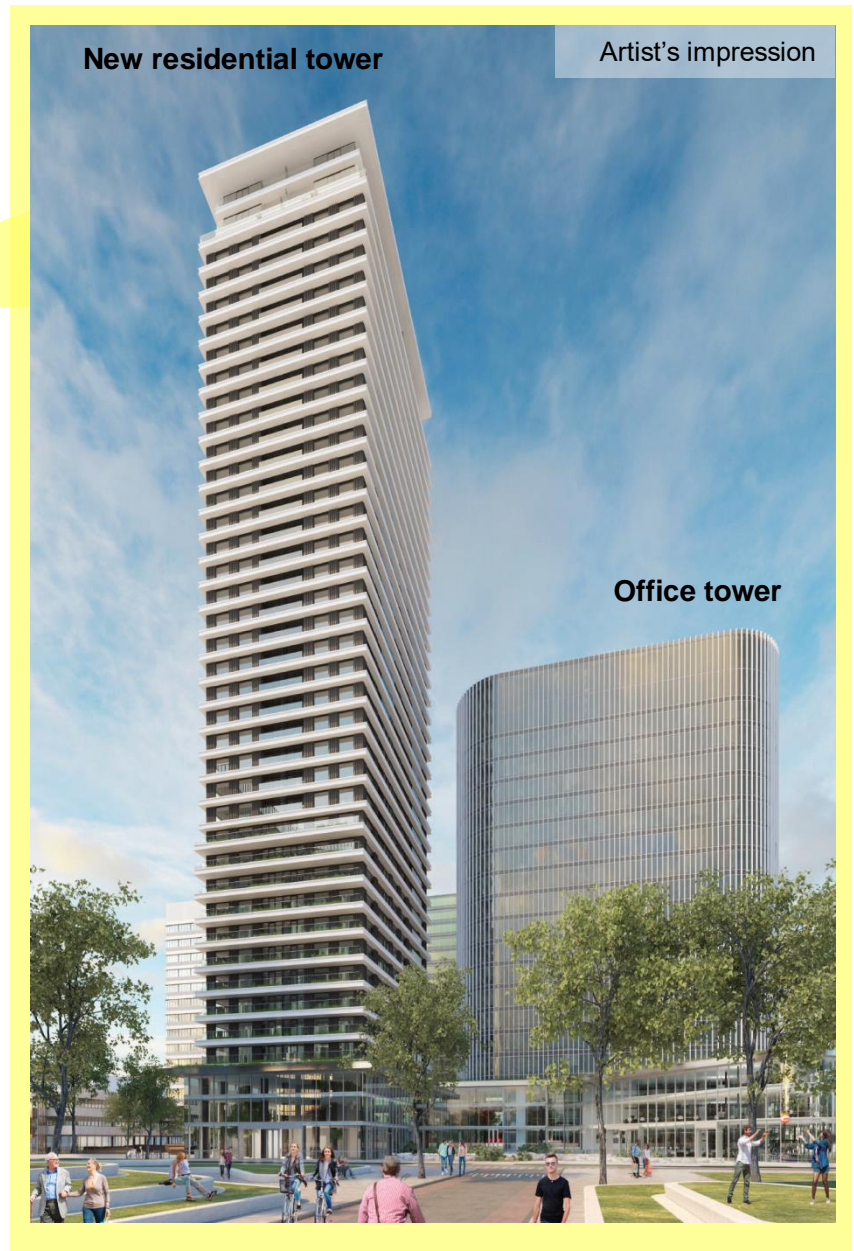
Dongguan Municipality office

3.6 Property Development – Oliphant, Amsterdam Southeast



- The newly developed Oliphant Amsterdam office, the net lettable area of which increased 50% to 21,160 sqm, is currently 98% leased (93% with signed lease agreements and 5% with a signed letter of intent) with a WALT of approximately 10.3 years.
- The Group is considering the sale of the Oliphant office property to its associated company, FSMC, to generate development profit while retaining a meaningful stake for future capital appreciation and recurrent income.

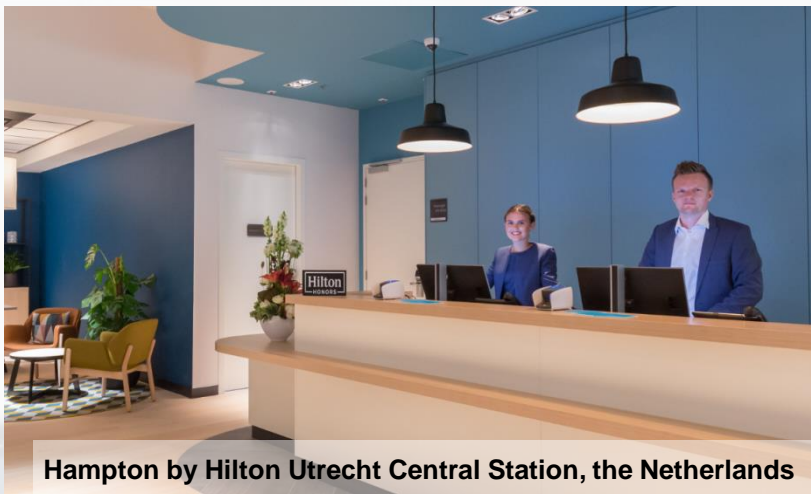
3.7 Property Development – Dreeftoren, Amsterdam Southeast



- The Group is at an advanced stage to apply for
 - a building permit to refurbish and increase the net lettable area of the Dreeftoren Amsterdam office by approximately 74% to 15,272 sqm; and
 - a building permit to develop a new residential tower with approximately 312 apartments next to the office building.

3.8 Property Development – Utrecht Hotels

- Development works for the 193-room Hampton by Hilton hotel, situated next to the Utrecht Central Station, the Netherlands, were completed and the hotel commenced operations on 17 June 2019.
- Development works for the 142-room Crowne Plaza hotel on the same site are expected to be completed in late 2019 / early 2010.
- The completion of the Utrecht hotels will further expand the recurrent income base of the Group's European property portfolio.



Hampton by Hilton Utrecht Central Station, the Netherlands



Poortgebouw Hoog Catharijne at Utrecht, the Netherlands which houses the Group's Crowne Plaza and Hampton by Hilton hotels

3.8 Property Development – Hampton by Hilton Utrecht Central Station



Section 4

Key Business Review 2Q2019 – Property Holding

4.1 Property Holding – Wenjiang Hotels



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

- The Wenjiang hotels continue to achieve profit growth with a 4% increase in GOP for 2Q2019 .



4.2 Property Holding – Hilton Rotterdam and Westin Bellevue Dresden hotels



Hilton Rotterdam

- Despite the overall softening of the Dutch hospitality market which was partly attributable to the increase in VAT rate from 6% to 9% for hotel rooms and F&B business since 1 January 2019, the Hilton Rotterdam hotel recorded only a slight decrease of 3% in GOP.



Westin Bellevue Dresden

- The Group has commenced the first phase of an extensive capital expenditure program for the recently acquired Westin Bellevue Dresden Hotel. New conference rooms will be added and more than 320 rooms of the 340-room hotel will be substantially refurbished in phases under the program which is expected to cost more than €12.0 million in total. While ongoing capital expenditure works are expected to cause a short term negative impact to hotel trading, the Group is confident that the substantial makeover of the hotel will have a long term positive impact on performance.

4.3 Property Holding – Bilderberg Hotel Portfolio in The Netherlands



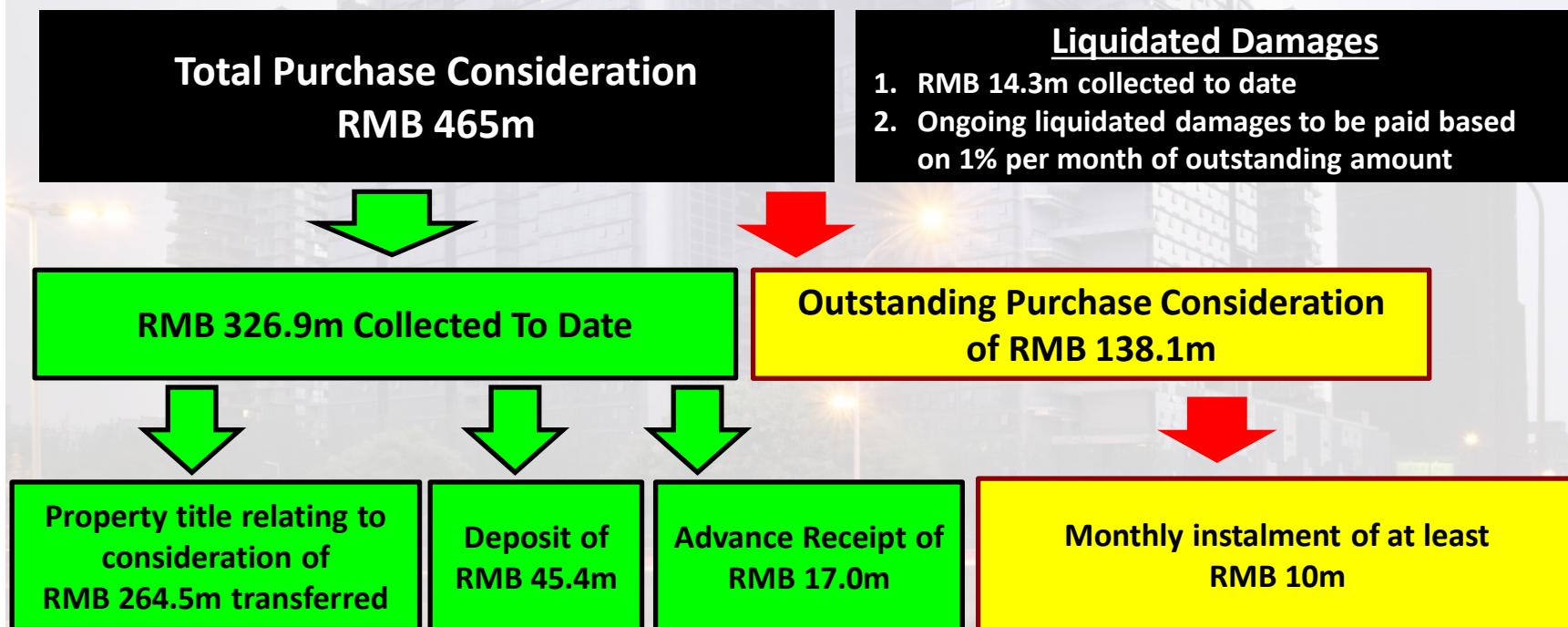
Bilderberg Hotel Portfolio (1)	2Q2019	2Q2018 (restated)	Change	1H2019	1H2018 (restated)	Change
Occupancy	76.2%	78.2%	(2.0%)	66.2%	68.2%	(2.0%)
ADR	€ 115	€ 112	2.8%	€ 107	€ 106	0.5%
RevPar	€ 88	€ 88	0.2%	€ 71	€ 73	(2.4%)
TRevPar	€ 158	€ 158	(0.2%)	€ 131	€ 135	(2.3%)

(1) The trading results of Bilderberg Hotel Portfolio comprises 11 owned hotels and one leased hotel. The prior period comparatives have been restated to conform with such presentation.

- Despite an overall softening of the Dutch hospitality market which was partly attributable to the increase in VAT rate from 6% to 9% for hotel rooms and F&B business since 1 January 2019, the Bilderberg portfolio managed to achieve a marginal improvement in RevPar, but a slight decrease in TRevPar.
- The hotel portfolio recorded a 5% decrease in GOP due mainly to increase in energy cost.
- With the approval of the works council, the Bilderberg head office has been completely restructured and a substantial part of the head office operations has been absorbed by the Event hotel management platform, thereby achieving some savings in overheads with effect from 3Q2019.

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

- The Group had entered into a sale and purchase agreement on 30 May 2018 and subsequent various supplemental agreements¹ in relation to the disposal of certain parts of Chengdu Cityspring, including the 196-room M Hotel Chengdu, bare shell commercial spaces and basement car park lots, for a total cash consideration of approximately RMB465.0 million (approx. S\$93.3 million).
- The diagram below summarises the current status.



¹ Reference is made to the announcements dated 30-May-18, 12-Jul-18, 25-Sept-18, 23-Nov-18, 28-Jan-19 and 22 May 2019.

Section 5

Key Business Review 2Q2019 – Property Financing

5.1 Property Financing - Overview of Financial Performance

In S\$'000	2Q2019	2Q2018	Change %	1H2019	1H2018	Change %
Secured PRC PF loans to third parties						
- interest	8,961	2,525	254.9%	20,173	3,735	440.1%
- penalty interest	-	5,056	n.m.	-	12,729	n.m.
Unsecured PF loans to the Group's members						
- European associates and JV ⁽¹⁾	8,389	9,025	(7.0%)	16,727	16,999	(1.6%)
- Star of East River Project Co ⁽²⁾	-	3,794	n.m.	3,096	7,554	(59.0%)
- Dongguan East Sun Limited ⁽³⁾	-	386	n.m.	-	769	n.m.
Others	815	261	n.m.	1,675	334	n.m.
Total Revenue from PF	18,165	21,047	(13.7%)	41,671	42,120	(1.1%)
Share of interest income from secured Australian PF loan by Group's members to 3rd parties ^{(1),(4)}	298	-	n.m.	595	-	n.m.

(1) Relates to non-PRC property financing business

(2) Repaid in March 2019

(3) Repaid in October 2018

(4) Income recognised through share of joint venture's profit

5.2 Property Financing - PRC PF Loan Book

	Average PRC PF loan book ⁽¹⁾ for the quarter ended	Average PRC PF loan book ⁽¹⁾ for the year to date ended	PRC PF loan book ⁽¹⁾ as at
30 June 2019	RMB1,880.4m (S\$376.6m)	RMB2,340.4m (S\$468.8m)	RMB2,052.5m (S\$403.9m)
31 March 2019	RMB2,803.3m (S\$562.6m)	RMB2,803.3m (S\$562.6m)	RMB2,390.0m (S\$480.6m)

(1) Includes the Case 1 RMB170.0 million defaulted loan.

- The Group maintained an average PRC PF loan book of approximately RMB2.3 billion for the first half of 2019 which translates to a nearly 50% increase over that of the entire FY2018. Barring any unforeseen circumstances, the Group is cautiously optimistic that FY2019 will be another good year for the Group's PRC property financing business.

5.3 Status of Case 1 Problematic Loan

- The court has granted penalty interest of 24.0% per annum from 22 December 2015 and 30.4% per annum from 5 August 2016 in favour of the Group for the Case 1 RMB170.0 million defaulted loan .
- The mortgaged properties of the borrower under Case 1 defaulted loan were auctioned off successfully for approximately RMB235 million in June 2019. The Group has not recognized any interest income since the borrower's default in December 2015.
- As the Shanghai court had previously ruled that the Group has first priority ranking in respect of the net auction proceeds, the Group will work with the Shanghai court to enforce the court judgment, after taking into account any public interest.

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.