



珍惜土地 用心铸造

First Sponsor Group Limited

Investor Presentation

19 May 2015

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Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any notes or debt securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the "ITA") shall not apply if such person acquires such notes or debt securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from any notes or debt securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

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Section 1

Group Overview

Company Presenters



Mr. Neo Teck Pheng

Group Chief Executive Officer

- Overall responsibility for management, operations and growth of the businesses of First Sponsor Group Limited (“FSG” or the “Company”) and its subsidiaries (collectively the “Group”)

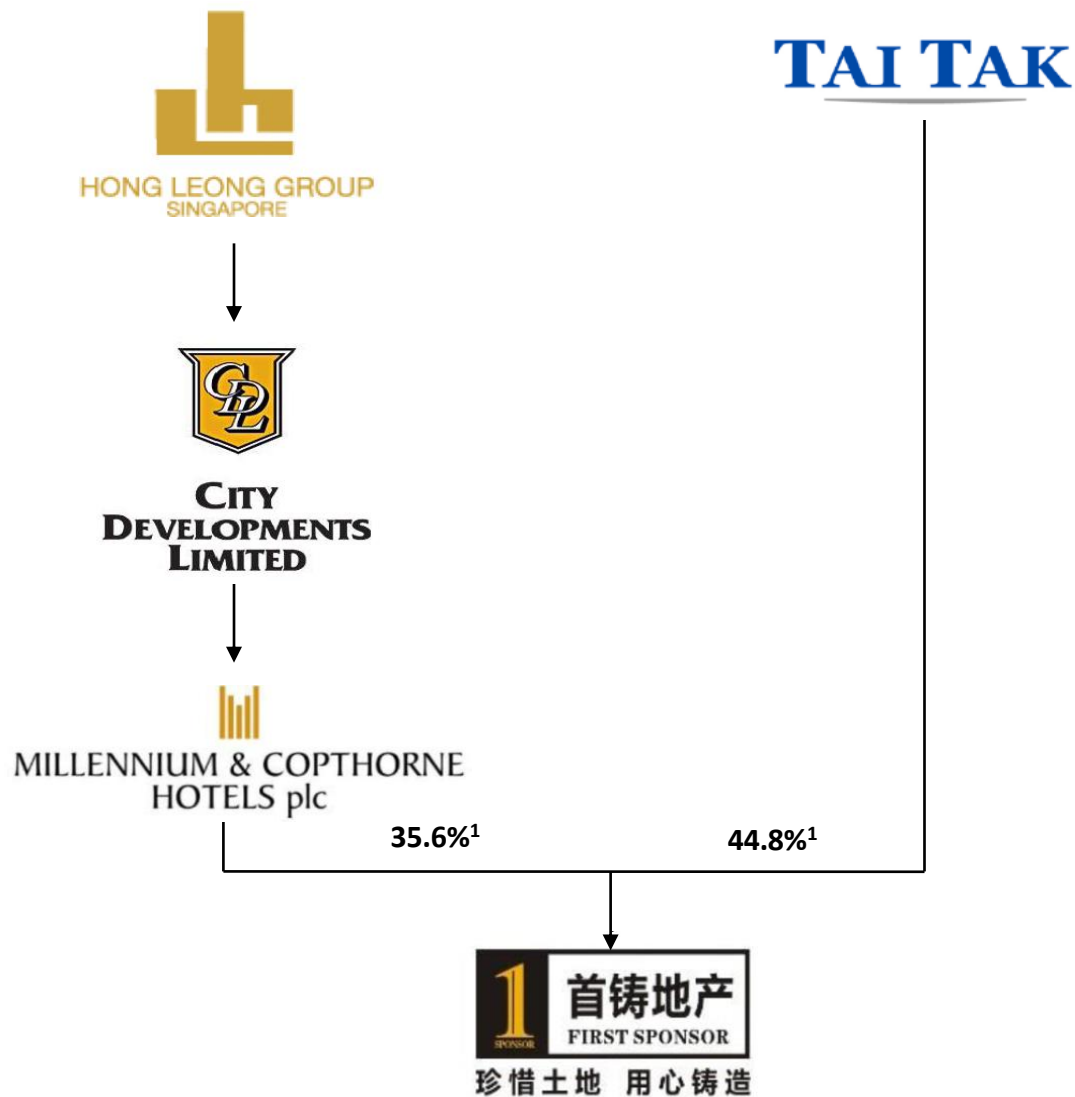


Ms. Lee Sau Hun

Group Chief Financial Officer

- Corporate and finance management oversight of the Group

Corporate Profile



First Sponsor Group Limited	
Listed on Mainboard	Since 22 July 2014
Share Price	SGD1.27 ¹
Market Capitalisation	SGD749.1 mil ¹



Note:

¹As at 8 May 2015



Group Presence in PRC

Chengdu, Sichuan Province

Business

- Property Development
- Property Holding

Completed development

- Chengdu Cityspring

Ongoing development

- Millennium Waterfront

Property Holding

- M Hotel Chengdu
- Chengdu Cityspring Investment Properties

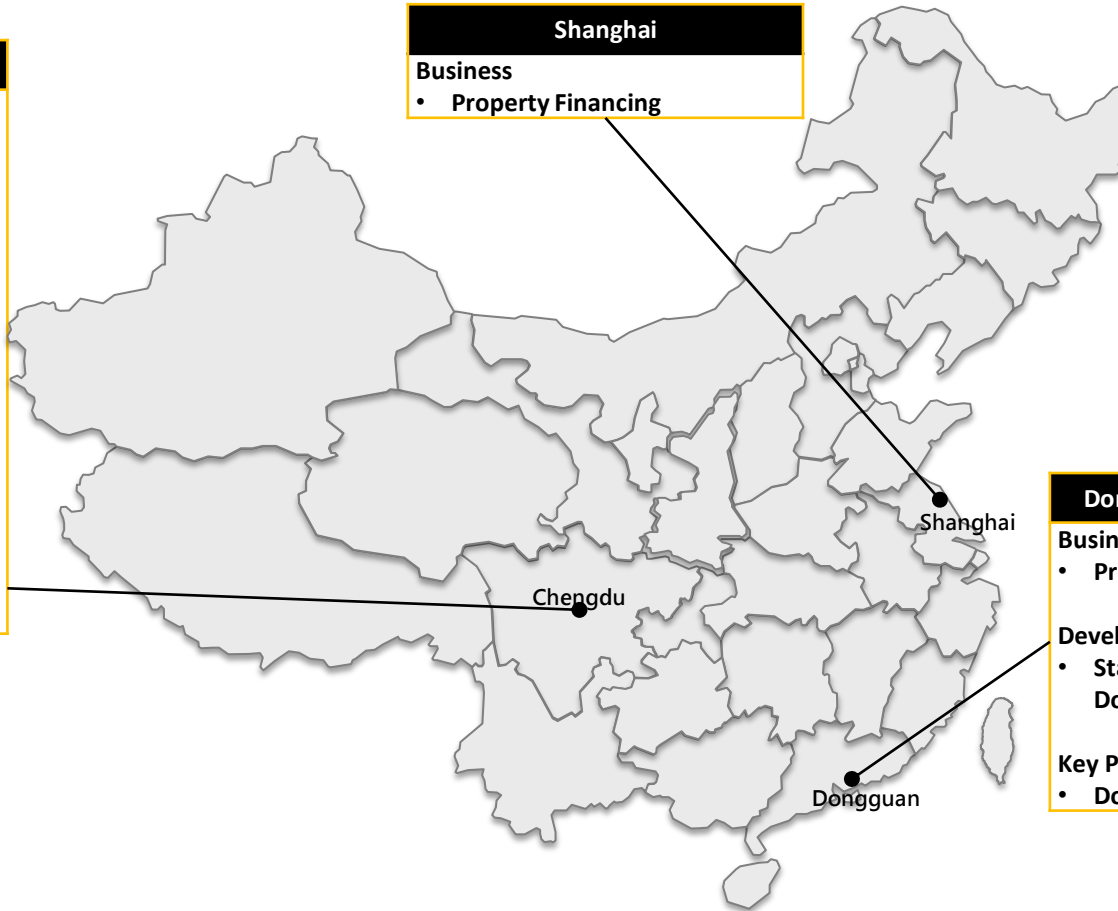
Key Potential Future Development

- Wenjiang Lake Project

Shanghai

Business

- Property Financing



Dongguan, Guangdong Province

Business

- Property Development

Development to be commenced

- Star of East River Project (part of Dongguan City Projects)

Key Potential Future Development

- Dongguan City Projects

As at 31 March 2015, the total property value of the properties in FSGI's portfolio is SGD893.4 mil.

Section 2

Business Overview

Business Segments



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Property Development (PRC)



Residential and commercial developments in tier-two cities in the PRC, namely Chengdu and Dongguan

Property Holding (PRC + Netherlands)



Hotel operations and property investment, i.e. properties held for income and capital gain

Property Financing (PRC)



Provision of property financing services primarily through entrusted loan arrangements

FY2014 Revenue	SGD129.9 mil (84.8%)	SGD3.8 mil (2.5%)	SGD19.5 mil (12.7%)
FY2014 Profit Before Tax¹	SGD38.7 mil (62.5%)	SGD1.2 mil (1.9%)	SGD22.0 mil (35.5%)

Property Development Business

Completed and On-going Projects

Chengdu CitySpring (成都城市春天)



- Mixed-use residential and commercial development in Chengdu
 - 6 residential buildings with 726 residential units
 - 4 commercial buildings (which includes M Hotel Chengdu)
 - Basement with 1,272 sellable car park lots
 - Site area 27,807 sqm
 - Total GFA 230,795 sqm (including an aggregate below ground GFA of 58,903 sqm)
- Located in Chengdu Gaoxin District which is located approximately 7.5 km from the Chengdu City Centre and 11.0 km from the Chengdu Shuangliu International Airport

Millennium Waterfront (千禧河畔国际社区)



- Mixed-use residential and commercial development in Chengdu
- The site divided into 7 plots (plots A through G)¹
 - 50 residential buildings with an aggregate of 7,111 residential units
 - The Millennium Waterfront Chengdu Hotel is expected to have 610 hotel rooms
 - The other commercial buildings will provide residents with amenities such as a shopping mall, kindergarten and club-houses
 - Aggregate site area: approximately 270,516 sqm
 - Total GFA: approximately 1,891,711 sqm (including an aggregate below ground GFA of 502,332 sqm) - Residential GFA of approximately 677,544 sqm, Commercial GFA of approximately 1,214,167 sqm
 - FSGI has commenced the development of Plots A,B,C and G
- Located in Wenjiang District, approximately 16.0 km from the Chengdu City Centre and the Tianfu New District, which is the business and industrial centre of Chengdu, and approximately 18.0 km from the Chengdu Shuangliu International Airport

Note:

Information accurate as at 31 March 2015

¹These labels have been conceived by the Group for the development project and are not official designations by any PRC authority

Property Development Business

Completed and On-going Projects (Cont'd)

Star of East River Project (East River Plot One) (东江之星)



- Within the new city centre of Nancheng District, Dongguan where financial institutions are located and an international business zone is planned to be established
- Mixed-use residential and commercial development which comprises primarily offices, a retail mall and residential units
- Site area of 37,104 sqm with above ground GFA of approximately 337,646 sqm
- According to the land grant contract, at least 68% and no more than 90% of the above ground GFA must be developed into commercial properties
- Site preparation works are currently in progress
- East River Plot One is part of the Star of East River Project (along with an adjacent plot, East River Plot Two)
- The Group expects the tender for East River Plot Two (constituting approximately 25% of the total site area) to be held in the next six months

Property Development Business

Key Pipeline Projects

Dongguan City Projects

- Site area of up to 169,488 sqm comprising two separate plots of land of 49,488 sqm (Star of East River Project) and 120,000 sqm
- On 21 April 2014, FSGL contracted to acquire the land use rights to a site area of 37,104 sqm in Wanjiang District (East River Plot One)
- East River Plot Two is expected to be put up for tender by the local government in the next six months and the Group intends to acquire East River Plot Two then
- The Group also intends, subject to market conditions, to pursue the acquisition of the 120,000 sqm plot at an appropriate time

Wenjiang Lake Project

- Land site located at Yongquan Street, Wenjiang District Chengdu, Sichuan province
- Primarily residential units
- Land site of approximately 110,667 sqm

Property Holding Business

M Hotel and Millennium Waterfront Hotel, Chengdu

M Hotel Chengdu



	1Q2015	1Q2014	Increase/(decrease)
Occupancy	37.5%	21.1%	16.4%
ADR	RMB383	RMB430	(RMB47)
RevPar	RMB144	RMB91	RMB53

- The Group is studying the feasibility of leasing or selling the space originally intended for Phase III (21,875 sqm) of the M Hotel Chengdu expansion plan on a strata title basis. This component has been classified as the Group's investment property










Millennium Waterfront Chengdu Hotel










- Construction is currently progressing as planned, with target commencement date in FY2017



The Economic Size of the Netherlands

- Based on the data compiled separately by the United Nations and the International Monetary Fund, the Netherlands is the world's 17 largest economy with a GDP of approximately USD854 billion for 2013, which is more than the combined GDP of Singapore, Hong Kong and the Philippines

List by the United Nations (2013)			
Rank		Country	GDP (USD bil)
1		United States	16,768
2		China	9,181
3		Japan	4,899
4		Germany	3,730
5		France	2,806
		⋮	
17		Netherlands	854
37		Singapore	296
_(1)		Hong Kong	274
40		Philippines	272

List by the Int. Monetary Fund (2013)			
Rank		Country	GDP (USD bil)
_(1)		European Union	17,512
1		United States	16,768
2		China	9,469
3		Japan	4,899
4		Germany	3,636
		⋮	
17		Netherlands	854
36		Singapore	298
_(1)		Hong Kong	274
39		Philippines	272

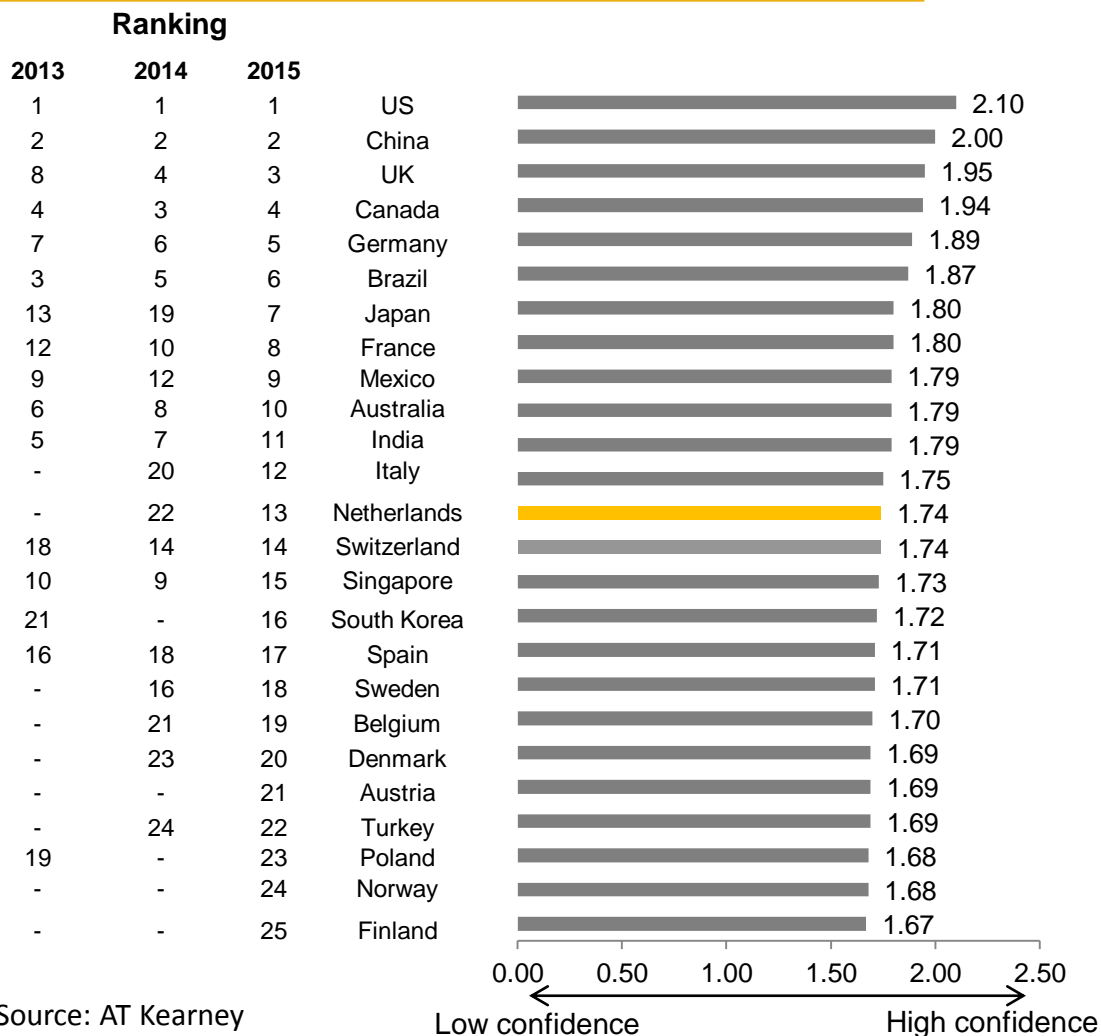
Note:

¹Ranking applicable for country only

FDI Confidence Index

- The Netherlands ranks above Singapore in the latest AT Kearney Foreign Direct Investment Confidence Index
- 15 out of the top 25 countries in the index are from Europe

2015 FDI Confidence Index Ranking and Scores



Source: AT Kearney

Property Holding Business

Key Investment Properties (PRC and the Netherlands)



Chengdu Cityspring Investment Properties

- Completed in April 2013, the commercial component of Chengdu Cityspring comprises commercial units with an aggregate GFA of approximately 6,456 sqm located within 4 commercial buildings
 - tenures ranging from 5 years to 15 years
 - rental step-up mechanisms built in
- Based on these committed leases, the lettable investment properties of Chengdu Cityspring has an occupancy rate of 82.9% as at 31 March 2015



Zuiderhof I

- Completed acquisition of the property on 18 February 2015
- Office building located at the South Axis, CBD of Amsterdam
- Consists of an office building, archives and a two-story indoor parking garage offering 111 lots, net lettable area of 12,538 sqm excluding car park spaces
- Excellent transport accessibility to the Schiphol Airport and Amsterdam South Train Station
- The building has obtained a A-label energy certificate for achieving energy cost reduction through its heat and cold storage in the ground
- Acquired at an expected net rental yield of 7.5%
- Property is fully leased to Van Doorne N.V., one of the largest legal firms in the Netherlands

Property Holding Business

Key Investment Properties (PRC and the Netherlands) (Cont'd)



Property comprising Holiday Inn and Holiday Inn Express Hotels, Amsterdam Southeast (Contracted to acquire)

- Entered into sale and purchase agreement on 27 April 2015
- The hotels and 440 car park lots have been leased to TVHG Budget Amsterdam II B.V. under a master lease arrangement for 25 years from May 2014, with two renewal option periods of 10 years each at the lessee's option
- Another 69 car park lots are leased to Praxis Vastgoed B.V. for 10 years from August 2012
- There is a long-term development potential for this site. The Municipality of Amsterdam had previously studied the feasibility of redeveloping the existing site as part of a bigger development plan into a mixed-use (residential, office, hotel and other commercial) project whereby the existing site would have its existing plot ratio more than doubled. The significant space accorded by the 509 ground car park lots augurs well for this redevelopment potential. Arising from the long-term lease with the lessees, any redevelopment plan will not realistically take place any time soon and is subject to prevailing market conditions
- Target completion date for the acquisition is mid-June 2015
- Acquired at an expected net rental yield of 7.2%

Property Financing Business Overview

- FSGL commenced its third party property financing business in 2012 to meet the growing needs of borrowers for short-term property financing

	Revenue from Property Financing (SGD mil)	As % of Total Revenue	Profit Before Tax (SGD mil)
FY2013	6.0	3.8	5.2
FY2014	19.5	12.7	22.0

- Key terms of FSGL's third party entrusted loans:**

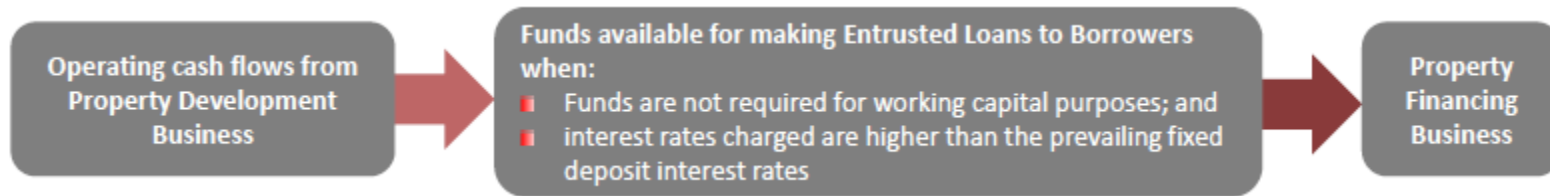
- Tenor of 3 - 12 months
- Interest rates charged range from 16.5% - 24.0% per annum
- Generally secured by a mortgage of land use rights and/or properties
- Average Loan to Value Ratio of the entrusted loan portfolio is 44.7% as at 31 March 2015

	Third Party Loan Balance	Average Third Party Loan Balance
31 December 2013	RMB150.0 mil (approximately SGD31.3 mil)	RMB145.0 mil (approximately SGD29.5 mil)
31 December 2014	RMB801.0 mil (approximately SGD170.3 mil)	RMB553.0 mil (approximately SGD113.9 mil)
31 March 2015	RMB1,101.0 mil (approximately SGD242.0 mil)	RMB921.9 mil (approximately SGD199.3 mil)

Property Financing Business

Funding and Process

Since its establishment, FSGL's Property Financing Business has been funded mainly by the cash flows from the Property Development Business



Property Financing Business Process



Examples of Collaterals Held for Property Financing Business



Strata office units in Beijing



Hotel building in Shanghai



Two levels of office units in Guangzhou

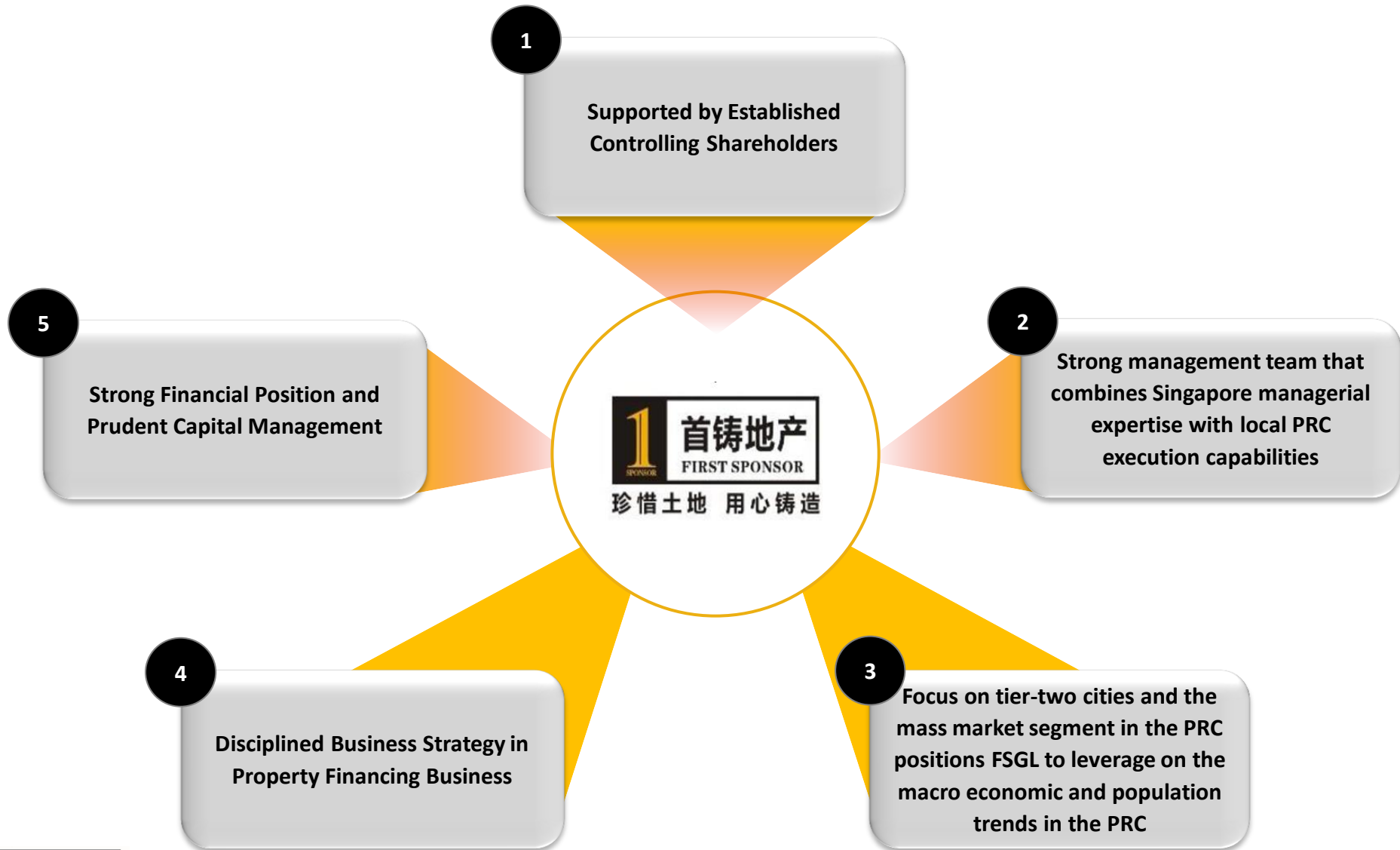


Office space in Shanghai

Section 3

Key Competitive Strengths

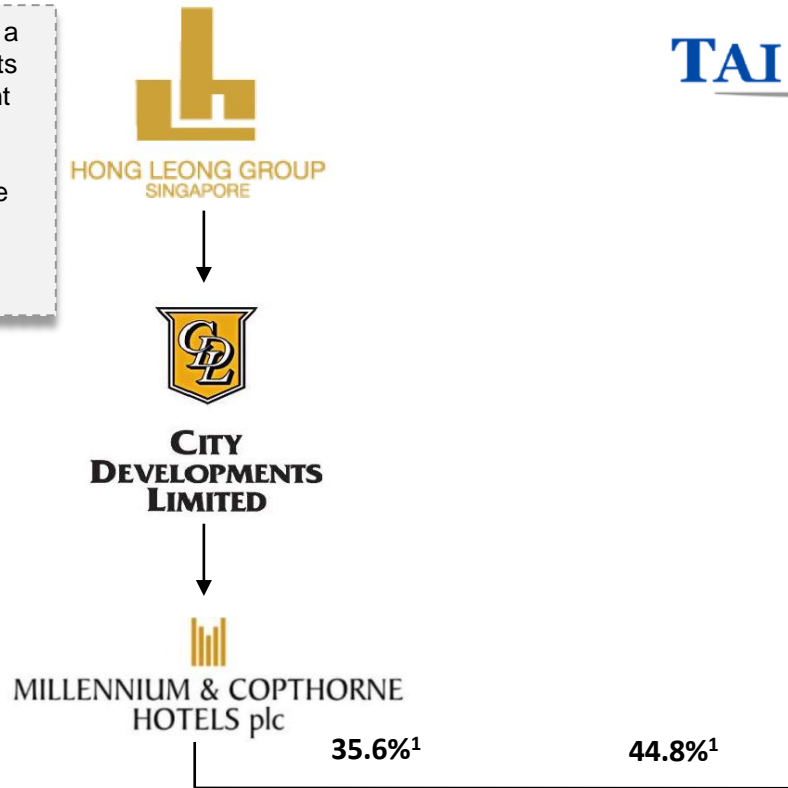
Key Competitive Strengths



1 Supported by Established Controlling Shareholders

Both the Group's ultimate controlling shareholders, the Hong Leong Group Singapore, through its shareholding interests in M&C UK, and Tai Tak are established names which are well recognised and respected in Asia, including in the PRC.

Hong Leong Group Singapore is a globally diversified conglomerate. Its core businesses include investment holding, property holding and development, hotel ownership and management, hospitality real estate management, financial services, manufacturing, trading and distribution



Tai Tak is a private company which was incorporated in 1954. It has a long operating history which began in rubber plantation ownership and management. Subsequently, Tai Tak diversified into the oil palm business, undertook logging and saw milling operations. It currently invests in a wide range of businesses, including plantations, listed and private equities and property holding and development.



Note:
¹As at 8 May 2015

Strong management team that combines Singapore managerial expertise with local PRC execution capabilities

Board of Directors

Executive Director
Mr. Neo Teck Pheng – Executive Director and Group CEO

Non-Executive Directors
Mr. Ho Han Leong, Calvin – Chairman
Mr. Ho Han Khoo – Alternative Director to Chairman
Mr. Aloysius Lee Tse Sang

Independent Directors
Ms. Ting Ping Ee, Joan Maria
Mr. Yee Chia Hsing – Lead Independent Director
Mr. Hwang Hun-Lung Basil

Group CEO

Mr. Neo Teck Pheng

- Appointed as CEO in October 2007
- More than 15 years of managerial experience in Hong Leong Group Singapore
- Holds a Bachelor of Accountancy Degree (First Class Honours) from Nanyang Technological University, Singapore

Group CFO

Ms. Lee Sau Hun

- Appointed as CFO in May 2011
- Served as Vice-President (Investment) of Hong Leong Management Services from 2006 – 2011
- Holds a Bachelor of Accountancy Degree (Second Class Honours) from the Nanyang Technological University, Singapore

Group COO

Mr. Sun Gang

- Appointed as COO in November 2011
- Has more than 20 years experience in managing property projects in the PRC
- Holds a Bachelor Degree in Environmental Engineering and Water Supply and Drainage from Tongji University, Shanghai, PRC

CEO, Chengdu Operations

Mr. Wang Gongyi

- Appointed in October 2011
- Previously general manager of the former candy business operations of the Group
- Holds a Bachelor Degree in Machinery Design and Manufacturing from Sichuan Chengdu University, Chengdu, PRC

CEO, Guangdong Operations

Mr. Shu Zhen

- Appointed in August 2012
- Holds Graduation Certificate in China Finance and Futures Higher Level Study from Beijing University, School of Economics, PRC

CEO, Shanghai Operations

Ms. Zhang Jing

- Appointed in November 2011
- Extensive experience in PRC financing and leasing operations
- Holds Bachelor Degree in economics from the School of Economics, Aoyama Gakuin University, Japan

3

FSGL's focus on tier-two cities and the mass market segment in the PRC enables it to leverage on the macro economic and population trends



Urbanisation drive in the PRC that will be characterised by growth in rural towns and small cities, which is expected to significantly increase the population of tier-two cities, particularly in Central and Western China

FSGL's residential development projects are primarily mass market residential properties that are targeted at the middle-class and upper middle-class households and buyers

Chengdu, a tier-two city and the key gateway to China's western region, has seen real GDP growth of 8.9% (1.5% higher than the national rate) in 2014 and urbanisation rate of 68.4% (15.8% higher than the national rate) in 2012

Dongguan, a tier-two city and one of the largest manufacturing bases in the world, enjoys a high urbanisation rate of 88.7% in 2012 and a GDP growth rate of 9.8% in 2013

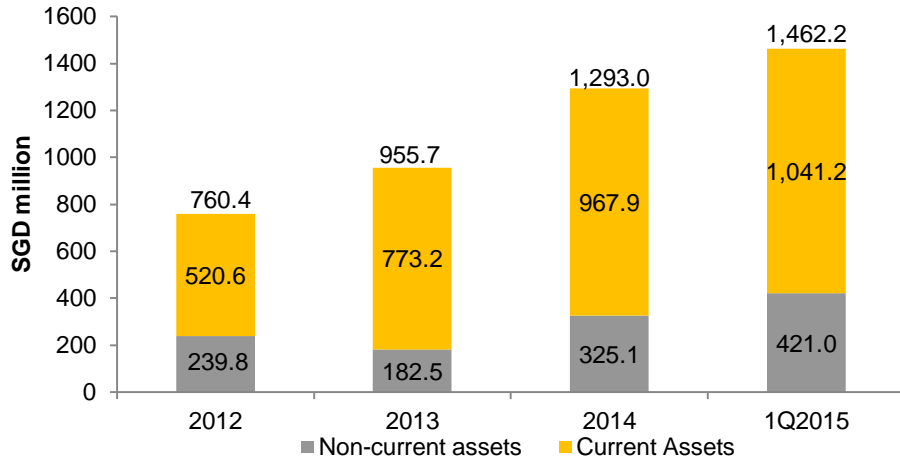
Stringent selection criteria in the evaluation of potential transactions

Disburse loans prudently in transactions

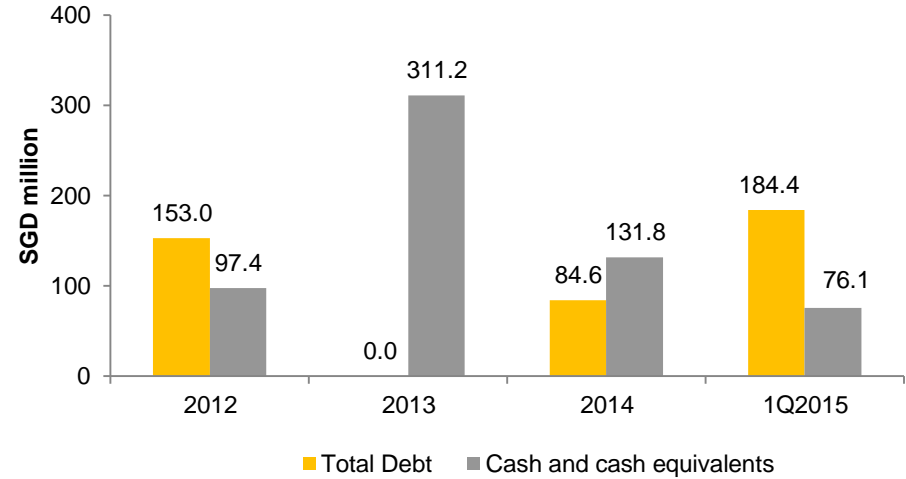
Taking into account appropriate capital management measures, e.g. loan to value ratio

- ✓ Obtain an appropriate return for loan exposures
- ✓ In the event of a default, FSGL has the opportunity to acquire mortgaged properties at an appropriate discount to fair values
- ✓ This business is not subject to any specific licensing requirement, providing us with the flexibility to determine the loan structures and the property assets required as collateral

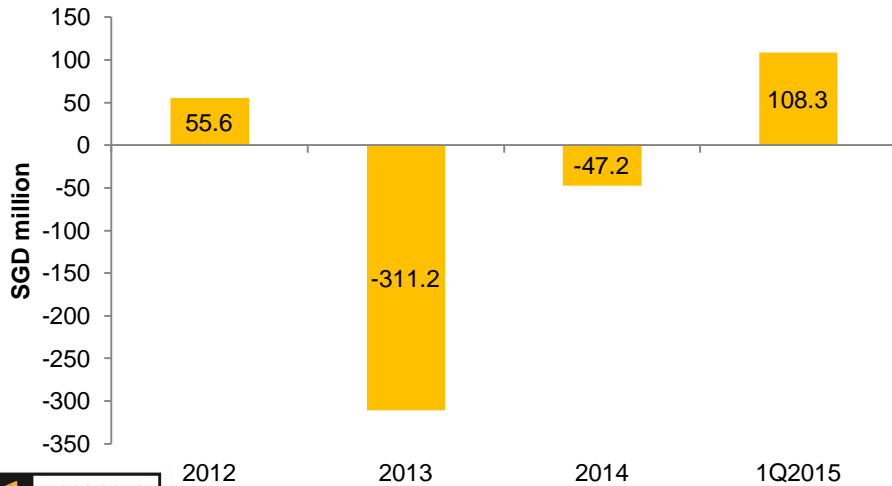
Total Assets



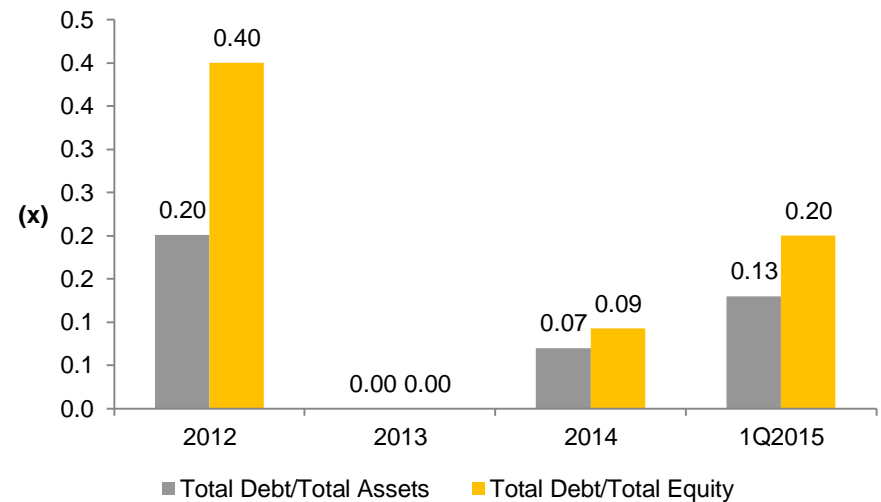
Total Debt and Cash & Cash Equivalent



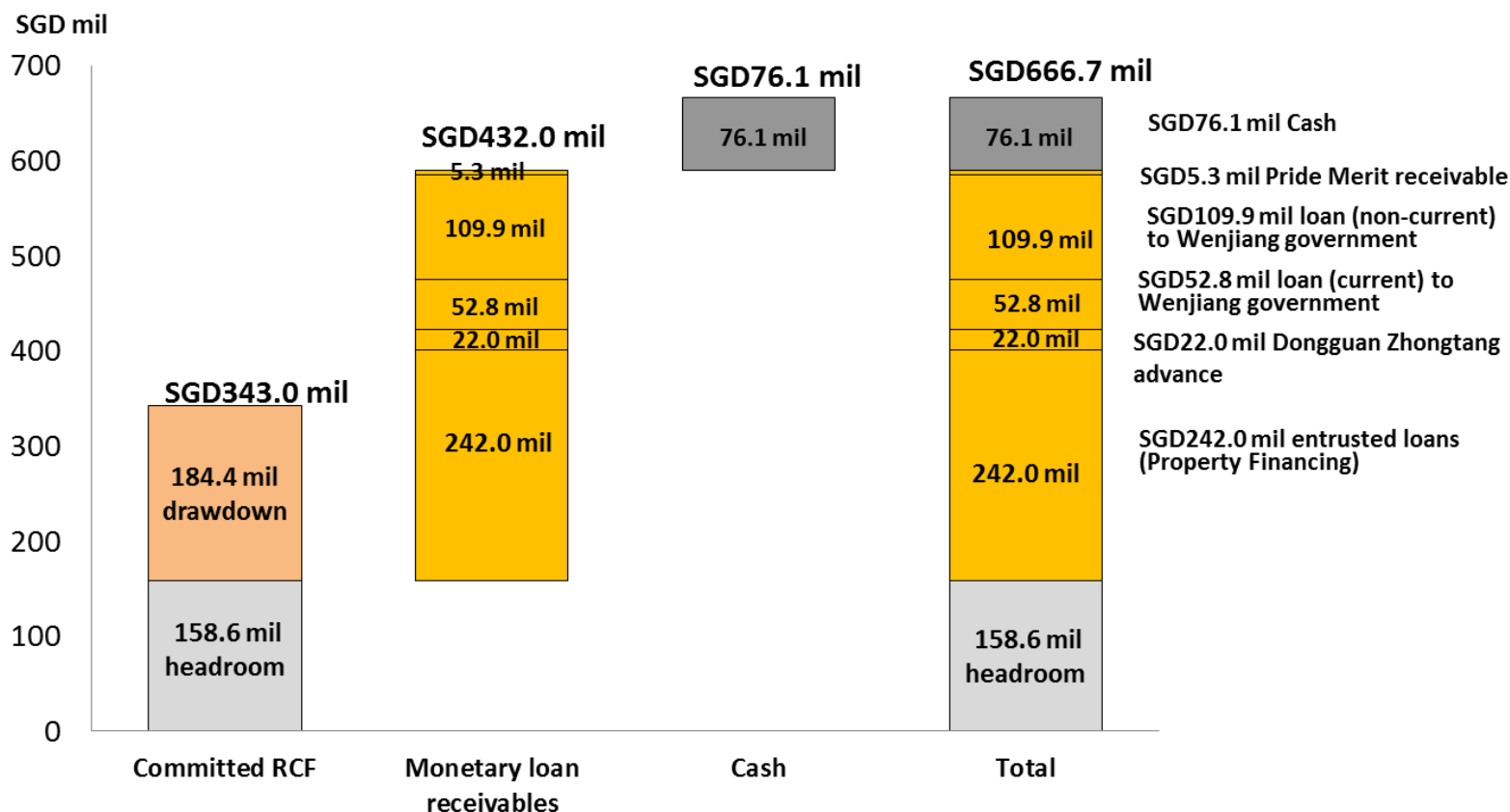
Net Debt/(Net Cash)



Debt/Assets and Debt/Equity



Liquidity Management as at 31 March 2015



Healthy balance sheet backed by SGD666.7mil of cash, monetary loan receivables, and unutilised committed credit facilities as at 31 March 2015.

Total Bank Financing Facilities Available	Total Bank Debt Drawn Down	Total Assets	Net Gearing
SGD343.0 mil	SGD184.4 mil	SGD1,462.2 mil	0.12x

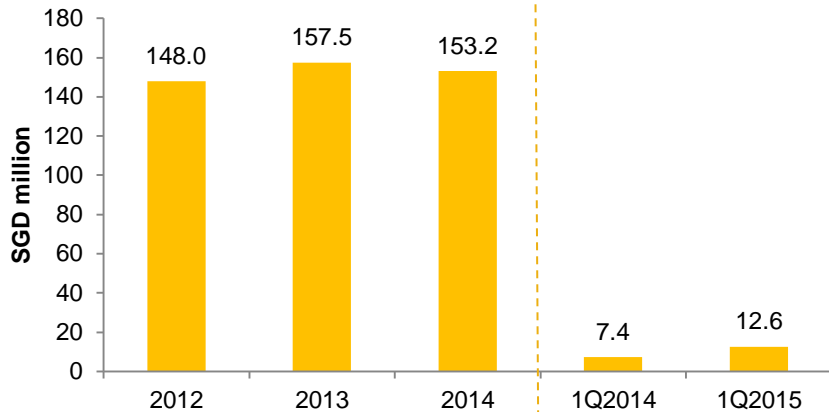
Note:
As at 31 Mar 2015 26

Section 4

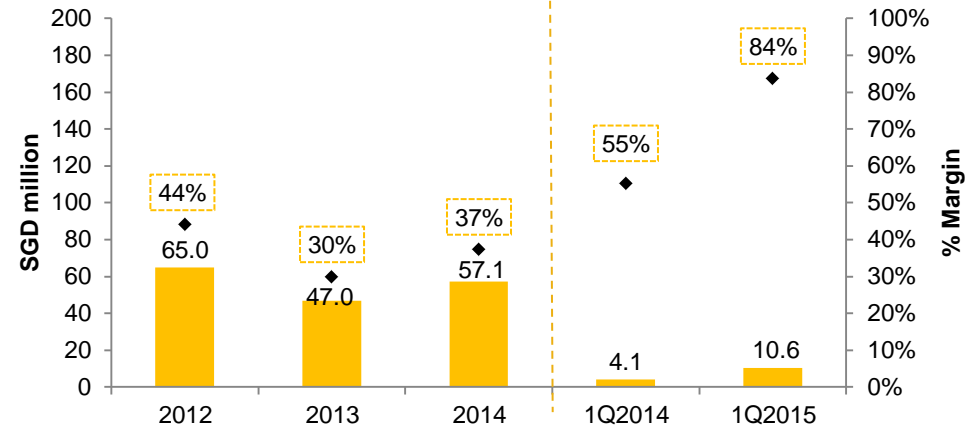
Financial Performance

Robust Financial Performance

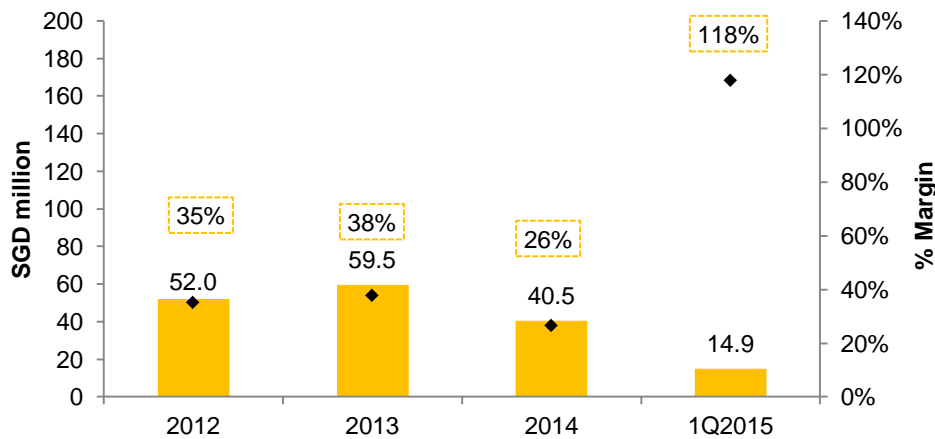
Revenue



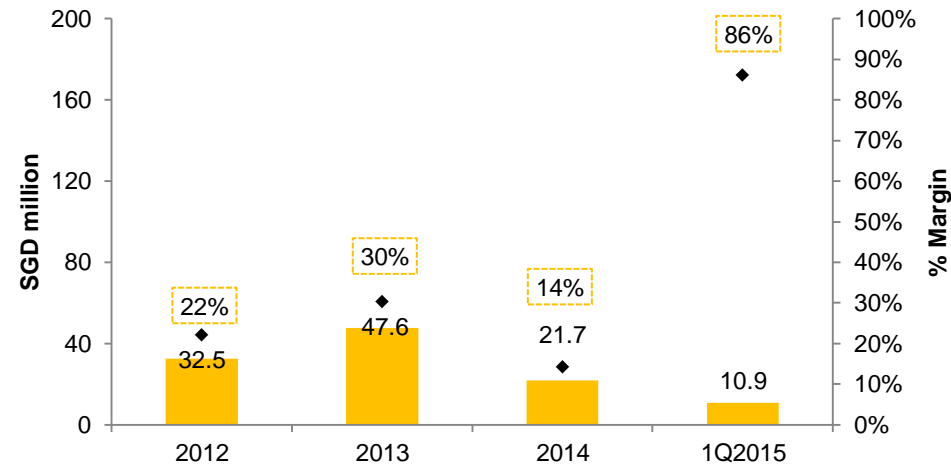
Gross Profit and Gross Profit Margin



Profit before Tax and Profit before Tax Margin



Net Profit¹ and Net Profit Margin



Note:

¹Net Profit after tax before non-controlling interests

Section 5

Key Business Strategies

Business Strategy



Focus on growing our property development business in Chengdu and Dongguan, with selective expansion into other high growth markets

- Acquire sites in strategic locations that have the potential for development into residential and commercial properties to meet the demand for such properties by the growing middle-class in the PRC.
- Since 2008, the Group has focused its property development business in Chengdu and Dongguan.
- The Group also intends to explore the possibility of accelerating its growth through selective developments and acquisitions in other growth markets in the PRC or outside of Singapore.



Continue to focus on mass market residential property developments

- FSGL intends to maintain its core business focus on the mass market residential property market in the PRC, as it believes it will be supported by the policies of the PRC government.



Develop and grow our portfolio of long-term properties held for income

- The Group intends to build its portfolio of long-term properties to generate a stable stream of recurrent income and future capital gain, including diversifying out of the PRC.

Strategic affiliation with M&C UK

- FSGL intends to grow this strategic affiliation with M&C UK which allows it to leverage on the management expertise of an international hotel operator, thereby enabling the Group to remain focused on its property development, property holding and property financing businesses.



Prudent expansion of property financing business

- The Group intends to prudently expand its property financing business in the PRC. The scarcity of bank credit extended to PRC property developers and owners has led to an increasing demand for property financing through entrusted loan arrangements.
- FSGL plans to expand the scale of its property financing operations with particular focus in Shanghai, FSGL may also selectively expand its property financing business into Chengdu, Dongguan and certain tier-one cities.

Thank You
