



# First Sponsor Group Limited

## Investor Presentation

### 7 February 2017

Commencement of operations of  
Crowne Plaza Chengdu Wenjiang and  
Holiday Inn Express Chengdu Wenjiang Hotspring hotels



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## Section 1

## Key Message

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## Key Message

1. For 4Q2016, the Group achieved 128.5% increase in net profit. The Group has delivered a record profit of S\$113.1m for FY2016, an increase of 67.9% from S\$67.4m in FY2015.
2. The Board is recommending a final tax-exempt (one-tier) ordinary dividend of 1 Singapore cent per share, adding up to a total dividend for FY2016 of 2 Singapore cents per share which represents a 17.6% increase from FY2015. The Board will work towards a stable payout with a steady growth when appropriate, subject to the successful implementation of the Group's business strategy and prevailing market conditions.
3. The Millennium Waterfront project recorded an approximately 50% increase in residential sales\* with 1,486 residential units sold in FY2016 (FY2015: 994 residential units) out of which 606 residential units were sold in the last quarter of the year. The Group has since soft launched 2 residential blocks in Plot D, the last and best residential plot in the project.
4. The Group has realised a gain of approximately S\$97.3m in 4Q2016 through a dilution of its interest in the Star of East River project ("SoER") in Dongguan. This partial divestment has unlocked the capital gain of the Group's investment in this project, thereby enabling the Group to recoup all its cash capital previously invested with a surplus cash return of approximately S\$23.2m and a remaining 30% equity stake in the project. Going forward, the Group will work with Vanke to realise the full potential value of this project for the benefit of all investors.

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



## Key Message

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5. **The Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels had their soft opening on 28 December 2016. These hotels, which are part of the Millennium Waterfront project, have an aggregate of 608 rooms and are significant additions to the property holding business of the Group.**
6. **Through its 33% owned FSMC, the Group has entered into a sales and purchase agreement on 28 November 2016 with CBRE Global Investors for the sale of the Boompjes redevelopment project in Rotterdam. With this sale, the profitability of the project is secured and construction is scheduled to commence in 2Q2017.**
7. **The Group disposed its last two Dutch non-core properties in 4Q2016 at approximately 92% premium to cost, resulting in a net attributable gain on disposal of S\$5.0m.**
8. **Further to the Dreeftoren property acquired in October 2016, the Group acquired a vacant office property in late December 2016 known as Oliphant. The two properties are in close proximity to the Group's Arena Towers hotels in Amsterdam Southeast. The Group is currently exploring the possibility of adding residential apartments for sale in Dreeftoren and Oliphant. This would build up a strong business presence for the Group in Amsterdam Southeast<sup>#</sup>.**

<sup>#</sup> *Amsterdam Southeast is ranked as the number 2 office location in the Netherlands for FY2016. Please refer to Appendix I.*



## Key Message

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9. **The Group has successfully completed its first foreclosure auctions of one of its defaulted loans, leading to the recognition of S\$3.5m penalty interest income in 4Q2016. This paves the way for the future recovery of the remaining loan principal sums and the associated penalty interest income.**
  
10. **Backed by a strong balance sheet with cash balance of S\$280.6m and un-utilised committed credit facilities of S\$167.2m as at 31 December 2016, 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.**

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## **Section 2** **Financial Highlights**

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## 2.1 Statement of Profit or Loss - Highlights

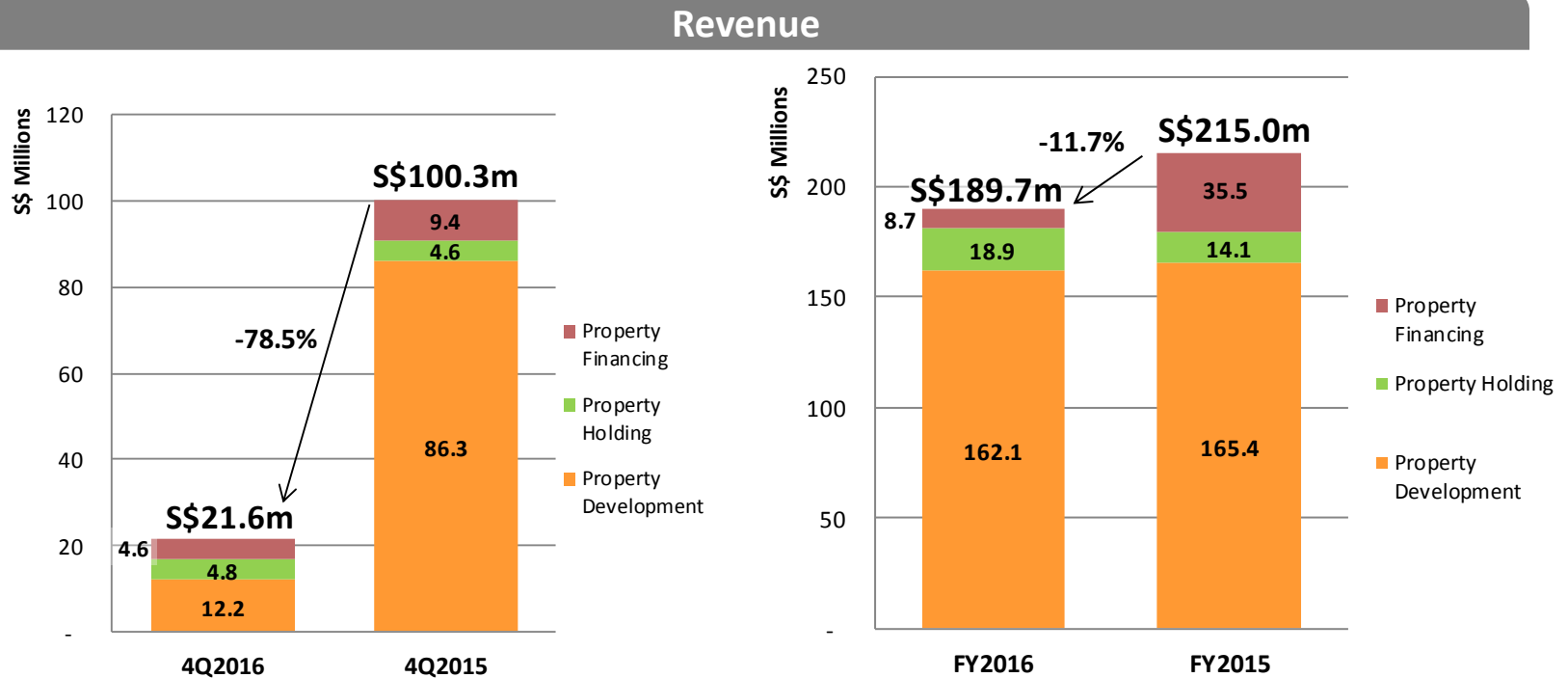
Statement of Profit or Loss - Highlights						
In S\$'000	4Q2016	4Q2015	Change %	FY2016	FY2015	Change %
<b>Revenue</b>	21,596	100,297	(78.5%)	189,715	214,963	(11.7%)
<b>Gross profit</b>	(6,608)	39,287	n.m.	44,650	92,731	(51.8%)
<b>Profit before tax</b>	65,814	40,938	60.8%	118,389	90,971	30.1%
<b>Attributable profit <sup>(1)</sup></b>	72,915	31,914	128.5%	113,089	67,362	67.9%
<b>Basic EPS (cents)</b>	12.36	5.41	128.5%	19.17	11.42	67.9%
<b>Interest cover <sup>(2)</sup></b>	41.2x	34.6x	n.a.	21.7x	38.1x	n.a.

<sup>(1)</sup> Attributable profit refers to profit attributable to equity holders of the Company.

<sup>(2)</sup> Interest cover = PBT (excluding accounting interest due to or from financial institutions) / net accounting interest expense due to or from financial institutions



## 2.2 Statement of Profit or Loss – Revenue



### Property Development

The decrease in 4Q2016 is due mainly to the significantly lower number of residential units from the Millennium Waterfront project handed over in 4Q2016 (58 units) as compared to 4Q2015 (739 units).

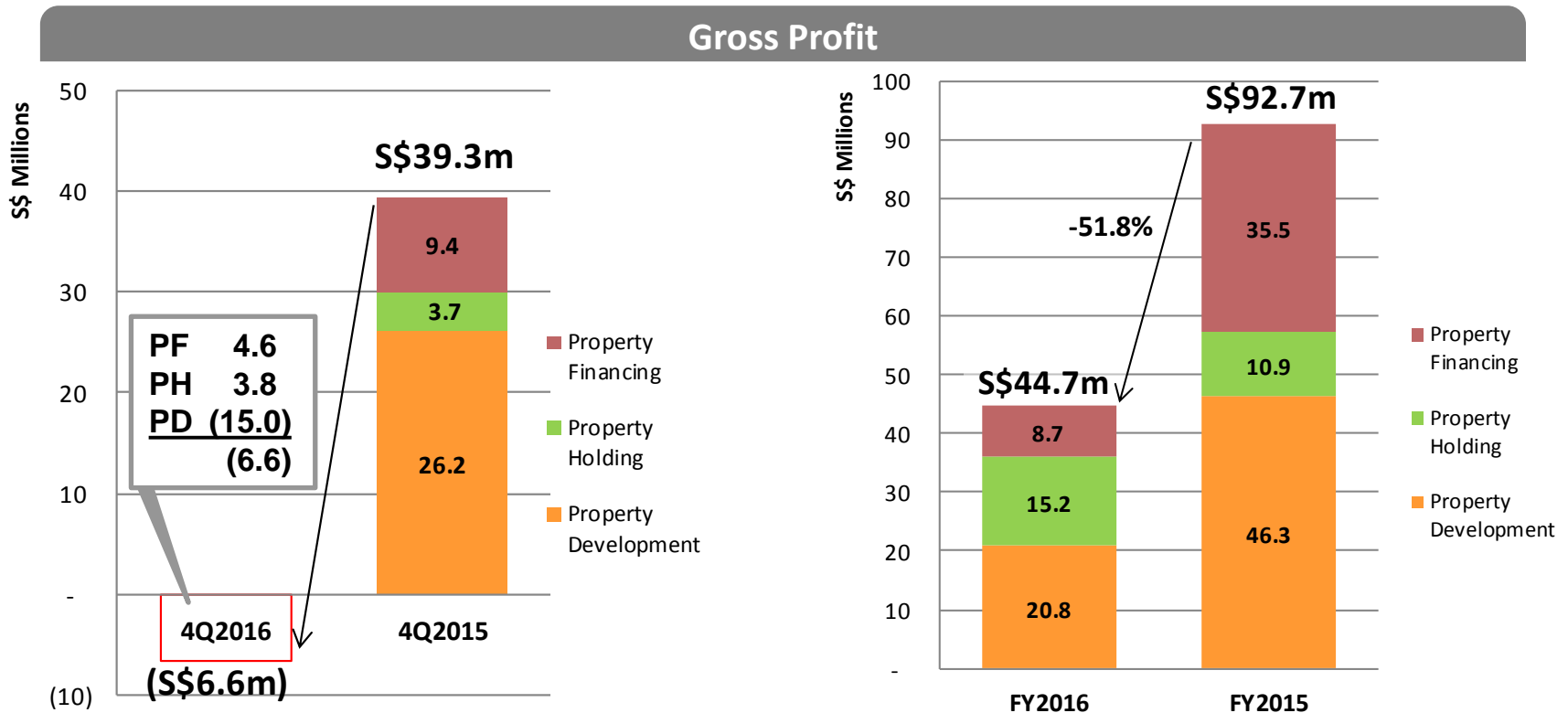
### Property Holding

The slight increase in 4Q2016 is due mainly to service income from the FSMC Group.

### Property Financing

The decrease in 4Q2016 is due to cessation of interest income recognition on the defaulted loans since December 2015 / January 2016. This is partially offset by the recognition of penalty interest income upon the successful foreclosure auctions on a RMB70m loan in default.

## 2.3 Statement of Profit or Loss – Gross Profit



### Property Development

4Q2016 registered a gross loss of S\$15.0m due mainly to the handover of significantly fewer residential units from the Millennium Waterfront project, and the effect of re-allocation of all costs relating to car parks of the Millennium Waterfront project to their respective residential and commercial units. The impact of the cost re-allocation is S\$18.8m.

### Property Holding

Both Zuiderhof I and the Arena Towers that constituted the bulk of this business segment are fairly stable.

### Property Financing

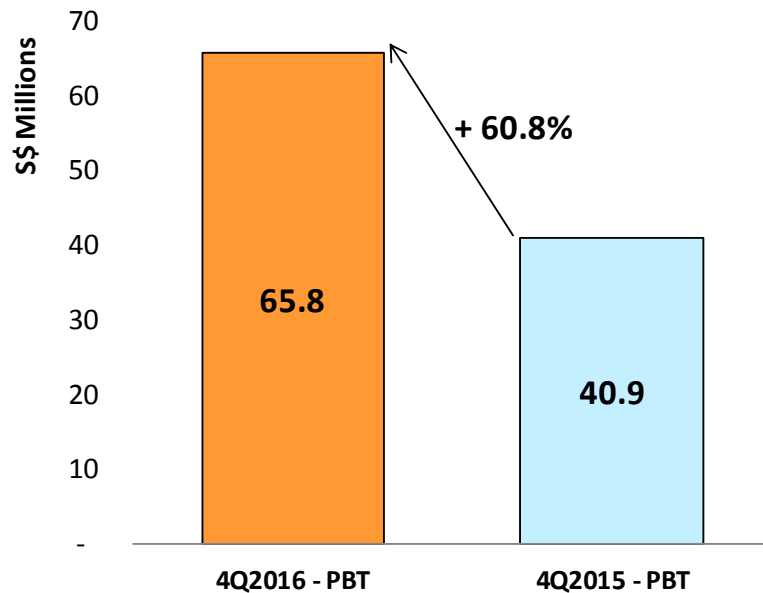
The decrease is consistent with the decline in revenue as this business segment has a 100% gross profit margin.

## 2.4 Income Contribution from the Dutch Operations

In S\$'000	4Q2016	FY2016	
Revenue	3,567	13,885	Income generated from
Cost of sales	(292)	(799)	
Gross profit	3,275	13,086	
Administrative expenses	(1,367)	(1,990)	• Zuiderhof I
Fair value gain on investment properties	2,285	2,285	• Arena Towers
Gain on disposal of Blue Wings	1,836	1,836	• Dreeftoren
Share of FSMC's fair value gain	1,316	1,316	Income generated from the FSMC operations.
Share of FSMC's gain on disposal of non-core properties	3,172	9,683	
Share of FSMC's other post tax results	235	929	
Interest income earned from FSMC	2,115	9,336	
Total	12,867	36,481	
Recurrent income	4,258	21,361	
Non-recurrent income	8,609	15,120	
Total	12,867	36,481	

Excluding Boompjes, Terminal Noord, Dreeftoren and Oliphant properties which have redevelopment plans, the Dutch leasing properties (LFA: 92,293 sqm, occupancy of 90% and WALT of approximately 9.0 years) have a net property income in excess of S\$24m (approximately €16m) per annum.

## 2.5 Statement of Profit or Loss – 4Q2016 vs 4Q2015

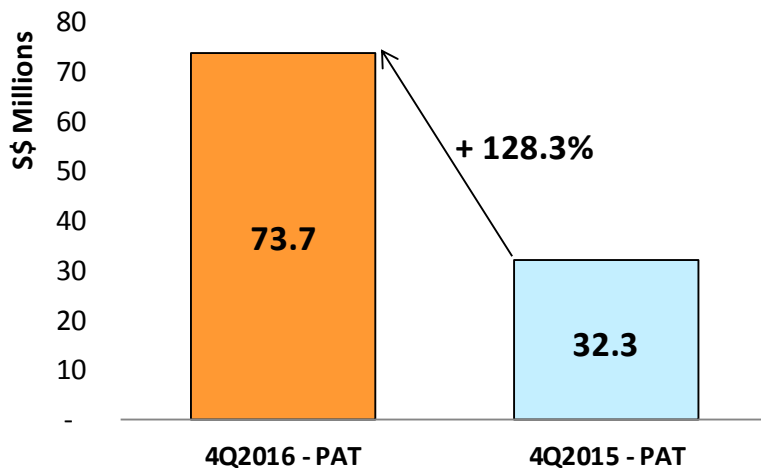


The increase in profit before tax is due mainly to:

- Dilution gain arising from the partial SoER divestment [S\$97.3m increase].

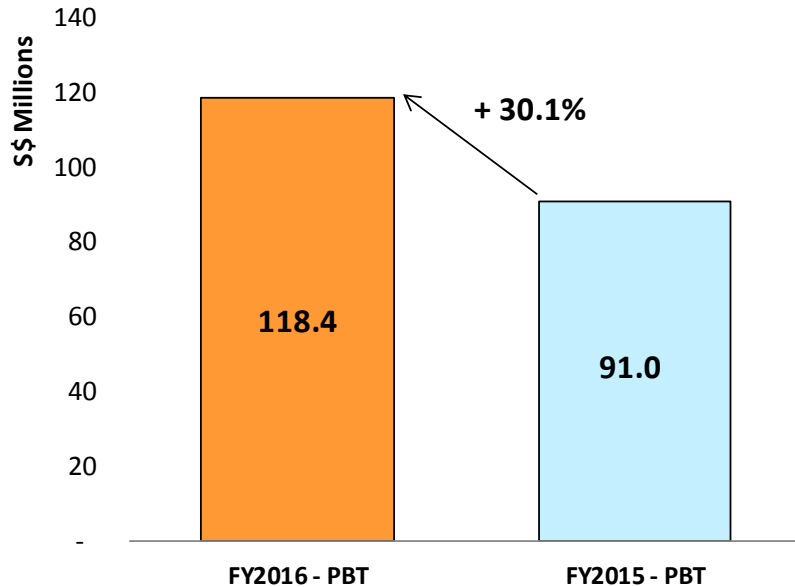
The increase is partially offset by:

- Lower gross profit contribution from the property development and property financing business [S\$27.2 m decrease].
- Re-allocation of all costs relating to car parks of the Millennium Waterfront project to their respective residential and commercial units [S\$18.8m decrease].
- Impairment of property, plant and equipment and fair value loss on investment properties [S\$23.1m decrease].
- Lower fair value gain on cross-currency swaps [S\$2.6m decrease].



The adjusted effective tax rate is 25.9% for 4Q2016.

## 2.6 Statement of Profit or Loss – FY2016 vs FY2015

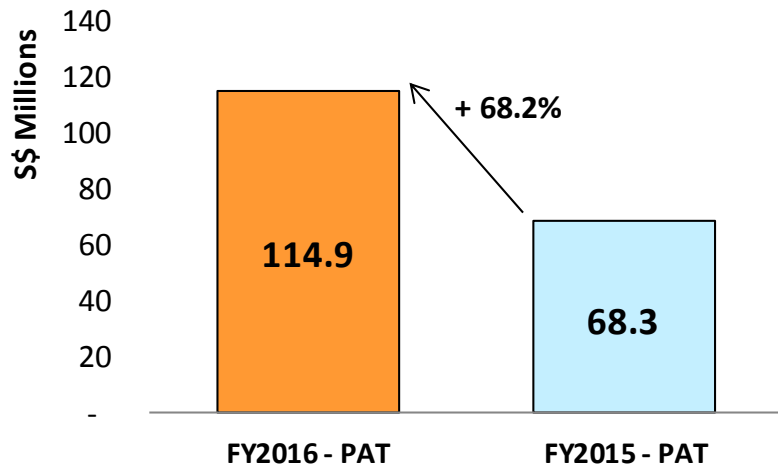


The increase in profit before tax is due mainly to:

- Dilution gain arising from the partial SoER divestment [S\$97.3m increase].
- Higher profit from associates [S\$12.3 m increase].
- Higher fair value gain on cross-currency swap [S\$3.9m increase].
- Higher net finance income [S\$3.0m increase].
- Gain on disposal of a non-core property in the Netherlands [S\$1.8m increase].

The increase is partially offset by:

- Lower net gross profit contribution from the property development and property financing business [S\$33.5m decrease].
- Re-allocation of all costs relating to car parks of the Millennium Waterfront project to their respective residential and commercial units [S\$18.8m decrease].
- Impairment of property, plant and equipment and fair value loss on investment properties [S\$21.6m decrease].
- Higher administrative expenses due mainly to variable bonus and legal fee provisions [S\$10.6m decrease].
- One-off hotel pre-opening expenses and hotel base stocks written off [S\$4.9m decrease].



The adjusted effective tax rate is 22.4% for FY2016.

## 2.7 Statement of Financial Position - Highlights

Statement of Financial Position - Highlights			
In S\$'000	31-Dec-16	30-Sep-16	Change %
<b>Total assets</b>	1,796,144	1,637,509	9.7%
<b>Total cash</b>	280,567	130,045	115.7%
<b>Receipts in advance</b>	189,735	121,671	55.9%
<b>Total debt</b>	356,638 <sup>(1)</sup>	379,496 <sup>(2)</sup>	(6.0%)
<b>Net asset value (NAV) <sup>(3)</sup></b>	1,024,589	934,095	9.7%
<b>NAV per share (cents)</b>	173.71	158.37	9.7%
<b>Gearing ratio <sup>(4)</sup></b>	0.08x	0.27x	n.a.

(1) Comprises gross borrowings of S\$361.9m net of unamortised upfront fee of S\$5.3m.

(2) Comprises gross borrowings of S\$385.4m net of unamortised upfront fee of S\$5.9m.

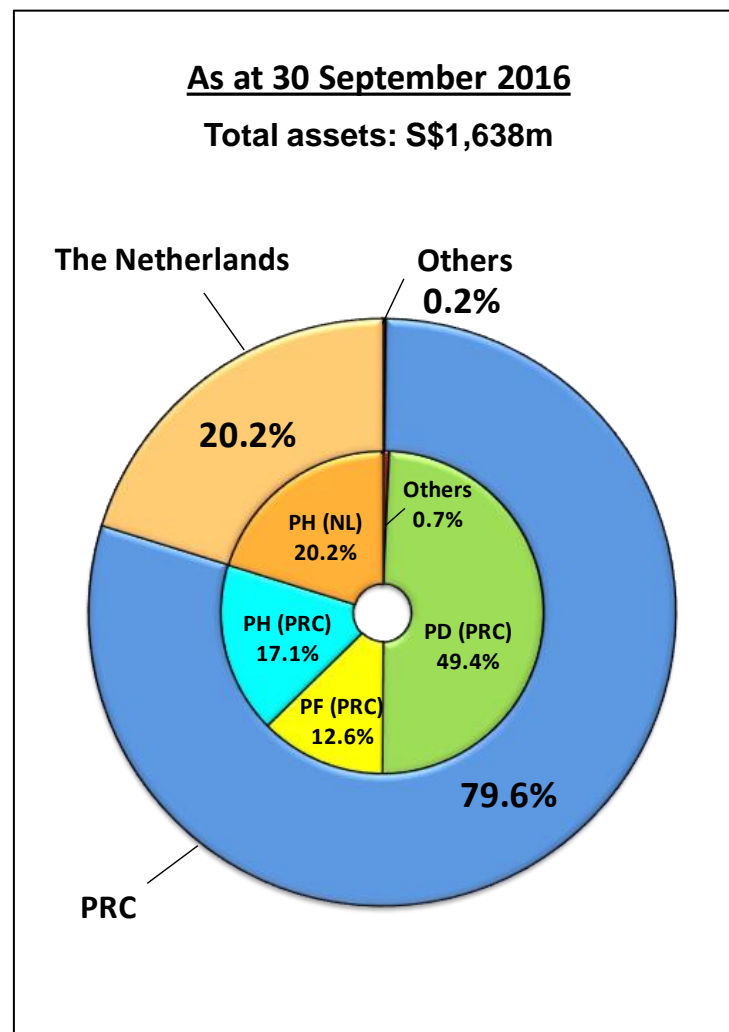
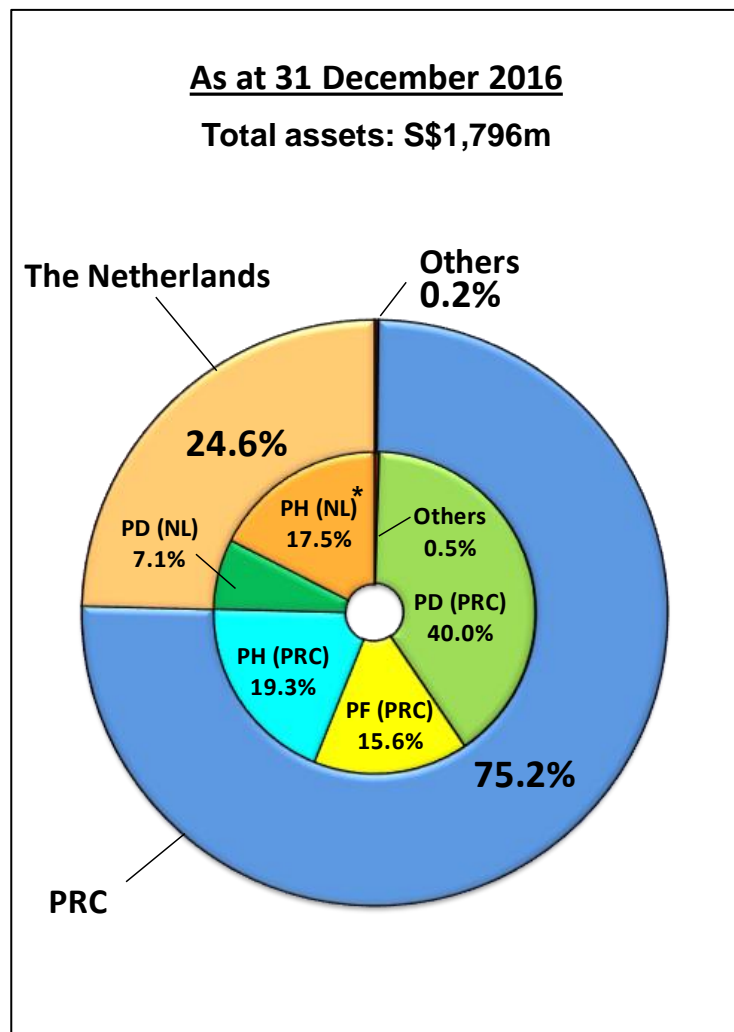
(3) NAV excludes non-controlling interests and includes translation reserve of S\$53.9m.

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

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

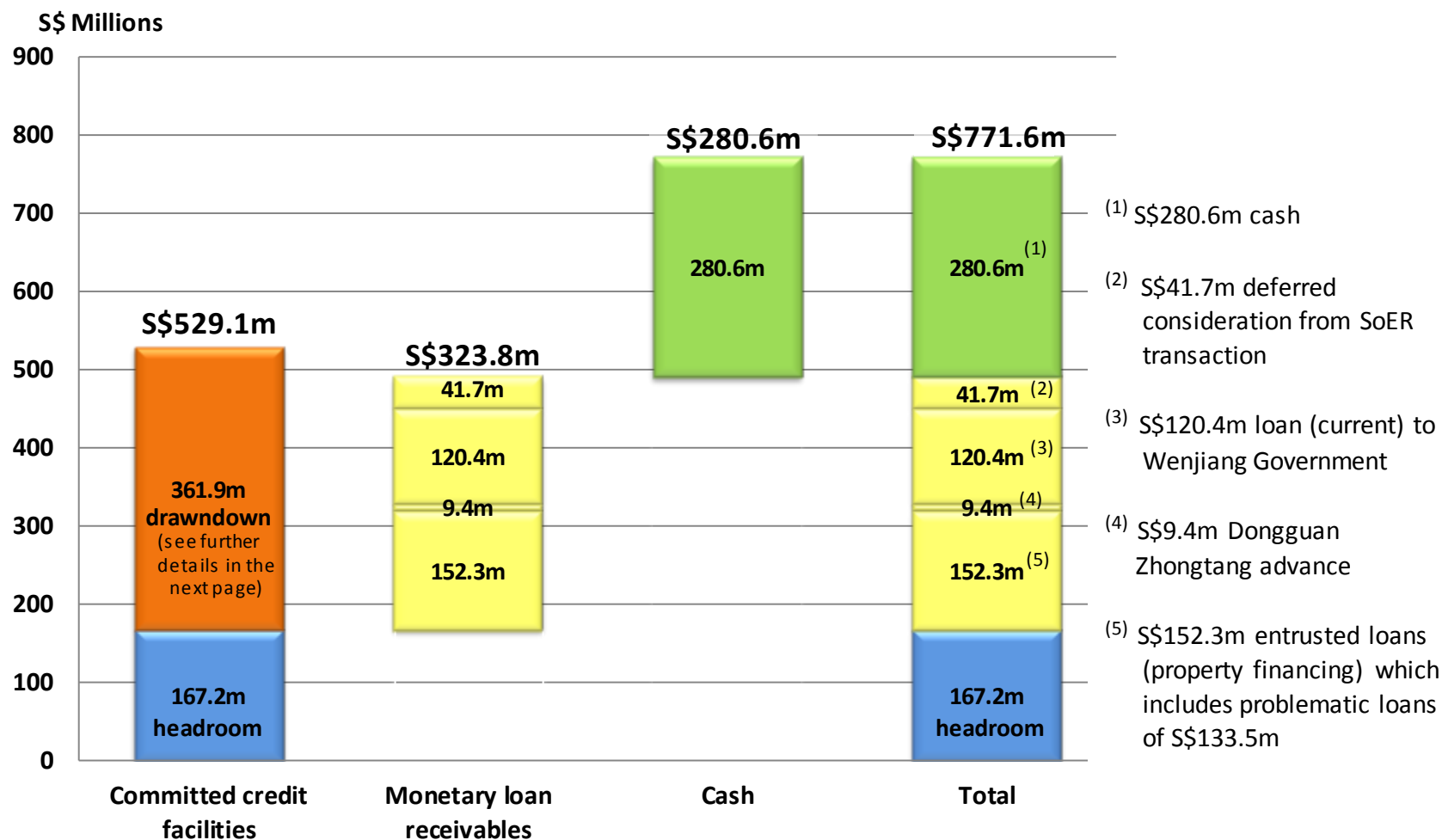
## 2.8 Statement of Financial Position - Total Assets

### Total Assets – by business and geographic segments



\* Includes S\$100.0m cash held in Singapore/Hong Kong

## 2.9 Liquidity Management as at 31 December 2016

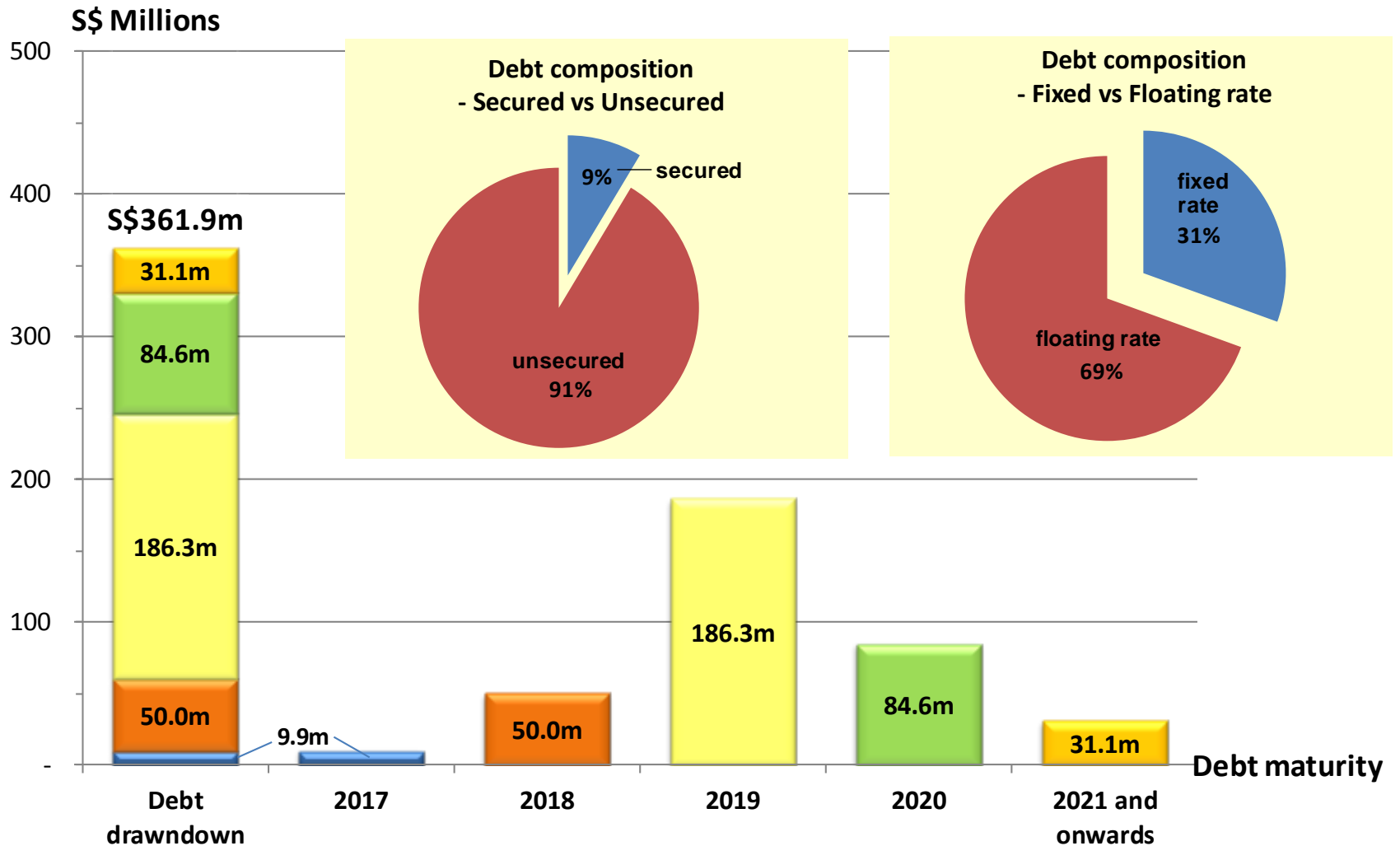


- Healthy balance sheet backed by S\$771.6m of cash, monetary loan receivables, and unutilised committed credit facilities as at 31 December 2016. The Group also has a S\$1 billion Multicurrency Debt Issuance Programme to tap on for any future funding needs.

- The Group has received loan principal repayments of S\$17.5m (RMB84.0m) from Wenjiang Government and S\$10.4m (RMB50.0m) from Zhongtang Government in FY2016. In addition, the effective interest rates for the Wenjiang loan and Zhongtang advance in FY2016 are 13.0% and 10.0% respectively.



## 2.10 Debt Maturity and Composition as at 31 December 2016



The Group is at an advance stage of securing additional new unsecured credit facilities with various financial institutions.

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## Section 3

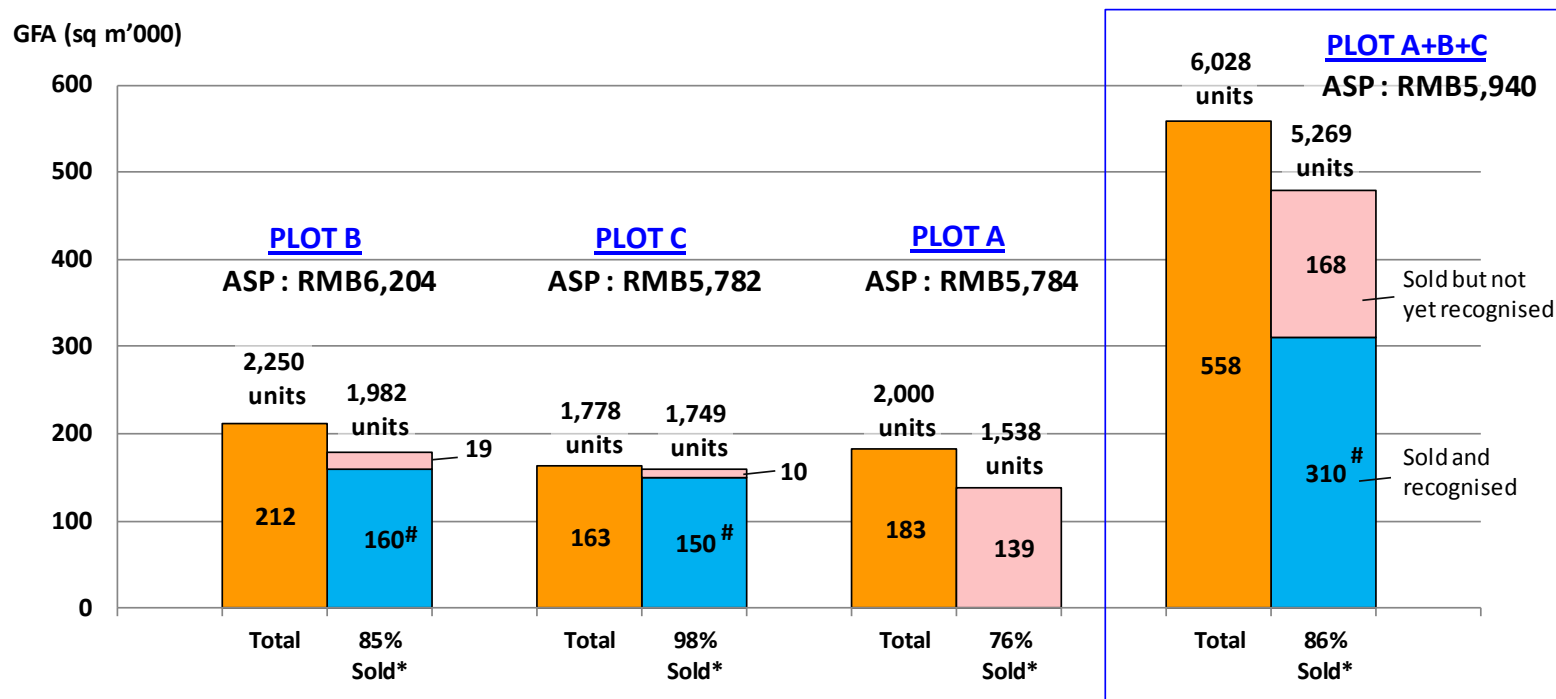
# Key Business Review 4Q2016 – Property Development

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### 3.1 Property Development – Millennium Waterfront Project, Chengdu

Launched residential units sold*	Plot A	Plot B	Plot C	Total
FY2016	1,048 units	201 units	237 units	1,486 units
FY2015	490 units	83 units	421 units	994 units

Plots A, B and C Residential Pre-sale Performance as at 31 December 2016



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

# 1,787 Plot B residential units (GFA: 160,481 sqm) with a gross sales value of S\$205.6m have been cumulatively recognised as at 31 December 2016.

1,652 Plot C residential units (GFA: 150,366 sqm) with a gross sales value of S\$181.1m have been cumulatively recognised as at 31 December 2016.



### 3.1 Property Development – Millennium Waterfront Project, Chengdu

- First time handover of Plot A residential units expected in 1Q2017.
- The Group has soft launched 2 residential blocks in Plot D, the last and best residential plot in the project.
- Due to the re-allocation of all costs relating to car parks to their respective residential and commercial units, there are approximately 5,200 unsold carpark lots carried at zero cost as at 31 December 2016. The average transacted price per lot as of 31 December 2016 is approximately RMB80,000. The Group adopts a conservative approach to the accounting of carpark lots.



# 3.1 Property Development – Millennium Waterfront Project, Chengdu

## Plot A

- 2,000 residential units, 118 commercial units and 1,718 basement car park lots
- Pre-sales of residential units commenced in March 2015
- % of total saleable GFA launched for sale sold<sup>3</sup> :
  - Residential: 76%
  - Commercial: 47%
- Expected to handover the residential units in phases in 2017

## Plot C

- 1,778 residential units, 91 commercial units and 1,508 basement car park lots
- % of total saleable GFA launched for sale sold<sup>3</sup> :
  - Residential: 98%
  - Commercial: 41%
- Pre-sales of residential units commenced in January 2014
- Cumulative handover of 1,652 residential and 26 commercial units as at 31 December 2016

## Plot D

- Construction work had commenced in October 2016
- Expected to comprise 1,274 residential units with ancillary commercial units, two commercial blocks and 1,295 underground carpark lots
- Residential units from 2 blocks were soft launched in December 2016

## Plot B

- 2,250 residential, 96 commercial units, 1,905 basement car park lots and a three-storey commercial building
- % of total saleable GFA launched for sale sold<sup>3</sup> :
  - Residential: 85%
  - Commercial: 73%
- Pre-sales of residential units commenced in November 2012
- Cumulative handover of 1,787 residential and 63 commercial units as at 31 December 2016

## Plot E

## Plot F

## Plot G

- Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels had their soft opening 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 31 December 2016 and includes sales under option agreements or sale and purchase agreements, as the case may be.

## 3.2 Property Development – Properties in the Netherlands

### Properties with Redevelopment Potential



Property name	Oliphant	Dreeftoren
Description	Office and car parks	Office and car parks
Land tenure	Perpetual leasehold (ground lease paid to November 2040)	Perpetual leasehold (ground lease paid to January 2039)
Location	Haaksbergweg 4-98 (even nos.), Amsterdam	Haaksbergweg 3-73 (odd nos.), Amsterdam
Year of construction/ renovation	1992	1991
Lettable floor area	14,109 sqm	8,722 sqm
Number of car park lots	239	207
Occupancy	0%	53%
Number of tenants	Vacant	18
WALT (years)	N.A	2.3

## 3.2 Property Development – Properties in the Netherlands

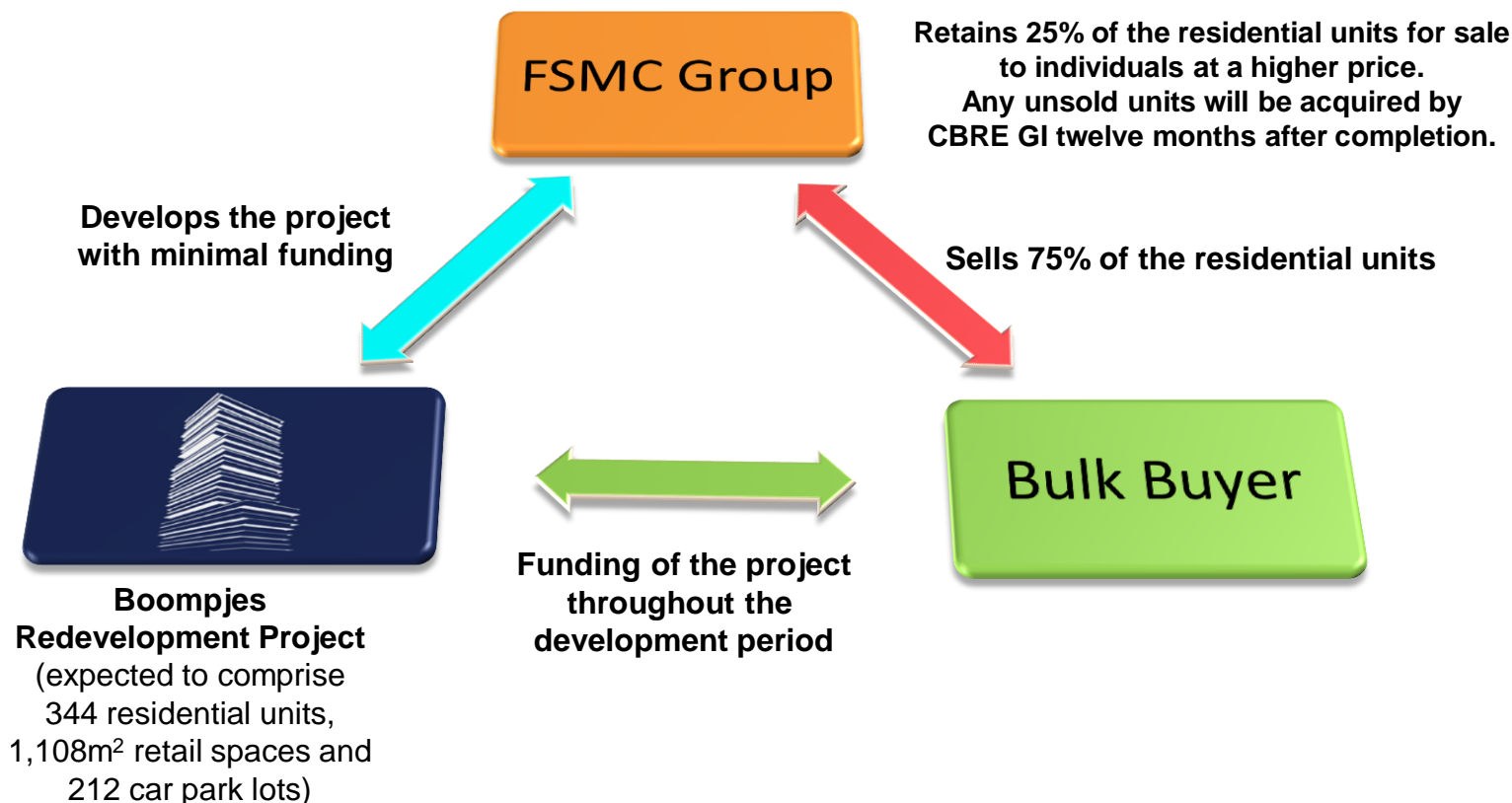
### Properties with Redevelopment Potential



Property name	Boompjes 55 and 57	Terminal Noord	Berg & Bosch	Munthof
Description	Office and car parks	Office and car parks	Office and car parks	Office and car parks
Land tenure	Freehold	Effective freehold	Freehold	Freehold
Location	Boompjes 55 and 57, Rotterdam	Schedeldoekshaven 127, 129 and 131, The Hague	Professor Bronkhorstlaan 4, 4A, 6, 8, 10A -10M, 12 - 20 and 26, Bilthoven	Reguliersdwarsstraat 50-64, Amsterdam
Year of construction/ renovation	1967	1991/2007	1933/2006	1969
Lettable floor area	9,566 sqm	8,897 sqm	34,024 sqm, 415,799 sqm (land)	1,719 sqm
No. of car park lots	68	97	627	147
Occupancy	0%	0%	73%	100%
Number of tenants	Vacant	Vacant	38	18
WALT (years)	N.A	N.A	4.2	2.2

## 3.2 Property Development – Redevelopment of Boompjes, Rotterdam

- Through its 33% owned FSMC, the Group has secured the sale for 75% of the residential units by signing down a sales and purchase agreement with CBRE Global Investors (“CBRE GI”). In addition, FSMC retains the right to sell the remaining 25% to individuals at a higher price within twelve months from delivery of the residential units, failing which CBRE GI has agreed to purchase the remaining unsold units at a pre-determined price.
- CBRE GI intends to acquire the property for leasing purposes.

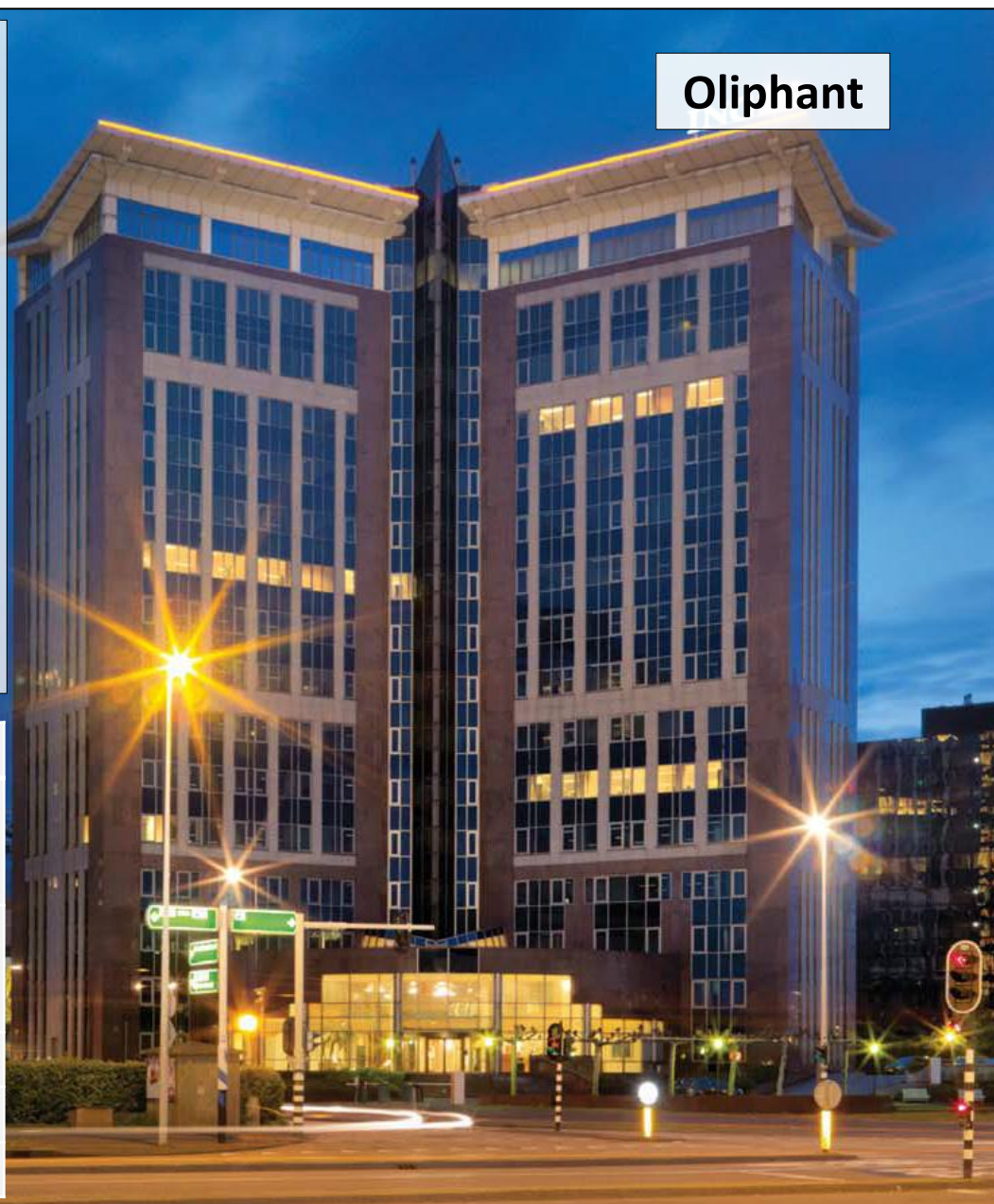




### 3.3 Property Development – New Dutch Acquisition

- On 28 December 2016, the Group completed the acquisition of Oliphant, a vacant office building located in Amsterdam Southeast, at a purchase price of €20.4m (inclusive of transaction costs).
- Oliphant is strategically located opposite Arena Towers and Dreeftoren and has good redevelopment potential. The Group is currently exploring the possibility of adding residential apartments for sale in Dreeftoren and Oliphant. This would build up a strong business presence for the Group in Amsterdam Southeast.

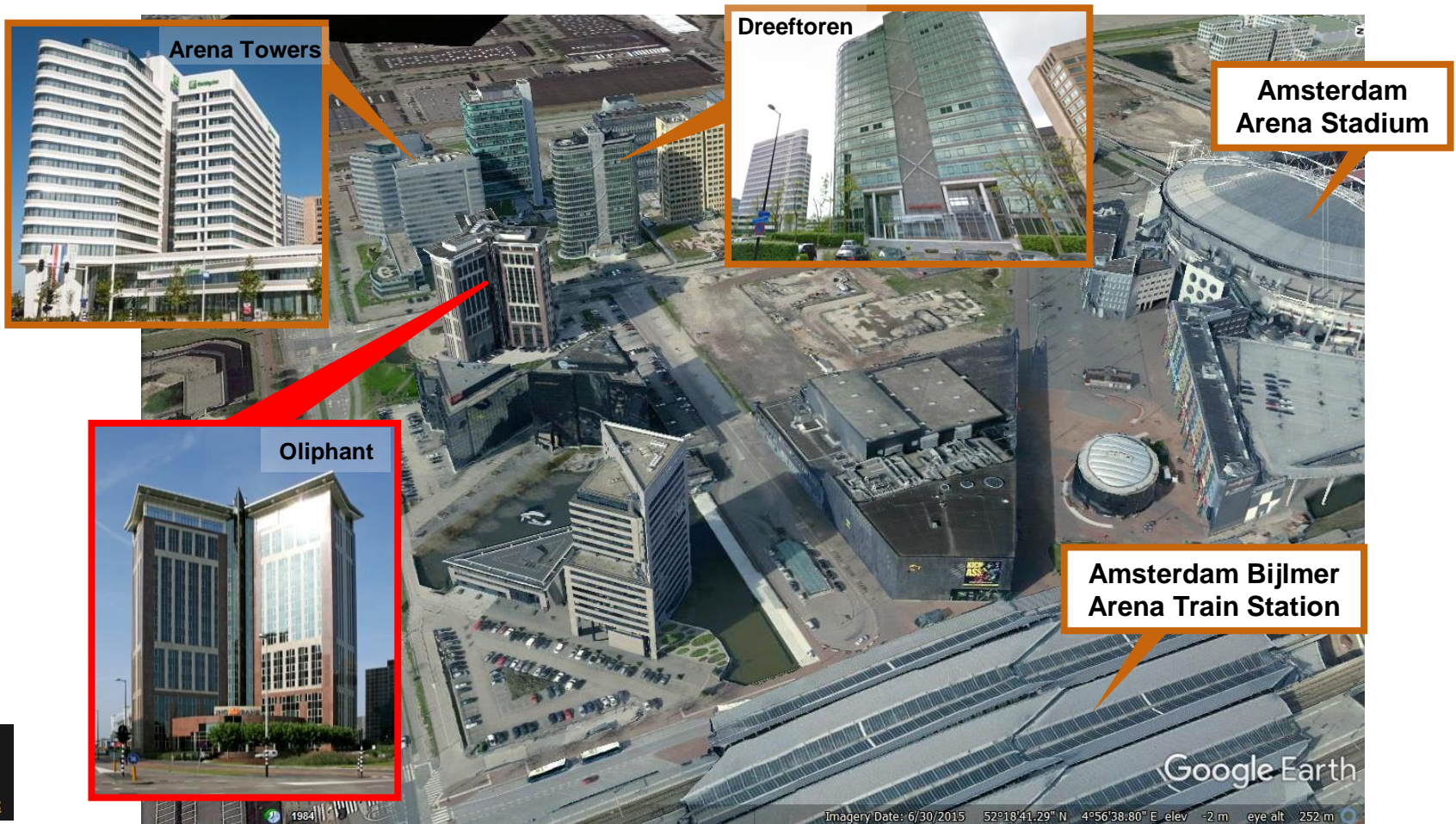
**Oliphant**



<b>Property type</b>	Office and car parks
<b>Land tenure</b>	Perpetual leasehold (ground lease paid to November 2040)
<b>Location</b>	Haaksbergweg 4-98 (even nos.), Amsterdam
<b>Site Area</b>	7,910 sqm
<b>Lettable floor area</b>	14,109 sqm
<b>No. of car park lots</b>	239

### 3.3 Property Development – New Dutch Acquisition (Cont'd)

- The Group has a strong business presence in Amsterdam Southeast which is ranked as the number 2 office location in the Netherlands for FY2016.
- The Group will embark on a capital expenditure program to enhance the quality and organically expand its existing Dutch property portfolio, including the Dreeftoren, Munthof and possibly Oliphant, all of which are located in Amsterdam.



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## Section 4

# Key Business Review 4Q2016 – Property Holding

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## 4.1 Property Holding – M Hotel Chengdu

	FY2016	FY2015	Increase/(decrease)
Occupancy	58.6%	45.9%	12.7%
ADR	RMB330	RMB353 <sup>(1)</sup>	(RMB23)
RevPar	RMB193	RMB172	RMB21

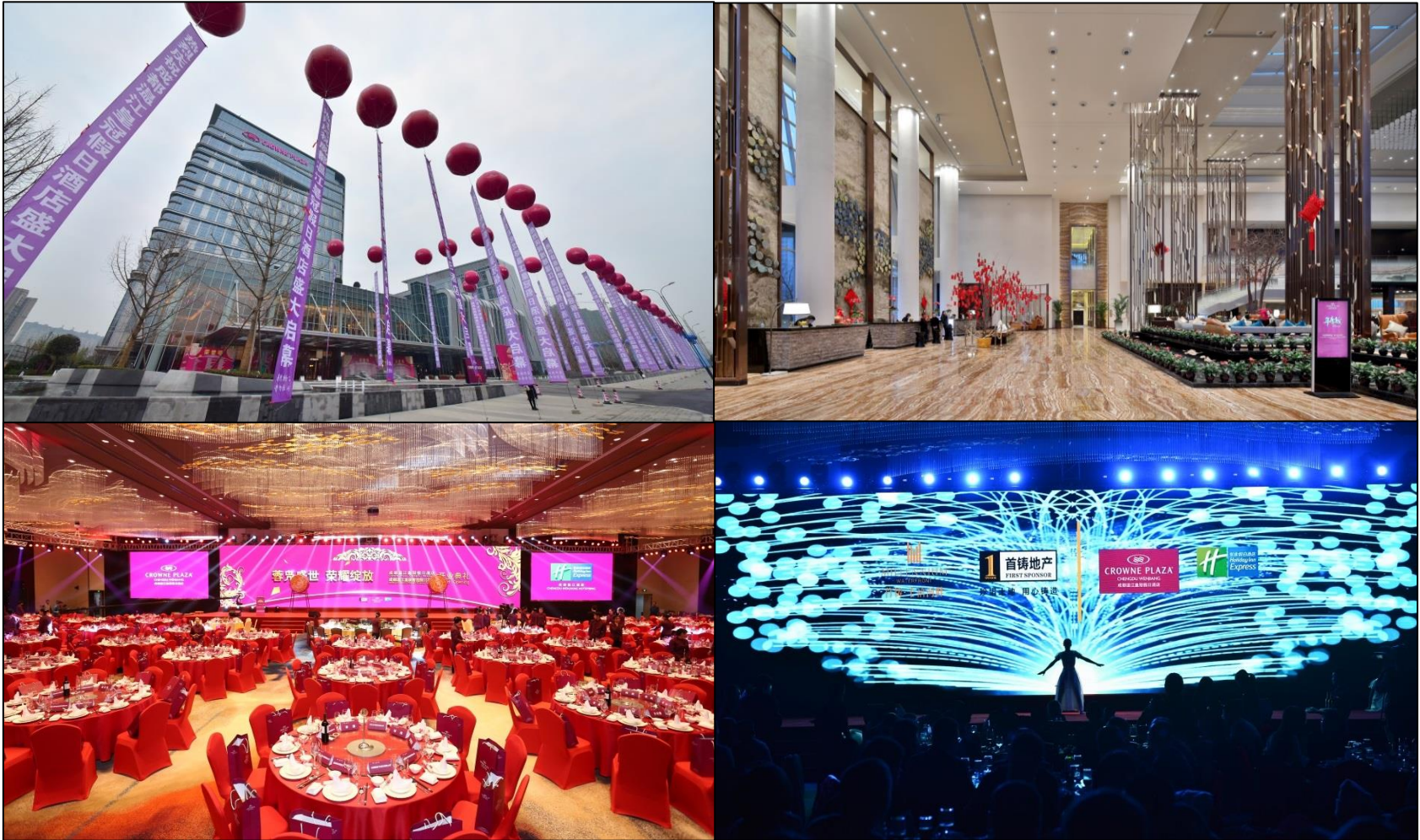
(1) Adjusted to be net of business tax.

- Gross operating profit of the hotel has further improved in FY2016.
- However, due to the oversupply of hotels in Chengdu, the Group has made an impairment charge of S\$10.3m in 4Q2016.
- The Group will further evaluate its options in light of the changing market conditions so as to maximise shareholders' value.



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

- Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels had their soft opening on 28 December 2016. These hotels, which are part of the Millennium Waterfront project, have an aggregate of 608 rooms and are significant additions to the property holding business of the Group.



## 4.3 Property Holding – Properties in the Netherlands



Property name	Zuiderhof I	Arena Towers
Description	Office and car parks	2 hotels and car parks
Land Tenure	Perpetual leasehold (ground lease paid to May 2050)	Perpetual leasehold (ground lease paid to August 2053)
Location	Jachthavenweg 121, Amsterdam	Hoogoorddreef 66 and 68, Amsterdam
Year of construction/ renovation	2001	1988/2014
Lettable floor area	12,538 sqm	17,396 sqm
Number of car park lots	111	509
Occupancy	100%	100%
Number of tenant(s)	1	2
WALT (years)	9.6 years*	21.9 years

\*Based on recently concluded lease extension negotiations.

## 4.3 Property Holding – Properties in the Netherlands



Property name	Mondriaan Tower	Herengracht 21	Villa Nuova
Description	Office and car parks	Office	Office and car parks
Land tenure	Freehold	Freehold	Freehold
Location	Amstelplein 6 and 8, Amsterdam	Herengracht 21, The Hague	Utrechtseweg 46 and 46a, Zeist
Year of construction	2002	1905	1841
Lettable floor area	24,796 sqm	473 sqm	1,428 sqm
Number of car park lots	241	None	40
Occupancy	100%	100%	100%
Number of tenants	4	1	1
WALT (years)	5.2	0.8	2.9

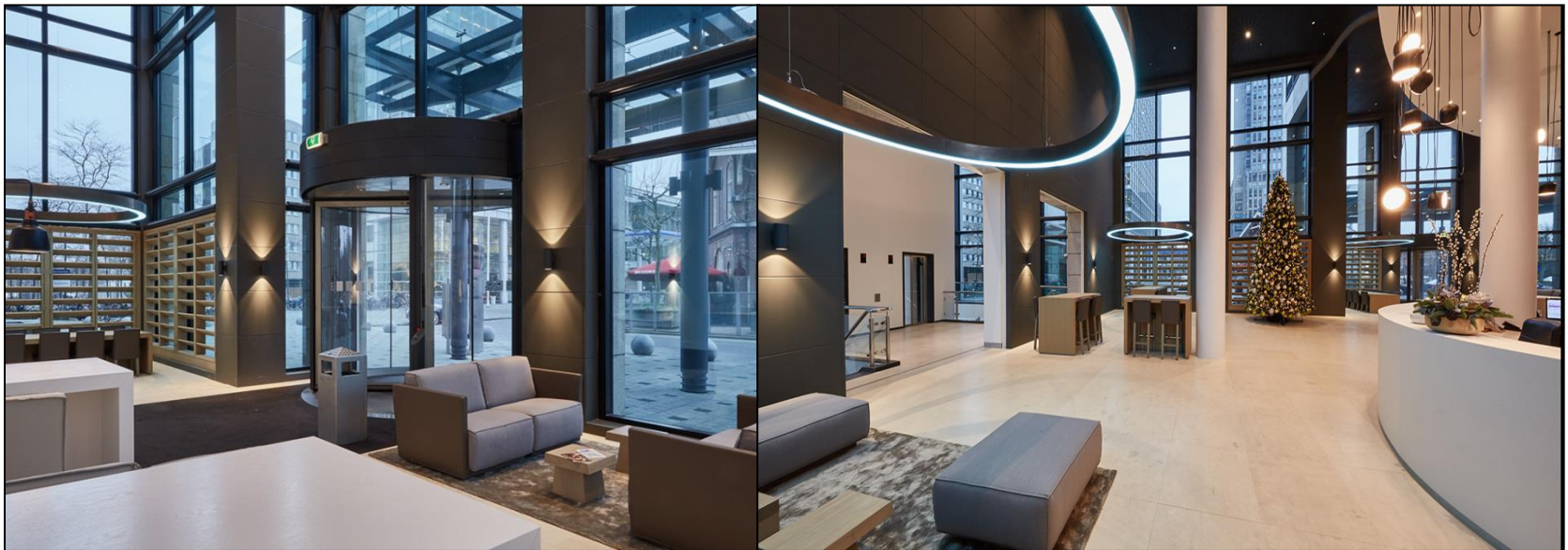
## 4.3 Property Holding – Properties in the Netherlands

### Lease extension with Van Doorne (Zuiderhof I)

- The Group has also, amongst other lease extensions, concluded a lease extension negotiation with Van Doorne, the existing tenant of the Zuiderhof I property for another 7 years, thereby securing a stable long term recurring income.

### Rebranding of Mondriaan Tower

- The agents are in the midst of creating a new website which will be translated into both English and Dutch. A new logo has been created to promote property identity.
- A large-scale refurbishment was completed for the common area.





## 4.4 Property Holding – Disposal of non-core Dutch properties



- The Group and FSMC disposed the last two Dutch non-core properties, Blue Wings and Ooyevaarsnest, at approximately 81% and 96% premium to cost respectively.
- Successful divestment of all non-core properties within 13 months with an attributable gain of S\$11.5m (€7.5m) to the Group.

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## Section 5

# Key Business Review 4Q2016 – Property Financing

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## 5.1 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
<b>4Q2016</b>	4.6 <sup>(1)</sup>	21.2%	4.9	7.4%
<b>4Q2015</b>	9.4	9.4%	10.9	26.6%
<b>FY2016</b>	8.7 <sup>(1)</sup>	4.6%	7.0	5.9%
<b>FY2015</b>	35.5	16.5%	41.4	45.6%

	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
<b>31 December 2016</b> <sup>(2)</sup>	RMB730.0m (S\$152.3m)	RMB753.2m (S\$157.1m)	RMB730.0m (S\$152.3m)
<b>31 December 2015</b>	RMB1,019.2m (S\$222.1m)	RMB953.5m (S\$207.8m)	RMB980.0m (S\$213.2m)

(1) The court has completed the foreclosure auctions for one of the loans (Case 2.3). The Group has recognised S\$3.5m of penalty interest accordingly in 4Q2016. The cumulative penalty interest of S\$26.7m (RMB128.2m) as at 31 December 2016 for the remaining defaulted loans has not been recognised. Interest income for the remaining default loans was recognised up to the point of default.

(2) Average loan balance and loan balance as at 31 December 2016 include the 2 defaulted loan cases totaling RMB640m.

## 5.2 Status of Problematic Loans – Updates to Case 1

### Case 1

- Case 1 relates to a loan of RMB170.0m for which one month's interest of RMB2.6m was not received when due on 21 December 2015.
- A court ruling was issued on 6 May 2016 and the key points of the court ruling are as follows:
  - The borrower is to repay the outstanding entrusted loan principal and interest due.
  - Penalty interest to accrue at 24% per annum from the date of default.
  - Legal and court fees paid and payable by lender are to be reimbursed, except for an immaterial amount to be borne by lender.
  - Lender is able to foreclose and auction the debt collaterals if the principal and interest are not duly repaid on time.
  - Penalty interest to accrue at approximately 30.4% per annum from 5 August 2016.
- The foreclosure procedures for Loan 1 have been suspended pending the closure of the various alleged criminal cases involving the subsidiary of the borrower. The loan-to-value (“LTV”) ratio of this loan is approximately 49%.
- **The Group continues to adopt a conservative approach of not recognising penalty interest income from Case 1.**

## 5.3 Status of Problematic Loans – Updates to Case 2

### Case 2

- Case 2 relates to eight related loans disbursed to six different borrowing entities amounting to RMB470m. One month's interest amounting to RMB6.9m was not received when due on 21 January 2016. All these loans are cross-collateralised.
- Seven loans amounting to RMB420m in aggregate have received final court rulings in favour of the Group. The foreclosure auctions for one of the seven loans amounting to RMB70m has been successfully concluded and is pending release of funds by the court. The foreclosure process for the other six loans are already in progress. The remaining eighth loan (Loan 2.8 on page 37) has received a favourable ruling by the Shanghai Second Intermediate court, but is still subject to appeal by the borrower.
- Key points of the final court rulings are as follows:
  - The borrowers are to repay the outstanding entrusted loan principal and interest due.
  - Penalty interest to accrue at 24% per annum from the date of default.
  - Legal and court fees paid and payable by lender are to be reimbursed, except for an immaterial amount to be borne by lender.
  - Lender is able to foreclose and auction the debt collaterals if the principal and interest are not duly repaid on time. Penalty interest to accrue at approximately 30.4% per annum when the court ruling becomes effective.
- For one of the loans amounting to RMB70m (Loan 2.3 on page 37), the mortgaged properties comprising office units in Guangzhou were successfully auctioned off for RMB127.6m in 4Q2016. The loan principal, interest and associated penalty interest is expected to be received in late February 2017. The excess auction proceeds will serve as additional security for the remaining loans due to the cross collateralization. Based on the total value of the mortgaged property collaterals and the unencumbered assets of the guarantors for which the Group has a first caveat, the LTV for the remaining 7 loans is approximately 22%.

## 5.4 Status of Problematic Loans – Summary

The table below summarises the latest status of the problematic loans:

Loan No.	Principal (RMB'm)	Interest Rate per Annum (%)	Court	Status	Start Date for Penalty Interest	Penalty Interest Rate per Annum (%)	Cumulative Unrecognised Interest as of 31 Dec 2016 (S\$m net of VAT)	Estimated Monthly Interest (S\$m net of VAT)
Case 1	170.0	18.0%	Shanghai First Intermediate Court	Foreclosure procedures suspended <sup>(a)</sup>	22-Dec-15	24.0% (30.4% from 5-Aug-16)	9.2 (LTV: 60.4%) <sup>(c)</sup>	0.9
Case 2								
2.1	70.0	17.0%	Shanghai First Intermediate Court	Ruling has become effective and the court has commenced the foreclosure procedures	25-Feb-16	24.0% (30.4% from 4-Jan-17)	3.1	0.4
2.2	60.0	17.0%				24.0% (30.4% from 8-Nov-16)	2.8	0.3
2.3 <sup>(b)</sup>	70.0	17.0%		Auctions succeeded on 29-Nov-16 and 13-Dec-16		24.0% (30.4% from 24-Jul-16)	- <sup>(b)</sup>	- <sup>(b)</sup>
2.4	64.0	17.5%		Ruling has become effective and the respective court has commenced the foreclosure procedures		24.0% (30.4% from 5-Dec-16)	2.9	0.3
2.5	60.0	17.5%				24.0% (30.4% from 28-Nov-16)	2.7	0.3
2.6	67.0	17.5%	Shanghai Pudong New Area People's Court	Ruling has become effective and the respective court has commenced the foreclosure procedures	15-Feb-16	24.0% (30.4% from 29-Nov-16)	3.1	0.3
2.7	29.0	17.5%				1.3	0.1	
2.8	50.0	17.0%	Shanghai Second Intermediate Court	First ruling issued on 11-Jan-17	22-Jan-16	17.4%	1.6	0.1
Case 2 Subtotal	470.0						17.5 (LTV: 27.3%) <sup>(c)</sup>	1.9
Total	640.0						26.7	2.8

- (a) The foreclosure procedures for Loan 1 have been suspended pending the closure of the various alleged criminal cases involving a subsidiary of the borrower.
- (b) The foreclosure auctions for Loan 2.3 have been concluded with a total bid price of RMB127.6m and the Group has recognised the associated penalty interest for the period up to 31-Dec-16 amounting to S\$3.5m from Loan 2.3 in 4Q2016.
- (c) Adjusted LTVs after factoring in the cumulative unrecognised interest as of 31 December 2016 (Excludes Loan 2.3)

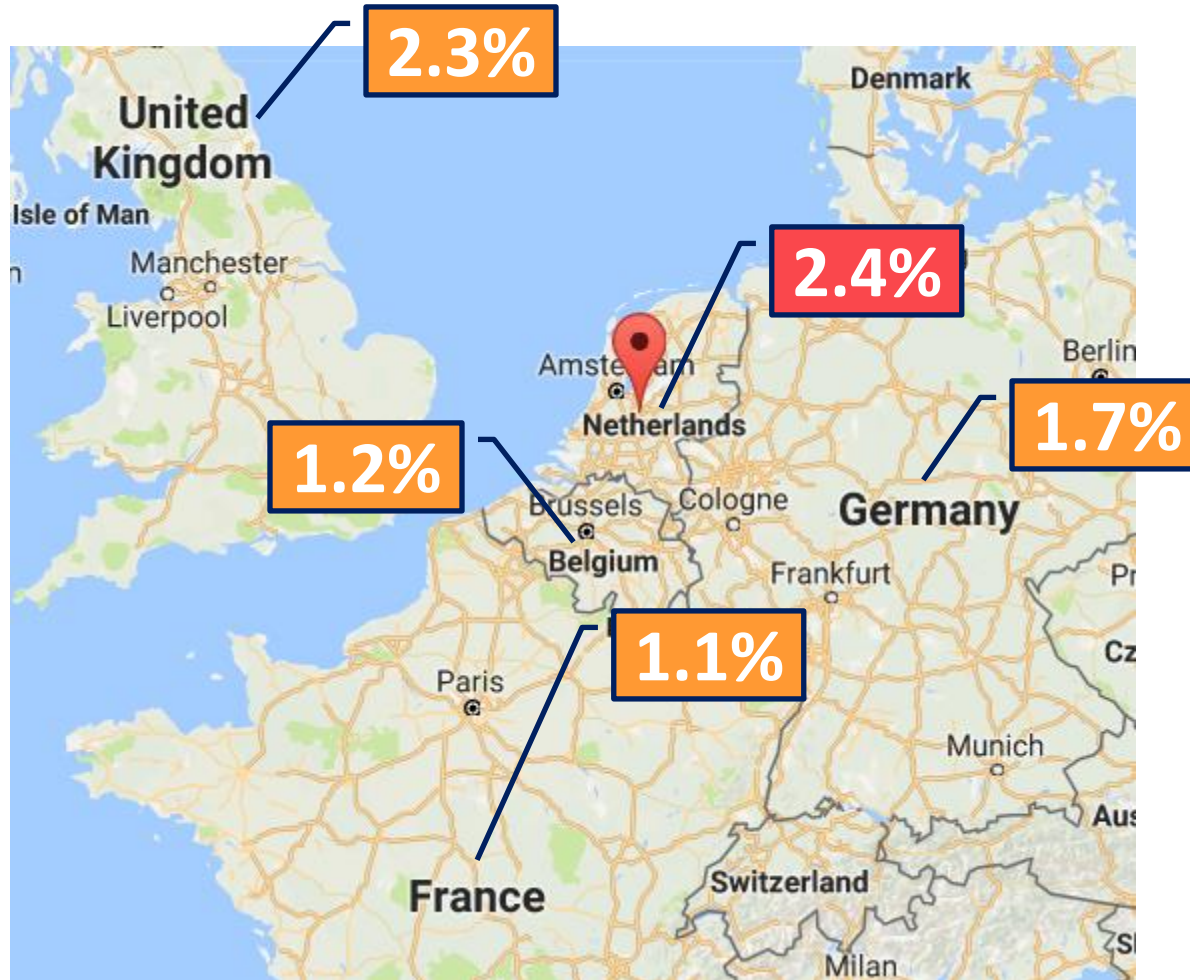
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# Appendix I Netherlands Market Overview

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# Netherlands Market Overview

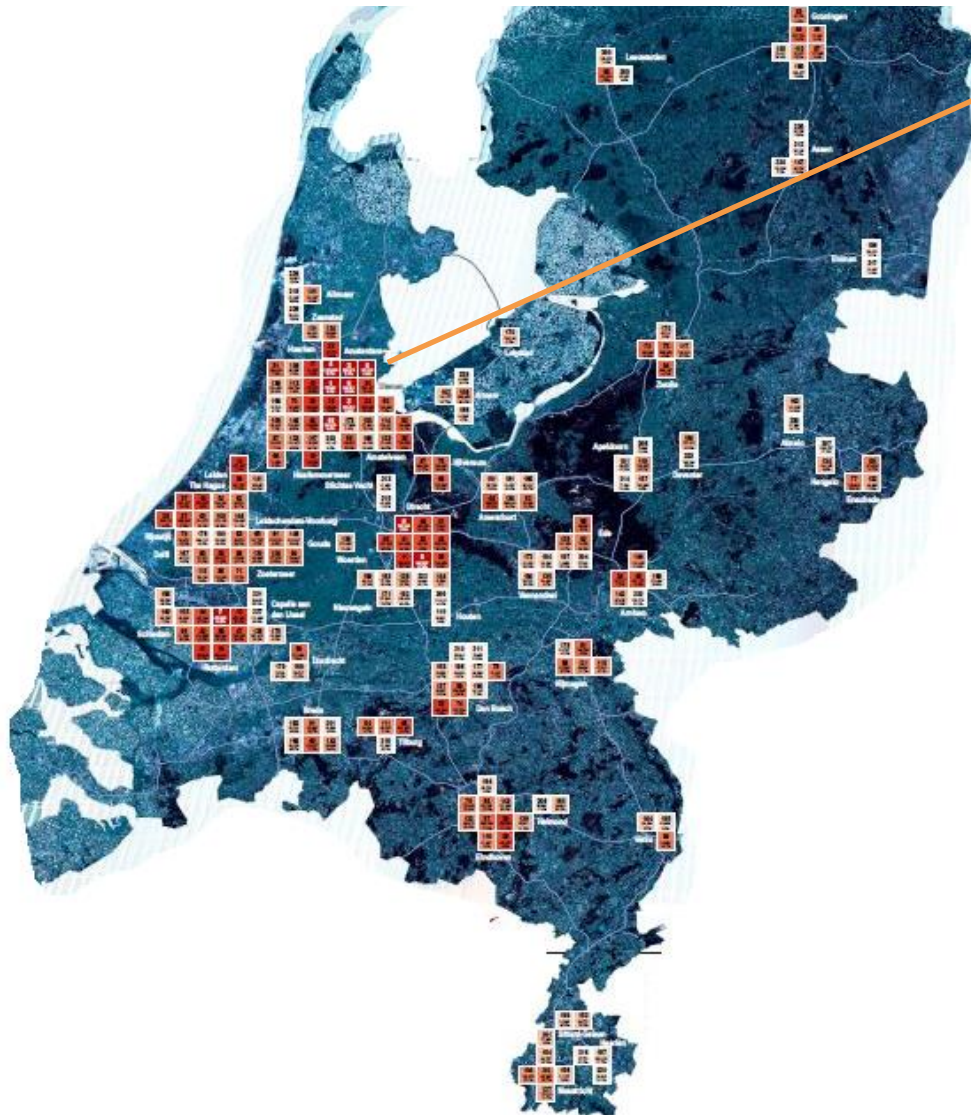
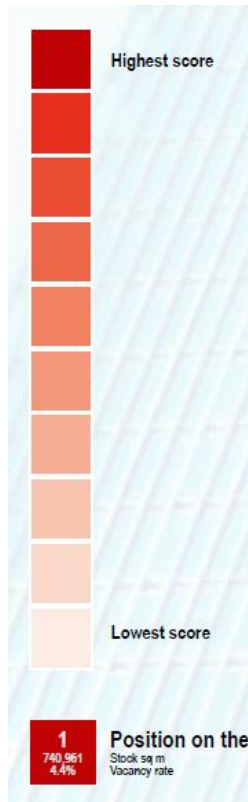
Economic growth in Q3 YOY in the Netherlands (2.4%) is higher than its neighbouring countries and the average in EU (1.8%).





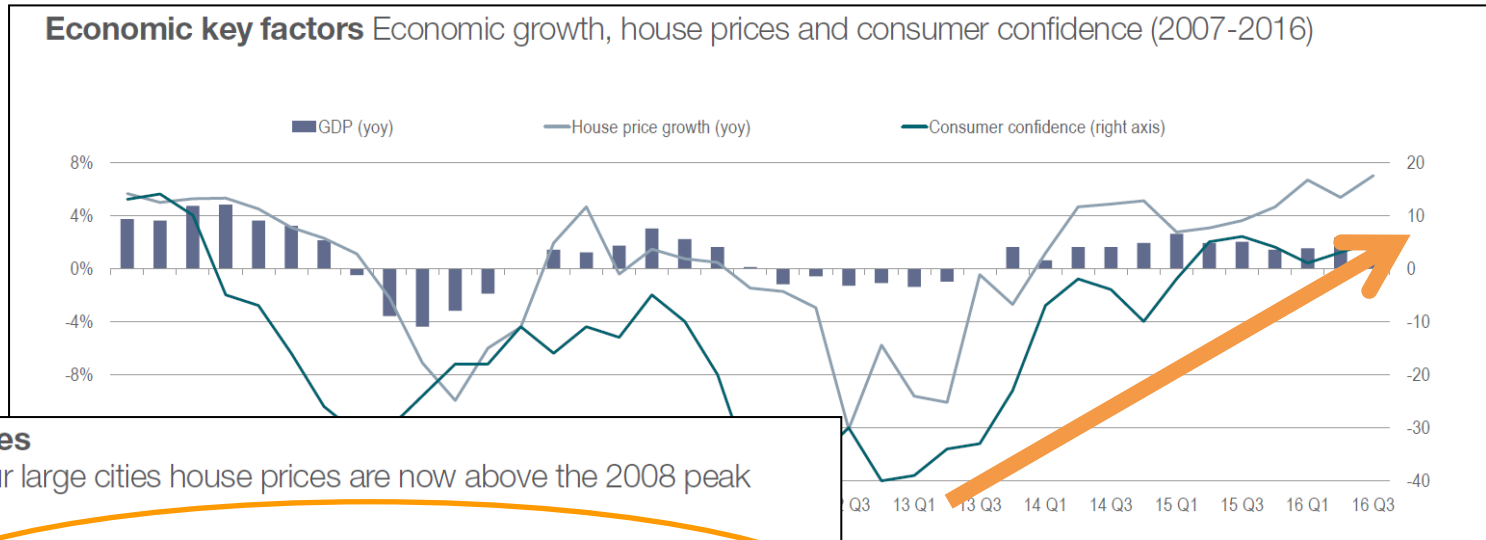
# Netherlands Market Overview

Amsterdam Southeast, where most of our properties are located, was ranked the number 2 office location in the Netherlands in 2016



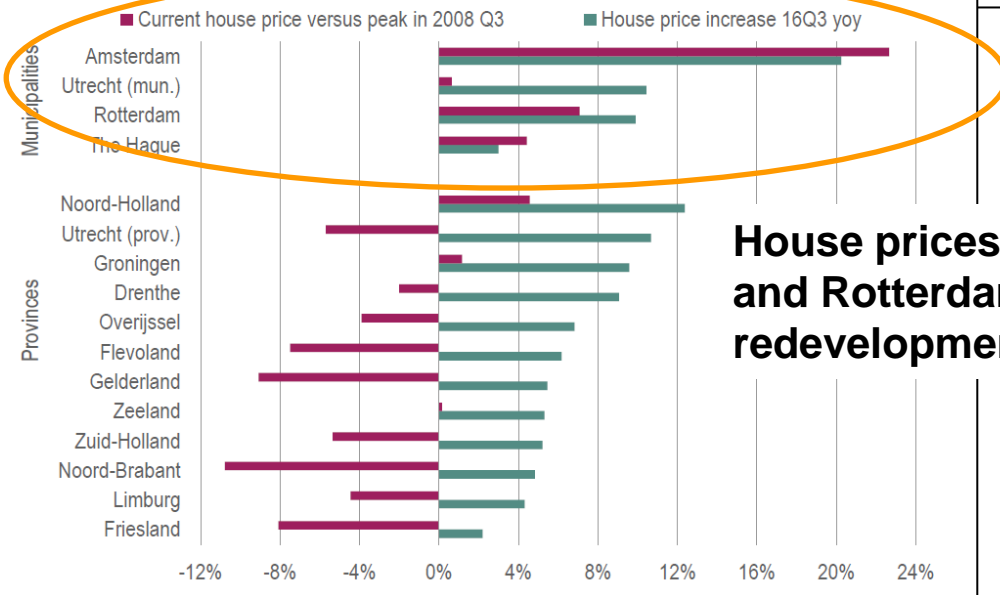
2016	2014	Location
<b>AMSTERDAM</b>		
1	1	Zuidas
2	4	South East Centre
3	6	IJ-oevers
4	8	Canal District
8	13	Omval
9	12	South
13	19	Sloterdijk-Teleport
17	-	Houthavens
19	44	Buitenveldert
20	43	West
23	51	North
24	37	South East South
30	18	East
40	47	South West

# Netherlands Market Overview



## House prices

Within all four large cities house prices are now above the 2008 peak



**Upward trend in house prices and consumer confidence.**

**House prices higher in Amsterdam and Rotterdam where the Group has redevelopment plans.**



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**Thank You**

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# Disclaimer

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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.