First Sponsor Group Limited
Investor Presentation
11 February 2022

Artist's impression. City Tattersalls Club Project, Sydney.

Contents

Section 1 Key Message

Key Message

1. The Group achieved a record annual pre-tax profit, since its inception, of S$202.6 million in FY2021, a 61.3% increase from FY2020. For the half year ended 31 December 2021, the Group achieved a net profit of S$52.5 million, a 16.4% growth for the period. The corresponding net profit of S$121.5 million for FY2021 reflects a 17.7% growth from FY2020.

2. The Board is pleased to announce a second interim tax-exempt (one-tier) cash dividend of 2.35 Singapore cents per share for FY2021, in lieu of a final dividend. The total dividend declared for FY2021 will be 3.45 Singapore cents per share which is an 11.3% growth from that for FY2020 and a record dividend payout since its inception. The Board will continue to work towards a stable dividend payout with a steady growth when appropriate, subject to the successful implementation of the Group's business strategy and prevailing market conditions amidst the current economic uncertainties arising from the Covid-19 pandemic.

3. In December 2021, the 60%-owned The Pinnacle project in Dongguan commenced its first handover of six of the eight fully sold residential apartment blocks. The remaining two fully sold residential apartment blocks and 202 SOHO units are expected to be handed over during the course of 2022. The 27%-owned Skyline Garden project in Dongguan will also commence its first handover of the four fully sold residential apartment blocks in late 2022.

Key Message

4. The PRC property development projects which are expected to launch new pre-sales in 2022 are (i) the 17.3%-owned Time Zone, (ii) the 48.2%-owned Bolong Bay Garden and (iii) the 36%-owned Boyong project, all of which are situated in Humen, Dongguan, as well as (iv) the 95%-owned Primus Bay in Panyu, Guangzhou and (v) Plot E1 of the Millennium Waterfront in Wenjiang, Chengdu.

5. In May 2021, the Group entered into an agreement to divest a 40.5% effective equity interest in the Wentang Recycling Factory in Dongguan, one of the properties in the 90%-owned East Sun Portfolio, at a premium of 219% over cost of RMB40.3 million. The divestment was successfully completed in December 2021. The divestment of a 72% effective equity interest in the Liaobu Factory in Dongguan, another property in the East Sun Portfolio, at a premium of 128% over cost of RMB61.4 million, is expected to be completed in 2Q2022.

Key Message

6. In December 2021, the Group entered into agreements with the main contractors in relation to the construction of the Dreeftoren Amsterdam redevelopment project, which is expected to commence in 1Q2022. The redevelopment project comprises a new 130-metre high residential tower with a lettable floor area of approximately 20,300 sqm (312 apartment units) and an adjacent newly refurbished and enlarged 18-storey office tower with lettable floor areas of 15,600 sqm (office component) and 1,600 sqm (commercial component). Completion of the project is expected to be in 2025. In addition, the Group continues to engage the relevant authority in relation to the redevelopment of Meerparc located in the Amsterdam CBD into a mixed residential/office project.

7. The Stage 2 development approval for the 39.9%-owned City Tattersalls Club ("CTC") project in Sydney was granted in November 2021, paving the way for the construction and pre-sale launch of the 241 residential units in 3Q2022. The Group will also be providing construction financing to the developer trust as part of its property financing business. In October 2021, the developer trust and CTC entered into a legally binding heads of agreement in relation to the sale by CTC of the hotel component of the project to the developer trust or its nominee. The parties are in the midst of finalising the detailed documentation in relation to such sale. The Group is expected to take a 70% stake in the 101-room hotel component.

8. The Group's European operating hotels showed strong signs of recovery in 2H2021 underpinned by strong leisure demand in the summer period. While demand took a hit following the resurgence of Covid-19 cases and implementation of restrictions in December 2021, the Group's European hospitality business, including those owned by associated companies and joint ventures, achieved a turnaround earnings before interest, taxes, depreciation and amortisation ("EBITDA") of €1.1 million as compared to a loss before interest, taxes, depreciation and amortisation ("LBITDA") of €1.1 million in FY2020 after taking into account approximately €10.1 million of government subsidies (FY2020: €8.4 million). Similarly in the PRC, there was a resurgence of Covid-19 cases in Chengdu in 2H2021. This resulted in a swift implementation of restrictions which adversely impacted trading and also resulted in the temporary closure of the Holiday Inn Express hotel from 5 November 2021 to 25 November 2021. The hotels' trading took a hit in 2H2021 with an EBITDA of RMB4.2 million (2H2020: RMB12.0 million). Notwithstanding the above, the hotels recorded an overall EBITDA of RMB12.5 million for FY2021 on the back of a strong 1H2021, which represents a growth of approximately 58% from the RMB7.9 million recorded in FY2020.

Key Message

9. Despite the negative impact on the hospitality sector brought about by the restrictions and uncertainty caused by the Covid-19 pandemic, the Group remains optimistic about the eventual recovery of the European hospitality business in the mid to long term. As such, the Group is discussing with its business partners in the Dutch QBN hotel portfolio to increase its current 31.4% equity interest.

10. The PRC property financing ("PRC PF") business achieved a record full year average loan book of RMB2.7 billion for FY2021. The PRC PF loan book stood at RMB2.5 billion as at 31 December 2021. However, arising from the improving credit liquidity situation in the PRC, the challenge for the Group would be to maintain a similar average loan balance in FY2022.

11. The Group is backed by a strong balance sheet, substantial unutilised committed credit facilities and potential equity infusion from the exercise of outstanding warrants. The above, together with the upcoming new pre-sale launches of several PRC property development projects and PRC PF loan repayments in 2022 which are expected to generate substantial cashflow, will further financially strengthen the Group so that it will be ready to capitalise on any new business opportunities when they arise.

Section 2 Financial Updates 2H2021

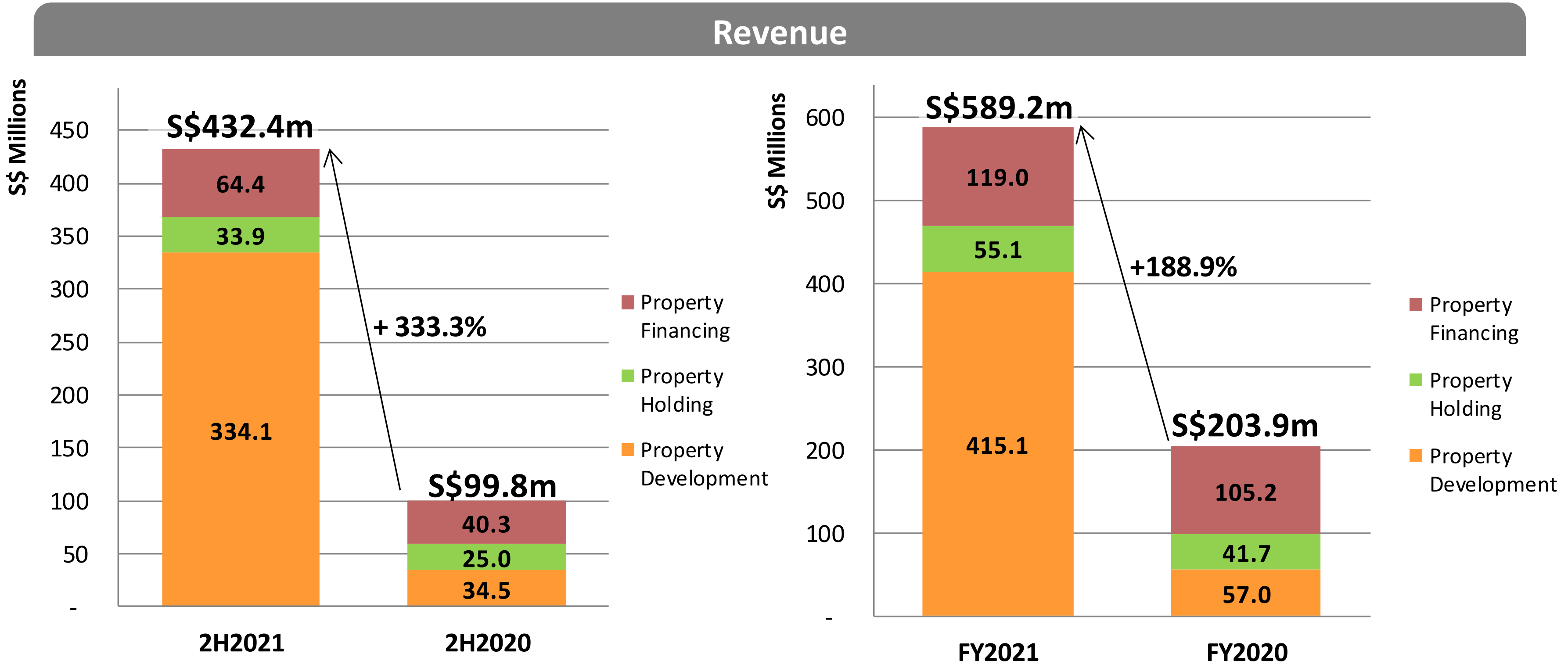
2.1 Statement of Profit or Loss - Highlights

Statement of Profit or Loss - Highlights						
In S$'000	2H2021	2H2020	Change %	FY2021	FY2020	Change %
Revenue	432,412	99,788	333.3%	589,170	203,936	188.9%
Gross profit	170,066	87,836	93.6%	241,316	171,906	40.4%
Profit before tax	128,976	53,455	141.3%	202,595	125,612	61.3%
Attributable profit (1)	52,518	45,103	16.4%	121,469	103,174	17.7%
Basic EPS (cents)	5.72	5.15	11.1%	13.26	11.97	10.8%
Diluted EPS (cents)	3.96	3.40	16.5%	9.16	8.87	3.3%
Interest cover (2)	9.9x	9.2x	n.a.	8.8x	10.2x	n.a.

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

(2) 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 increase was due mainly to the handover of the six fully sold residential apartment blocks of The Pinnacle Project, Dongguan (437 units) in December 2021, and 2H2020 revenue relates largely to the sale of 2,825 carpark lots of the Chengdu Millennium Waterfront Project.

Property Holding

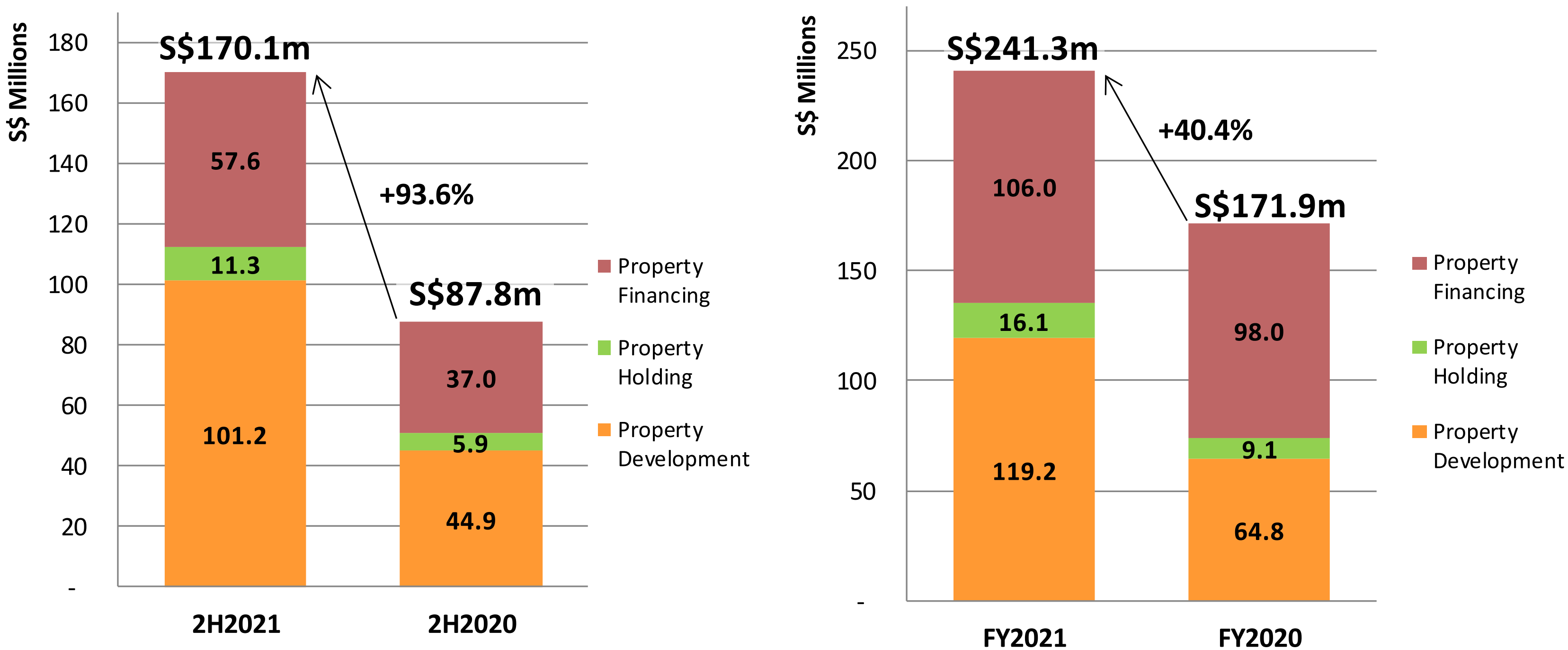
The increase was due mainly to the modest recovery of the European and PRC hospitality sector from the impact of the Covid-19 pandemic and the full period effect from the consolidation of the East Sun Group.

Property Financing

The increase was due mainly to income from a larger average PRC loan portfolio in 2H2021.

2.3 Statement of Profit or Loss – Gross Profit

Gross Profit



Property Development

The increase was in line with the higher revenue recognised due mainly to the handover of the six fully sold residential apartment blocks of The Pinnacle Project, Dongguan (437 units) in December 2021. 2H2020 profit relates largely to the sale of 2,825 carpark lots of the Chengdu Millennium Waterfront Project and a reversal of cost provision that is no longer required.

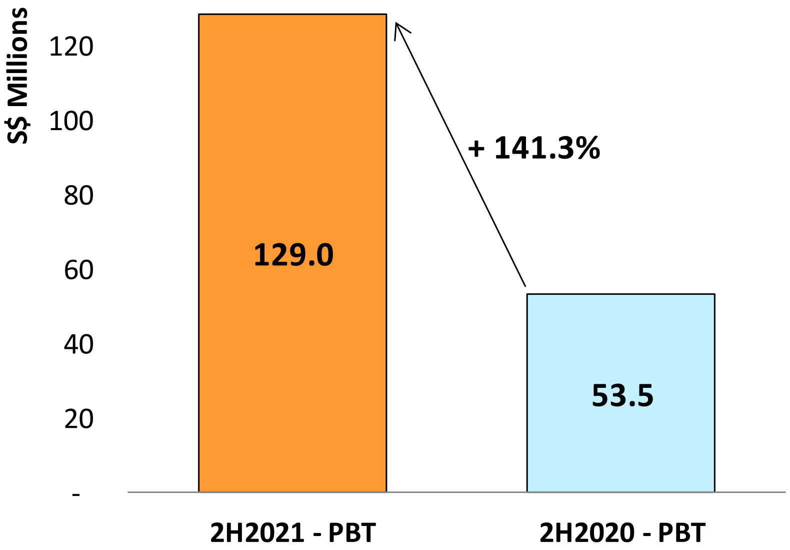
Property Holding

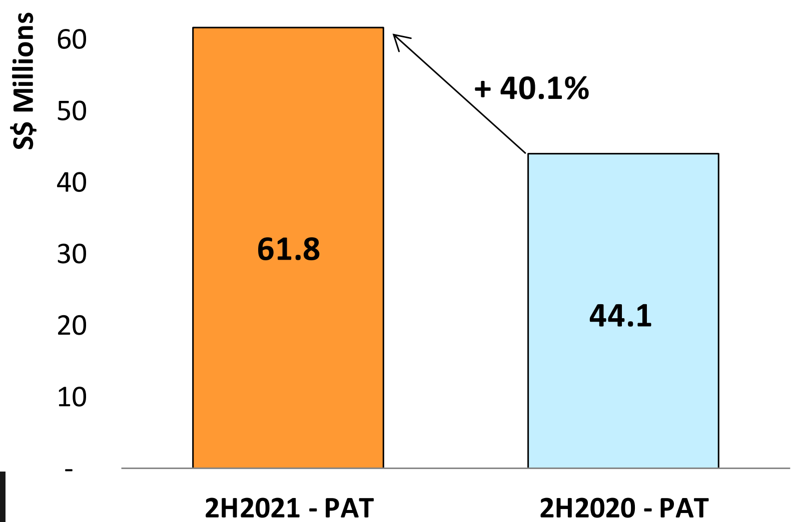
The increase was in line with the higher revenue recognised.

Property Financing

The increase was due mainly to income from a larger average PRC loan portfolio in 2H2021.

2.4 Statement of Profit or Loss – 2H2021 vs 2H2020





The increase in profit before tax was due mainly to:

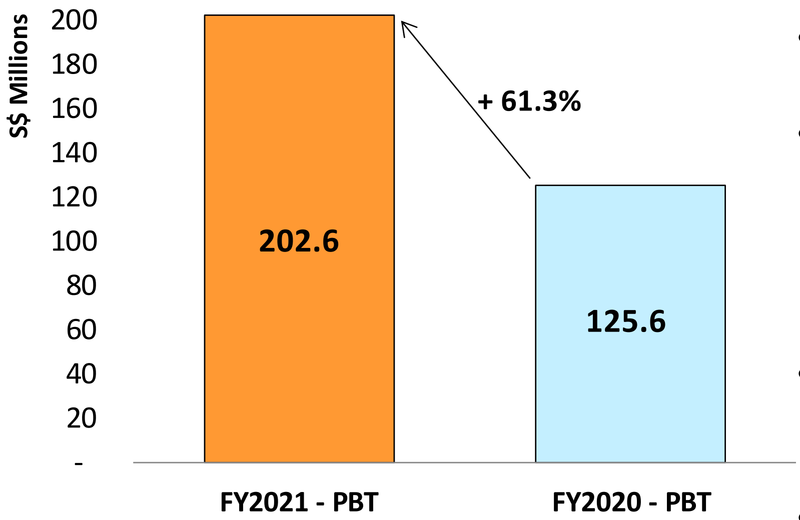
- Higher gross profit contribution from all three business segments [S$82.3m increase]
- Higher fair value gain (net) on financial derivatives net of foreign exchange gain/loss [S$14.4m increase]
- Higher fair value gain on investment properties [S$8.8m increase]
- Higher share of after-tax profit of associates and joint venture due mainly to higher attributable share of fair value gain from investment properties and the absence of impairment charge of certain Dutch Bilderberg hotels in 2021 [S$7.0m increase]
- Higher other gains due mainly to Wentang Recycling Factory dilution gain and gain on disposal of 10% equity interest in the Dongguan Huijing Hotel [S$4.7m increase]

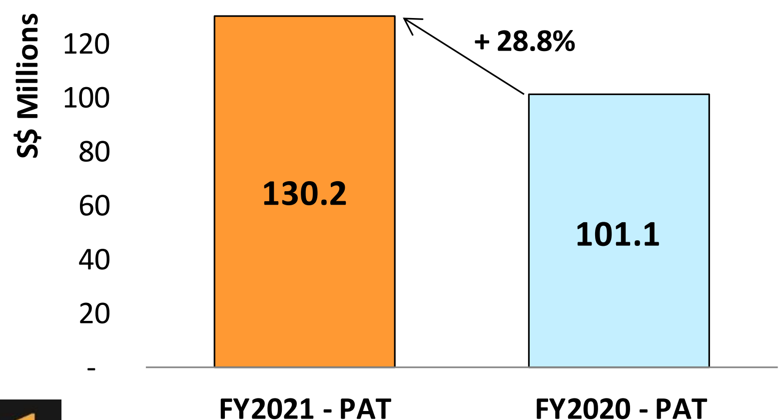
Offset by:

- Higher non-cash write-down of development properties and PPE written off [S$16.4m increase]
- Higher administrative expenses due mainly to increase in staff costs [S$7.4m increase]
- Impairment of loan receivable from Le Méridien Frankfurt JV [S$6.7m increase]
- Lower fair value gain on equity investments [S$8.4m decrease]

The effective tax rate was 23.1% for 2H2021.

2.5 Statement of Profit or Loss – FY2021 vs FY2020





The increase in profit before tax was due mainly to:

- Higher gross profit contribution from all three business segments [S$69.4m increase]
- Higher share of after-tax profit of associates and joint venture due mainly to higher fair value gain on investment properties and the absence of impairment charge of certain Dutch Bilderberg hotels and loan restructuring expense in 2021 [S$23.4m increase]
- Higher other gains due mainly to Wan Li Group and Wentang Recycling Factory dilution gain and gain on disposal of equity interest in the Dongguan Huijing Hotel [S$13.7m increase]
- Higher fair value gain on investment properties [S$8.8m increase]
- Higher fair value gain (net) on financial derivatives net of foreign exchange gain/loss [S$1.9m increase]

Offset by:

- Higher non-cash write-down of development properties and PPE written off [S$16.4m increase]
- Higher administrative expenses due mainly to increase in staff costs [S$7.4m increase]
- Impairment of loan receivable from Le Méridien Frankfurt JV [S$6.7m increase]
- Lower fair value gain on equity investments [S$3.6m decrease]

The effective tax rate was 22.7% for FY2021.

2.6 Statement of Financial Position – Highlights

Statement of Financial Position - Highlights			
In S$'000	**31-Dec-21**	**30-Jun-21**	**Change %**
Total assets	4,303,515	4,349,967	(1.1%)
Cash and structured deposits [1]	343,932	294,717	16.7%
Total debt [2]	1,088,907	1,215,240	(10.4%)
Net asset value (NAV) [3]	1,863,082	1,784,605	4.4%
NAV per share (cents)	202.39	195.44	3.6%
Adjusted NAV per share (cents) [4]	176.60	171.29	3.1%
Gearing ratio [5]	0.38x	0.49x	n.a.

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

(2) Comprises gross borrowings of S$1,100.2m net of unamortised upfront fee of S$11.3m and S$1,225.0m net of unamortised upfront fee of S$9.8m as at 31 December 2021 and 30 June 2021 respectively.

(3) NAV includes translation gain of S$91.7m (Jun 2021: translation gain of S$63.6m), and excludes non-controlling interests.

(4) Represents NAV per share adjusted for the exercise of all warrants into ordinary shares.

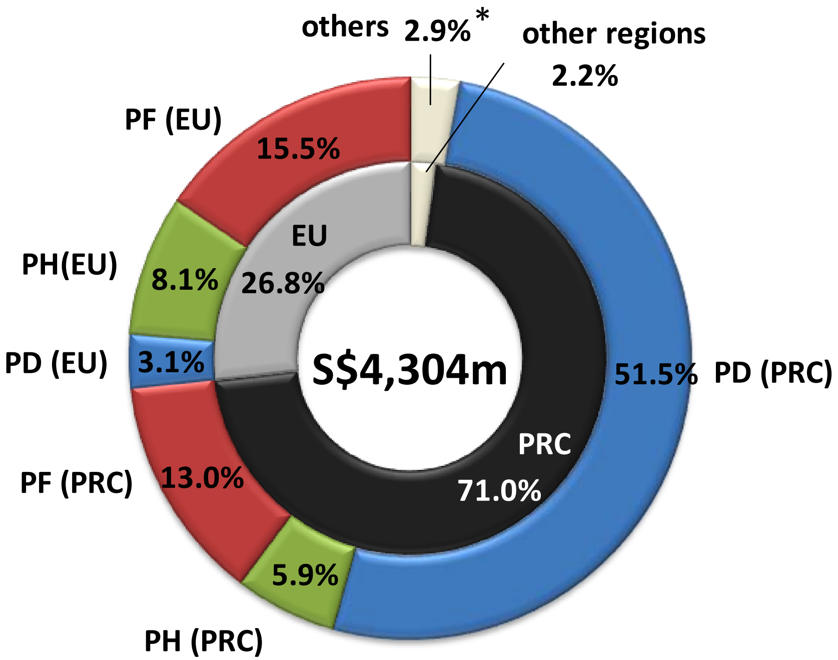
(5) Computed as net debt ÷ total equity including non-controlling interests.
Net debt = gross borrowings – cash and structured deposits.

2.7 Statement of Financial Position - Total Assets

Total Assets – by business and geographic segments

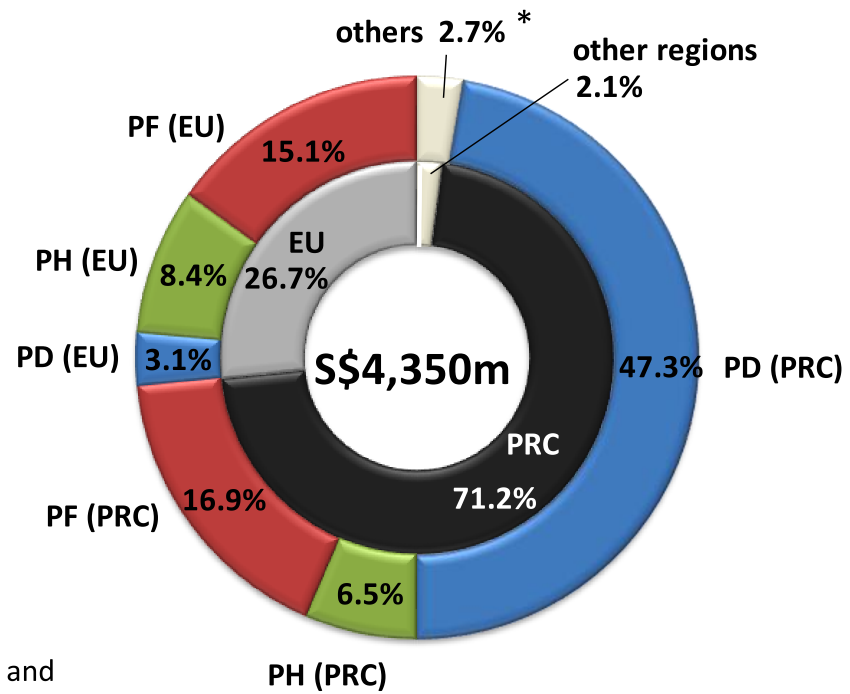
As at 31 December 2021

Total assets: S$4,304m



As at 30 June 2021

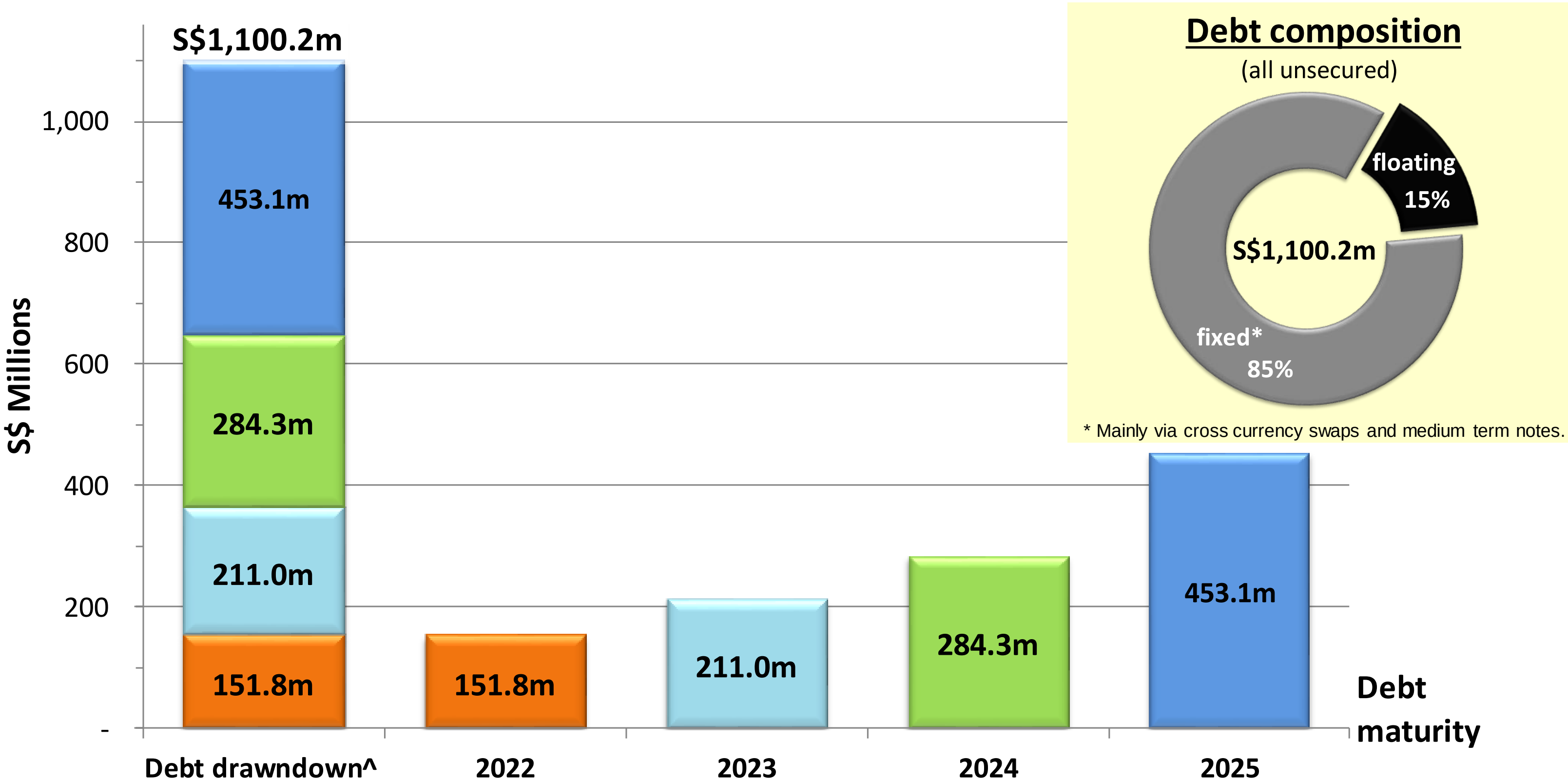
Total assets: S$4,350m



* Includes PD/PF (Australia) and tax related items (EU/PRC/Singapore)

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

2.8 Debt Maturity and Composition as at 31 December 2021



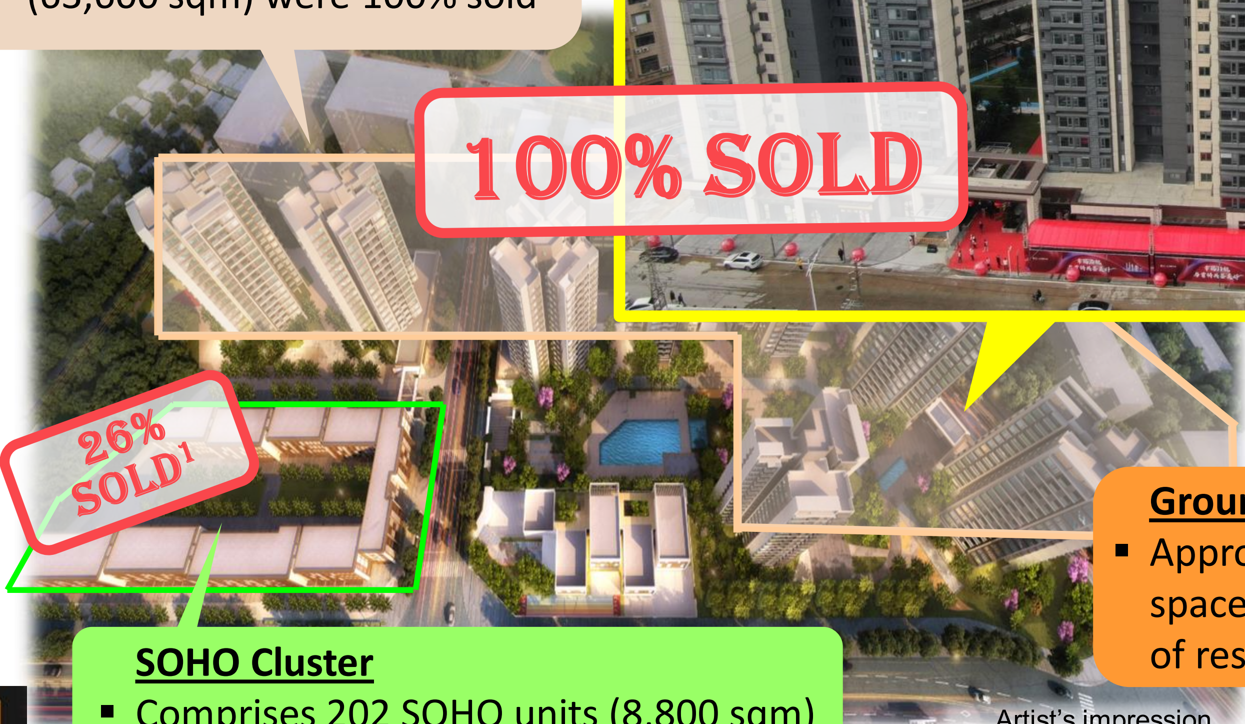
^ Remaining headroom of S$197.6m of committed credit facilities.

- The Group had cash balances of S$343.9m as at 31 December 2021. The upcoming new pre-sale launches of several PRC property development projects and repayment of PRC PF loans are expected to generate substantial cashflow in 2022.
- Formal credit approval from an existing principal bank for the extension of the maturity dates of debt facilities granted to the Group which represent a substantial portion of the debt facilities due in FY2022 has been obtained. In addition, the total debt facilities from this bank will be further increased by S$50.0 million. Upon execution of the loan documentation, the Group’s debt maturity profile and undrawn committed credit facilities headroom will further improve.

Section 3 Business Updates 2H2021 – Property Development

3.1 Property Development – The Pinnacle, Dongguan (60%-owned)

- In December 2021, the 60%-owned The Pinnacle project in Dongguan commenced its first handover of six of the eight fully sold residential apartment blocks. The remaining two fully sold residential apartment blocks and 202 SOHO units are expected to be handed over during the course of 2022.



Residential Blocks
- All eight blocks of 606 units (63,600 sqm) were 100% sold

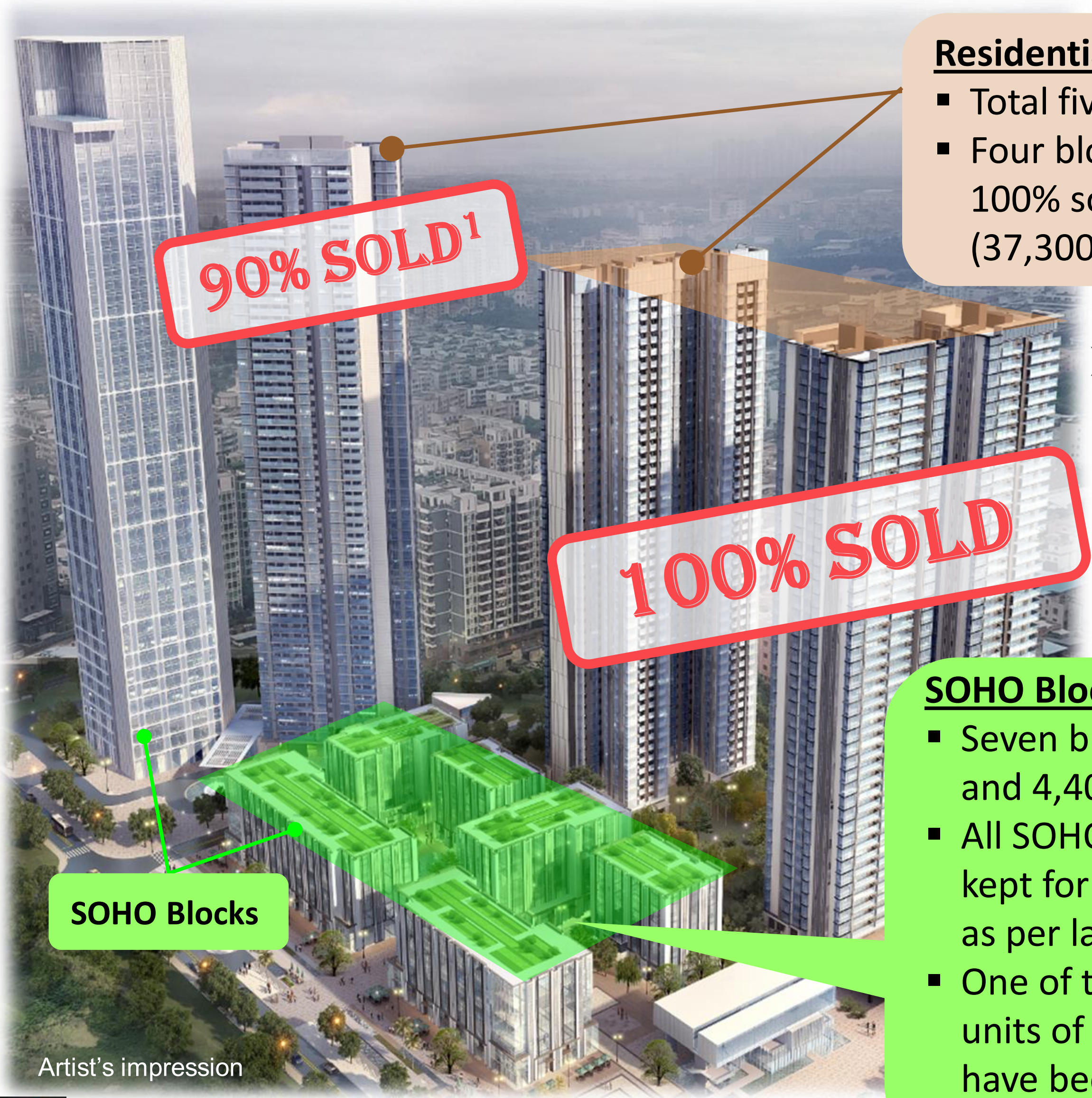
SOHO Cluster
- Comprises 202 SOHO units (8,800 sqm)

Ground Level Retail:
- Approx. 2,700 sqm of retail space located at ground level of residential and SOHO blocks

Artist's impression

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

3.2 Property Development – Skyline Garden, Dongguan (27%-owned)



Residential Blocks

- Total five blocks of 1,194 units (131,900 sqm)
- Four blocks of 830 units (94,600 sqm) were 100% sold while the last block of 364 units (37,300 sqm) were approximately 90% sold[1]

➢ Barring any unforeseen circumstances, Skyline Garden is expected to commence its first handover of the four fully sold residential apartment blocks in late 2022.

SOHO Blocks

- Seven blocks of 804 SOHO units (66,600 sqm) and 4,400 sqm of retail space
- All SOHO units and commercial space are to be kept for a minimum holding period of 2 years as per land tender conditions
- One of the six low-rise SOHO blocks and 49 units of the high-rise SOHO block (306 units) have been reserved by purchasers with cash deposit paid.

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

3.3 Property Development – Time Zone, Dongguan (17.3%-owned)

Three Office Towers (188,800 sqm)
- A grade-A tower with approx. 340 office units (75,500 sqm) and two towers with approx. 940 office units (113,300 sqm)

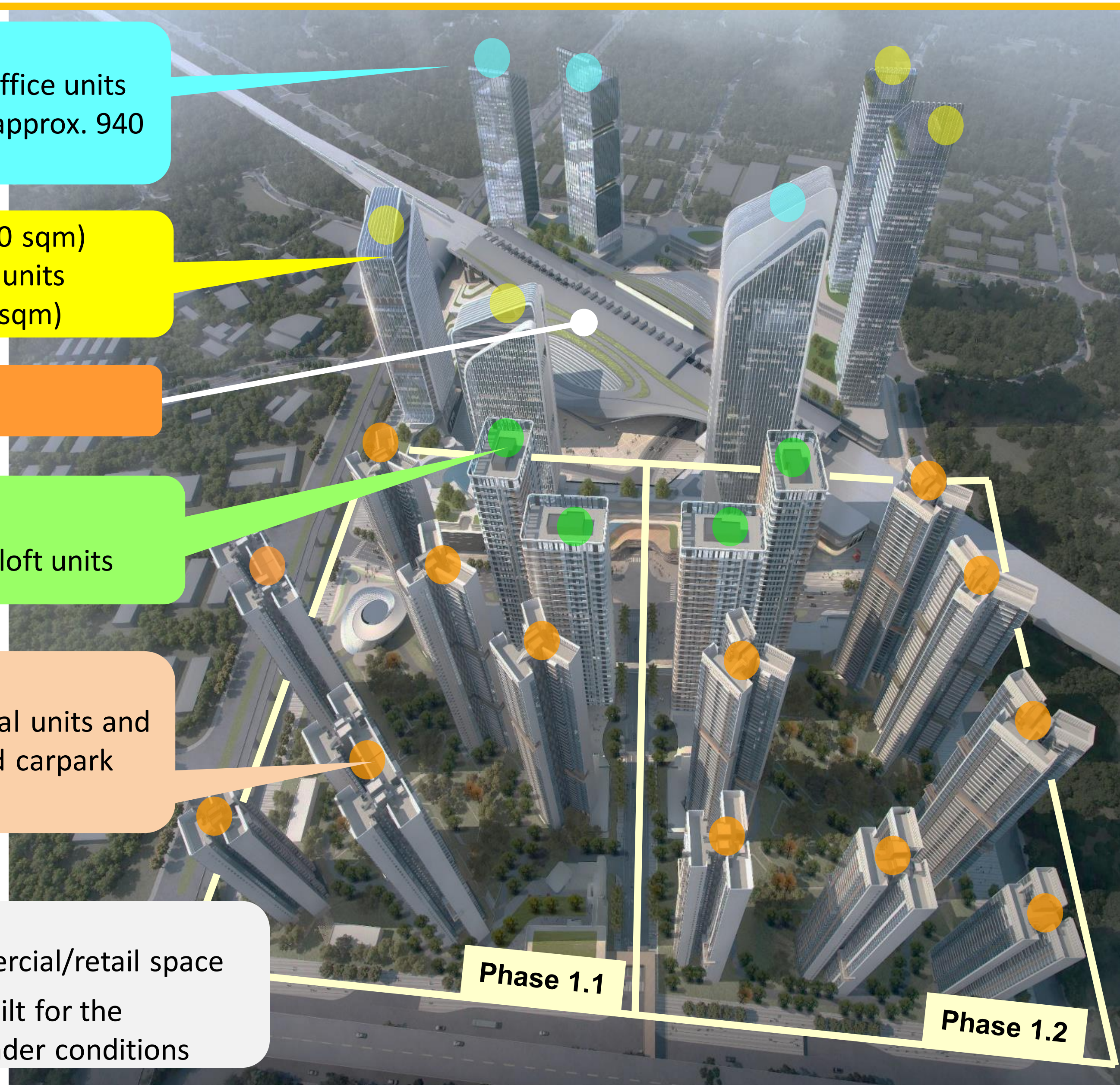
Four SOHO cum Hotel Blocks (308,900 sqm)
- Four blocks of approx. 6,370 SOHO units (268,900 sqm) and a hotel (40,000 sqm)

Shopping Mall (100,000 sqm)

Four SOHO Loft Blocks (110,000 sqm)
- Four blocks of approx. 1,300 SOHO loft units

13 Residential Blocks (299,300 sqm)
- 13 blocks of approx. 2,420 residential units and approx. 4,160 saleable underground carpark lots

Others:
- Approx. 21,000 sqm of commercial/retail space
- Approx. 300,000 sqm to be built for the authorities as per the land tender conditions



Artist's impression

3.3 Property Development – Time Zone Phase 1.1, Dongguan (17.3%-owned)

- Before the Evergrande crisis, the first two residential apartment blocks (452 units) were substantially sold on the first day of its pre-sale launch in August 2021 at the maximum permitted selling price. After the crisis, two other residential apartment blocks (515 units) launched for pre-sales in October and December 2021 were only 29% and 11% sold respectively at a similar price level. In the meantime, residential inventory turnover in Dongguan rose 9.3 months as at end 2021 from 3.2 months in January 2021.

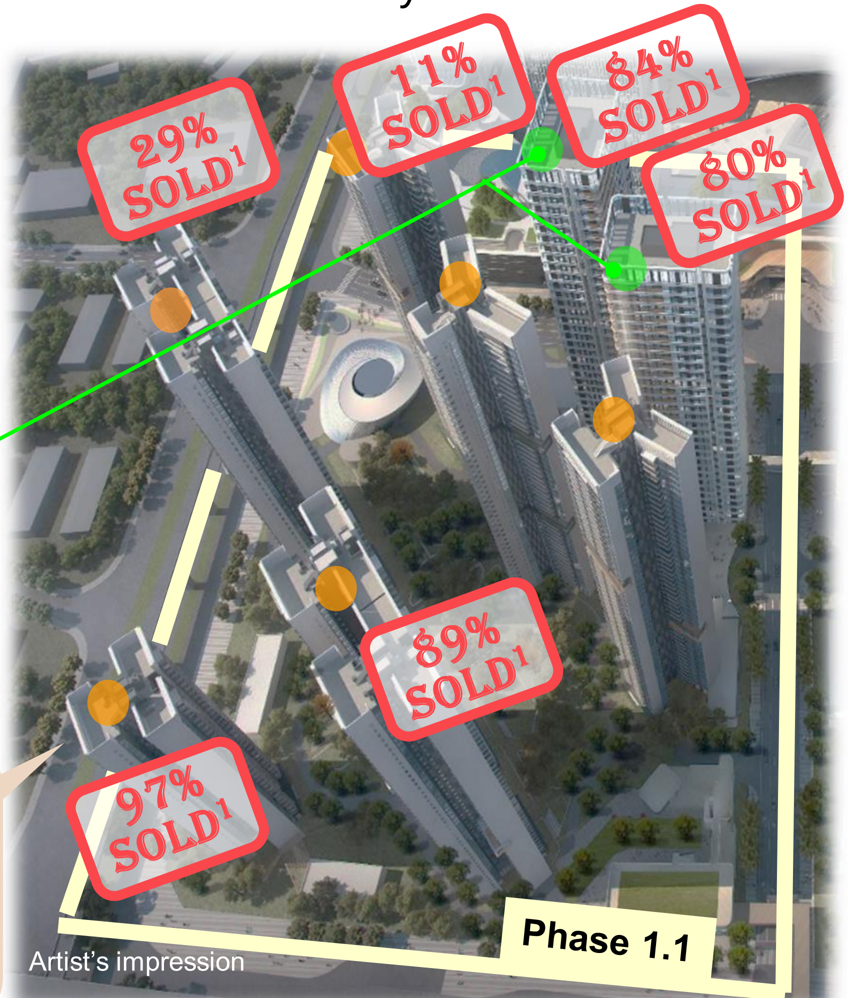
- The two SOHO loft blocks (648 units) were launched for presales on 13 November 2021 and were on average 82% sold[1].

Two SOHO Loft Blocks (648 units, 55,100 sqm)

- The SOHO units were sold at an average selling price slightly in excess of RMB18,000 psm.
- The effective land cost for the commercial component of the entire project is approx. RMB3,000 psm ppr.

Six Residential Blocks (1,274 units, 159,200 sqm)

- The residential units were sold at an average selling price slightly in excess of RMB40,000 psm on a furnished basis.
- The effective land cost for the residential component of the entire project is approx. RMB15,200 psm ppr.



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

3.3 Property Development – Time Zone Phase 1.1 & 1.2, Dongguan (17.3%-owned)

Phase 1.1

- The first handover of the residential apartment blocks is expected to commence in 2023.

- Barring any unforeseen circumstances, pre-sales for the remaining two residential apartment blocks (308 units) of Phase 1.1 and two residential apartment blocks (292 units) and two SOHO loft blocks (648 units) of the neighbouring Phase 1.2 are expected to be launched in 2022.

Phase 1.2

3.4 Property Development – Fenggang Project, Dongguan (18%-owned)

- The majority of the existing inhabitants have agreed and signed the resettlement compensation agreements. A large number of the remaining inhabitants have agreed on the principal terms and will be progressing to the documentation phase.
- The land is expected to be successfully re-zoned by the second half of 2022.

<u>Fenggang Project*</u>
Site area : 33,800 sqm
Saleable GFA : approx. 162,300 sqm (residential 97% / commercial 3%)

*subject to re-zoning approval

3.5 Property Development – Bolong Bay Garden, Dongguan (48.2%-owned)

- As at 31 December 2021, the Group had subscribed for approximately S$97 million and S$89 million of junior and senior convertible bonds with an annualised coupon rate of 15% and 12% respectively (“Convertible Bonds”) issued by the JV holding company (“JV Holdco”) of the Bolong Bay Garden project. The subscription monies were used to finance the acquisition, conversion from industrial to residential use of the land parcel and the development of Bolong Bay Garden. The Convertible Bonds are secured on, among other things, a share pledge over the shares of JV HoldCo and are guaranteed by a HKSE-listed property development company.

- Construction work has been progressing well. Barring any unforeseen circumstances, the pre-sale is expected to commence in 1H2022.

Residential Blocks

- Predominantly residential project with a total saleable GFA of approximately 78,000 sqm
- The Group’s land cost in the project is approximately RMB15,000 psm ppr

Artist’s impression

3.6 Property Development – Primus Bay, Guangzhou (95%-owned)

➢ Construction work of the Primus Bay project in Panyu, Guangzhou has been progressing well. The Group is expected to launch its first pre-sale of three residential apartment blocks (179 units) under Phase 1 in 1H2022.

Residential Blocks

- Predominantly residential project comprising 20 blocks of approx. 1,527 units (166,000 sqm)
- The Group's land cost in the project is approximately RMB8,000 psm ppr

➢ Barring any unforeseen circumstances, pre-sales for the rest of the residential apartment blocks are expected to be launched progressively from 2H2022.

3.7 Property Development – Humen Boyong Project, Dongguan (36%-owned)

- Humen Boyong Project is the Group's third development project in Humen, Dongguan, and is situated between the Time Zone and Bolong Bay Garden projects, approximately 5km and 3.9km from the two projects respectively.

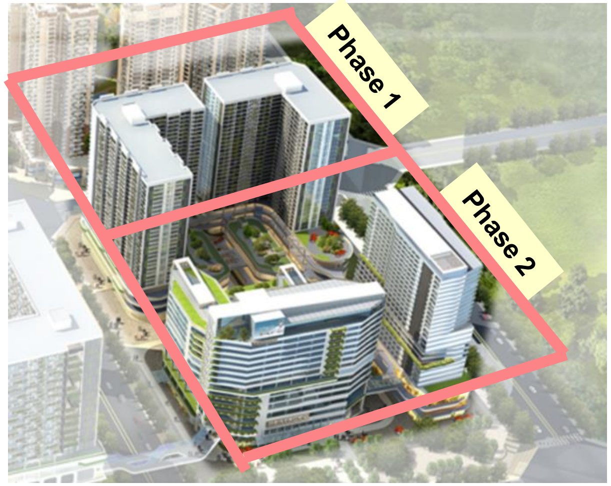
Artist's impression

- The project company has commenced construction and is expected to start pre-sale in 2H2022.

<u>Humen Boyong Project</u>
Site area : 39,038 sqm
Saleable GFA : approx. 111,700 sqm
(residential 75% / commercial 25%)
The Group's all-in land cost amounts to approximately RMB14,700 psm ppr.

3.8 Property Development – Millennium Waterfront Plot E, Chengdu (100%-owned)

- Plot E, the last development plot of the Millennium Waterfront project, will be developed in two phases (Phase 1 and Phase 2).



- Phase 1, which comprises approximately 2,124 SOHO units (149,700 sqm) and 28,400 sqm of retail podium, has begun construction with pre-sale expected to commence in late 2Q2022.

3.9 Property Development – Dreeftoren Redevelopment, Amsterdam (100%-owned)

Artist's impression

- In December 2021, the Group entered into agreements with the main contractors in relation to the construction of the Dreeftoren Amsterdam redevelopment project, which is expected to commence in 1Q2022.
- The building permit has since turned irrevocable and the new ground leases are expected to be issued in February 2022.
- The redevelopment project comprises a new 130-metre high residential tower with a lettable floor area of approximately 20,300 sqm (312 apartment units) and an adjacent newly refurbished and enlarged 18-storey office tower with lettable floor areas of 15,600 sqm (office component) and 1,600 sqm (commercial component).
- The project is expected to be completed in 2025.

New residential building (south elevation), Amsterdam Southeast

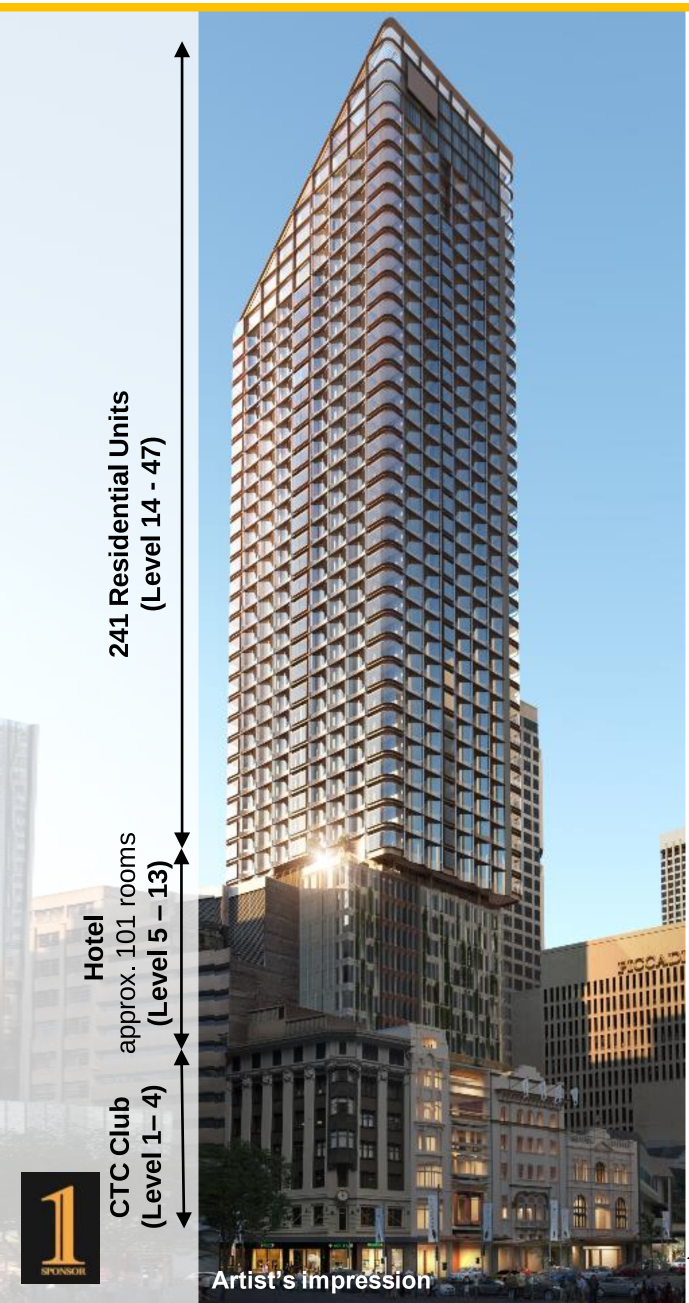
3.10 Property Development – Meerparc Redevelopment, Amsterdam (100%-owned)

- The Group acquired the five-storey Meerparc located in the Amsterdam South-Axis, the central business district of Amsterdam, in December 2017. The multi-tenanted property (GFA of 19,130 sqm), which has a substantial office component, is situated along the Nieuwe Meer Lake, and is next to Zuiderhof I, another office property 33%-owned by the Group. Meerparc is well connected by a nearby metro and a train station, as well as the A10 highway exit which connects to the Netherlands' main A1, A2, A4 and A9 highways. The main drivers for acquiring Meerparc were for its prime location, freehold tenure, and the good redevelopment potential of the property.

- The Group has commenced discussions with the relevant authorities in relation to the redevelopment opportunity of Meerparc into a mixed residential/office property with a substantial increase in GFA.

Central Business District
Amsterdam South Axis, the Netherlands

3.11 Property Development – City Tattersalls Club ("CTC") Project, Sydney (39.9%-owned)



- The Stage 2 development approval for the CTC project in Sydney was granted in November 2021, paving the way for the construction and pre-sale launch of the 241 residential units (NSA[1]: 18,600 sqm) to commence in 3Q2022.
- The Group will also be providing construction financing to the developer trust as part of its property financing business.
- In October 2021, the developer trust and CTC entered into a legally binding heads of agreement in relation to the sale by CTC of the hotel component of the project to the developer trust or its nominee. The parties are in the midst of finalising the detailed documentation in relation to such sale.
- The Group is expected to take a 70% stake in the 101-room hotel component.

[1] Net Saleable Area

Section 4 Business Updates 2H2021 – Property Holding

4.1 Property Holding – FY2021 Non-Cash Fair Value Adjustments/Impairment Charges

In S$'000	Asset level Fair Value Gain/(Impairment)	Share %	Impact to the Group's Net Profit
European Office Portfolio [1]	**52,911**		**12,956**
- Berg & Bosch Bilthoven	293	33%	72
- Mondriaan Tower Amsterdam	18,277	33%	4,475
- Zuiderhof I Amsterdam	21,248	33%	5,203
- Munthof Amsterdam	2,270	33%	556
- Oliphant Amsterdam	10,823	33%	2,650
European Hotel Portfolio	**(38,841)**		**(20,886)**
- Le Méridien Frankfurt [2]	(33,832)	50%	(14,239)
- Arena Towers Amsterdam [1]	3,585	100%	2,660
- Utrecht hotels [2]	(9,538)	100%	(9,538)
- Hilton Rotterdam [2]	944	33%	231
Effect of increase in headline Dutch corporate income tax rate [3] (from 25% to 25.8% from 1 January 2022)	**(4,763)**	various	**(1,711)**
PRC East Sun Portfolio	**854**	90%	**577**
Total	**10,161**		**(9,064)**

[1] Investment properties [2] Operating hotels [3] relates to the effect of tax rate change on opening deferred tax liabilities

- While the Group's European hotel portfolio has suffered net fair value loss/ impairment charge, this has been partially mitigated by the fair value gain on the European office portfolio.

4.2 Property Holding – European Property Portfolio Operating Performance

In S$'000	2H2021	2H2020	Change %	FY2021	FY2020	Change %	FY2019
Dutch office income	**15,456**	**15,247**	**1.4%**	**31,742**	**30,040**	**5.7%**	**24,224**
European hotel income	**13,563**	**10,576**	**28.2%**	**8,310**	**9,413**	**(11.7%)**	**38,617**
- Operating hotels(1)	10,260	5,310	93.2% (1)	1,633	(1,752)	n.m.	27,237
- Leased hotels(2)	3,303	5,266	(37.3%)(2)	6,677	11,165	(40.2%)	11,380
Total	**29,019**	**25,823**	**12.4%**	**40,052**	**39,453**	**1.5%**	**62,841**

(1) Includes the Dutch Bilderberg hotel portfolio, Hilton Rotterdam hotel, Bilderberg Bellevue Hotel Dresden, Hampton by Hilton Utrecht Centraal Station, Crowne Plaza Utrecht Centraal Station and with effect from 31 January 2021, Le Méridien Frankfurt. The increase was due mainly to the recovery in room demand in 2H2021 underpinned by strong leisure demand in the summer period.

(2) Includes the Holiday Inn/Holiday Inn Express at Arena Towers Amsterdam. The decrease was due mainly to the termination of the Le Méridien Frankfurt lease with effect from 31 January 2021. With the termination of the Le Méridien Frankfurt lease, the operating numbers of the hotel are now classified under "operating hotels".

Excluding Dreeftoren Amsterdam and Meerparc Amsterdam, the Dutch office portfolio and European leased hotels (LFA: 114,836 sqm, 95% occupancy) have a WALT of approximately 6.7 years.

4.3 Property Holding – Dutch Bilderberg Hotel Portfolio (31.4%-owned)

Bilderberg Hotel Portfolio (1)	2H2021	2H2020	Change	FY 2021	FY 2020	Change
Occupancy	52.1%	42.7%	9.4%	37.3%	35.5%	1.8%
ADR	€ 102	€ 97	4.8%	€ 101	€ 95	5.6%
RevPAR	€ 53	€ 42	27.7%	€ 38	€ 34	11.0%
TRevPAR	€ 101	€ 83	22.3%	€ 71	€ 68	3.4%

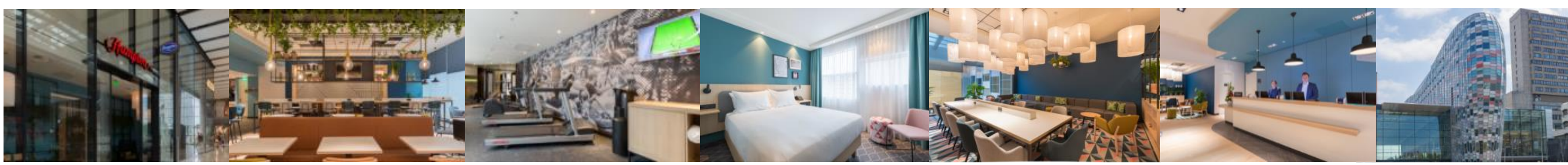
(1) Comprises 11 owned hotels

- The Dutch Bilderberg hotel portfolio of QBN recovered in 2H2021 following the easing of Covid-19 measures. This continued until the Dutch government enforced a new lockdown in December 2021. Notwithstanding this, occupancy for the portfolio increased to 52.1% in 2H2021 (2H2020: 42.7%).
- The QBN hotels reported an EBITDA of €5.9m for 2H2021 (2H2020: EBITDA of €4.2m) including €3.0m of subsidies (2H2020: €3.7m) and an EBITDA of €2.1m for FY2021 (FY2020: EBITDA of €0.7m) after considering subsidies of €6.1m (FY2020 €6.0m).
- Despite the uncertainty caused by the Covid-19 pandemic, the Group remains optimistic about the eventual recovery of the European hospitality business in the mid to long term. As such, the Group is discussing with its business partners in the Dutch QBN hotel portfolio to increase its current 31.4% equity interest.

4.4 Property Holding – Hilton Rotterdam (33%-owned) and Utrecht Centraal Station (100%-owned) Hotels

Hilton Rotterdam, the Netherlands

- Following the easing of Covid-19 restrictions, the Rotterdam hotel market saw a recovery until the lockdown in December. The hotel recorded an improved occupancy of 39.9% in 2H2021 (2H2020: 20.5%).
- The hotel recorded an LBITDA of €0.4m in 2H2021 (2H2020: LBITDA of €0.8m) with nominal subsidies in 2H2021 (2H2020: €0.6m). For the year, the hotel recorded an LBITDA of €0.6m (FY2020: LBITDA of €0.9m) after considering government subsidies of €1.3m (FY2020: €1.2m).



Hampton by Hilton and Crowne Plaza Utrecht Centraal Station, the Netherlands

- The Hampton by Hilton was thriving after the Covid-19 measures were lifted over the summer period and continued until the lockdown in December 2021. Occupancy for 2H2021 more than doubled to 67.8% (2H2020: 32.9%).
- The Crowne Plaza hotel, which was closed for overnight stays since mid-September 2020, restarted its room operations on 17 January 2022.
- For 2H2021, the hotels jointly recorded an EBITDA of €0.2m (2H2020: LBITDA of €0.3m) with nominal subsidies in 2H2021 (2H2020: €0.4m). For FY2021, after including €0.8m of subsidies (FY2020: €0.4m), the hotels recorded an EBITDA of €0.1m (FY2020: LBITDA of €0.6m).

4.5 Property Holding – Le Méridien Frankfurt (50%-owned) and Bilderberg Bellevue Hotel Dresden (94.9%-owned)

Le Méridien Frankfurt, Germany

- Business recovery remains modest in Frankfurt, with the hotel recording an improved occupancy of 37.9% in 2H2021 (2H2020: 17.9%).
- Including €0.2m (1H2021: €0.9m) of subsidies, the hotel recorded an LBITDA of €0.6m in 2H2021 (1H2021: LBITDA of €0.9m). For FY2021, the hotel recorded an LBITDA of €1.5m including €1.1m of German wage subsidy. Prior to January 2021, the hotel was leased by a third party.

Bilderberg Bellevue Hotel Dresden, Germany

- The hotel recorded strong occupancy levels during the summer break. Unfortunately, the increased Covid-19 contamination rate resulted in leisure demand decreasing in late November and December 2021. The hotel recorded an occupancy of 58.3% for 2H2021 (2H2020: 44.5%).
- The hotel recorded an EBITDA of €1.4m in 2H2021 (2H2020: EBITDA of €0.4m) which includes €0.1m of government aid (2H2020: €0.4m). For FY2021, the hotel reported an EBITDA of €1.0m (FY2020: LBITDA of €0.3m). These results included the FY2021 German wage subsidy of €0.8m (FY2020: €0.9m).

4.6 Property Holding – Chengdu Wenjiang hotels (100%-owned)

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

- There was a resurgence of Covid-19 cases in Chengdu in 2H2021. This resulted in a swift implementation of restrictions which adversely impacted trading and also resulted in the temporary closure of the Holiday Inn Express hotel from 5 November 2021 to 25 November 2021.
- The hotels' trading took a hit in 2H2021 with an EBITDA of RMB4.2 million (2H2020: RMB12.0 million). Notwithstanding the above, the hotels recorded an overall EBITDA of RMB12.5 million for FY2021 on the back of a strong 1H2021, which represents a growth of approximately 58% from the RMB7.9 million recorded in FY2020.

4.7 Property Holding – Arena Towers, Amsterdam (100%-owned)

- In May 2021, TVHG Budget Amsterdam II B.V. (“TVHG”), the tenant of the two hotels at the Arena Towers in Amsterdam Southeast, commenced preliminary relief proceedings against the Group’s wholly-owned subsidiary, FS NL Property 2 B.V. (“FSNLP2”), to, *inter alia*, suspend TVHG’s obligation to pay 45% (amended to 43.4% on 1 June 2021) of the rent for a period commencing retrospectively from April 2020 up to March 2021 and thereafter, such percentage of the rent equal to 50% of the percentage turnover decrease until such time that the Covid-19 restrictions are lifted or the hotels’ turnover returns to pre-Covid-19 levels. On 9 June 2021, the Amsterdam preliminary relief judge issued a favourable ruling, rejecting all of TVHG’s claims.
- In August 2021, TVHG commenced further legal action against FSNLP2 claiming, among other things, that the rent should be reduced with effect from April 2020 by 45% (based on the percentage decrease in turnover divided by 2 in accordance with the fixed formula applied by the courts). As such, TVHG is claiming for a refund of the over-paid rent from April 2020 onwards which amounts to approximately €2.53 million for the period up to the end of July 2021.
- FSNLP2 filed its statement of defence on 27 October 2021 rejecting all of TVHG’s claims.
- On 25 November 2021, the court issued an interim judgment stipulating that an oral hearing will be held to allow the parties to provide information and examine the possibility of a settlement. The oral hearing will be held on 22 March 2022.
- As at 31 December 2021, TVHG was current on its monthly rent payments.

4.8 Property Holding – Update on East Sun Property Portfolio (90%-owned)

- In May 2021, the Group entered into an agreement to divest a 40.5% effective equity interest in the Wentang Recycling Factory in Dongguan, one of the properties in the 90%-owned East Sun Portfolio, at a premium of 219% over cost of RMB40.3 million. The divestment was successfully completed in December 2021.

- The divestment of a 72% effective equity interest in the Liaobu Factory in Dongguan, another property in the East Sun Portfolio, at a premium of 128% over cost of RMB61.4 million, is expected to be completed in 2Q2022.

Section 5 Business Updates 2H2021 – Property Financing

5.1 Property Financing - Overview of Financial Performance

In S$'000	2H2021	2H2020	Change %	FY2021	FY2020	Change %
Secured PRC PF debt	46,763	21,626	116.2%	82,770	47,423	74.5%
PF loans to the Group's members						
- European associates and JV	16,902	18,027	(6.2%)	34,753	52,075 (1)	(33.3%)
- Australian associate	-	111	n.m.	-	3,515 (2)	n.m.
Secured non-PRC PF loan	791	512	54.5%	1,471	991	48.4%
Others	-	-	n.m.	-	1,205	n.m.
Total	**64,456**	**40,276**	**60.0%**	**118,994**	**105,209**	**13.1%**
Share of interest income from secured Australian PF loan (3)	-	445	n.m.	-	1,018	n.m.

(1) Includes one-off loan restructuring income of S$15.8m.
(2) Mainly relates to the establishment fee earned in respect of the future debt funding of the redevelopment of the City Tattersalls Club project in Sydney in which the Group has a 39.9% equity interest.
(3) Repaid on 8 November 2020. Income recognised through share of joint venture's profit.

5.2 Property Financing – PRC Loan Book

	Average PRC PF loan book for the quarter ended	Average PRC PF loan book for the year to date ended	PRC PF loan book as at
31 December 2021	RMB2,537.3m (S$527.5m)	RMB2,724.8m (S$566.5m)	RMB2,520.1m (S$535.8m)
30 September 2021	RMB2,849.5m (S$588.4m)	RMB2,783.2m (S$574.7m)	RMB2,627.3m (S$550.7m)

* includes the defaulted loans amounting to RMB330m in aggregate

- The PRC property financing ("PRC PF") business achieved a record full year average loan book of RMB2.7 billion for FY2021. The PRC PF loan book stood at RMB2.5 billion as at 31 December 2021. However, arising from the improving credit liquidity situation in the PRC, the challenge for the Group would be to maintain a similar average loan balance in FY2022.

5.3 Property Financing – Update on the RMB330m PRC Loan in default

- In relation to the debt recovery process of the defaulted loans with an aggregate loan principal of RMB330 million, the court-commissioned valuations for the purpose of determining the opening bid prices for the foreclosure auctions of the mortgaged assets (a villa and a retail mall in Pudong, Shanghai) were received in early December 2021.
- With the court-commissioned valuations, the Group submitted an application to the court on 27 January 2022 to start the process for the online foreclosure auction of the mortgaged properties. The foreclosure auctions are expected to take place in late March/early April 2022.
- The Group is optimistic about the full recovery of the RMB330 million loan principal and accrued interest thereon.

5.4 Property Financing – European Loan Book

- The 33%-owned FSMC group, which in turn owns 95% of the Dutch Bilderberg hotel portfolio via QBN, was able to meet its quarterly interest payments for the loan extended by the Group apart for that of 1Q2021. It has elected to continue deferring interest payment for 1Q2021 in accordance with the terms of the loan agreement. The Group does not expect any recoverability issue for the deferred interest and loan principal given its significant influence over FSMC.

Thank You

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