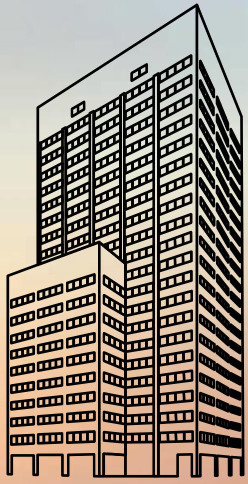
FIRST SPONSOR GROUP LIMITED

Investor Presentation
20 February 2024



Allianz Tower, Rotterdam

Contents

Section 1 Key Message

Key Message

1. FY2023 has been a particularly challenging year for the Company, with sustained economic headwinds experienced concurrently in all the key markets where the Group operates in. Despite an environment of high financing cost and capitalisation rates in the Netherlands, Germany and Australia, as well as the weak property market sentiments in the PRC, the Group has managed to operate profitably although this is the lowest profit level since its IPO in 2014.

2. For 2H2023, the Group's net profit was S$1.9 million, a 96.8% decline from 2H2022. This was due mainly to lower contribution from the property development segment arising from a lower handover volume of development properties in the PRC and at lower profit margins, as well as a lower foreign exchange gain net of fair value loss on financial derivatives. The net profit for FY2023 amounted to S$12.5 million, a decrease of 90.5% from FY2022.

3. The Board recommended a final tax-exempt (one-tier) cash dividend of 3.1 Singapore cents per share for FY2023. If approved, the total dividend declared for FY2023 will be 4.2 Singapore cents per share, representing a 10.5% growth from FY2022. This reflects the Board's confidence in the long-term prospects of the Company and its commitment to work towards a stable dividend payout with a steady growth, despite the challenging market conditions which affected the full-year net profit.

Key Message

4. Buying sentiments for the Group’s PRC property development projects remained weak in 4Q2023, reflecting the general state of the current PRC property market. Despite slow pre-sales, the Group does not intend to significantly compromise on the selling prices of these projects, but will instead adopt a longer-term view as appropriate, continuing to sell them with an operating profit margin.

5. A substantial number of the Group’s PRC property development projects will be able to commence handover for at least a part of their respective developments during FY2024. Therefore, should there be a positive turnaround of buying confidence, the Group may be able to account for such additional sales within FY2024.

6. In relation to the ongoing CTC development project in the Sydney CBD by the Group's 39.9%-owned developer trust, the Group has increased its equity stake in the 110-room hotel component from the initial 70.5% to 90.5%. This will further enhance the Group’s property holding portfolio and presence in Australia. The project is expected to be completed in FY2027.

Key Message

7. Performance of the Group's European property portfolio remained strong in 2H2023, recording a total operating income of €25.9 million, a 2.3% improvement from €25.3 million in 2H2022. This brought FY2023's total operating income to €46.7 million, a 9.5% increase as compared to FY2022. Having completed renovations in the course of 2023, both the Bilderberg Europa Hotel Scheveningen and Bilderberg Keizerskroon Hotel will contribute positively with full-year operating income from FY2024 onwards, whilst the scheduled redevelopment of the Meerparc Amsterdam property in FY2024 will have a negative impact in the medium term. The completion of the ongoing Dreeftoren Amsterdam office and residential development in FY2025 and FY2026 respectively, as well as the Puccini Milan hotel and Prins Hendrikkade Amsterdam redevelopments which are expected to commence in FY2024 and complete in FY2025, will further enhance the Group's recurring income from its European property portfolio.

8. Likewise in the PRC, the Chengdu Wenjiang hotels achieved an improved earnings before interest, tax, depreciation and amortisation ("EBITDA") of RMB10.3 million for 2H2023 (2H2022: RMB8.3 million). This brought the EBITDA for FY2023 to RMB21.2 million, setting a record EBITDA for the two hotels since the commencement of operations in 2016 and achieving significant improvement of close to 80% compared to FY2022's EBITDA of RMB11.9 million.

Key Message

9. The Group's balance sheet has been significantly strengthened by the infusion of new equity funds of S$234.6 million raised in October 2023 through the exercise of warrants by the Company's two key shareholders. The two key shareholders still hold additional warrants expiring on 21 March 2029 which can potentially raise an additional S$169.3 million. Coupled with the substantial unutilised committed credit facilities, the Group is well-positioned not only to manage any economic challenges arising from difficult market conditions but to also capitalise on any favourable business opportunities that may arise.

Section 2 Financial Updates 2H2023

2.1 Statement of Profit or Loss - Highlights

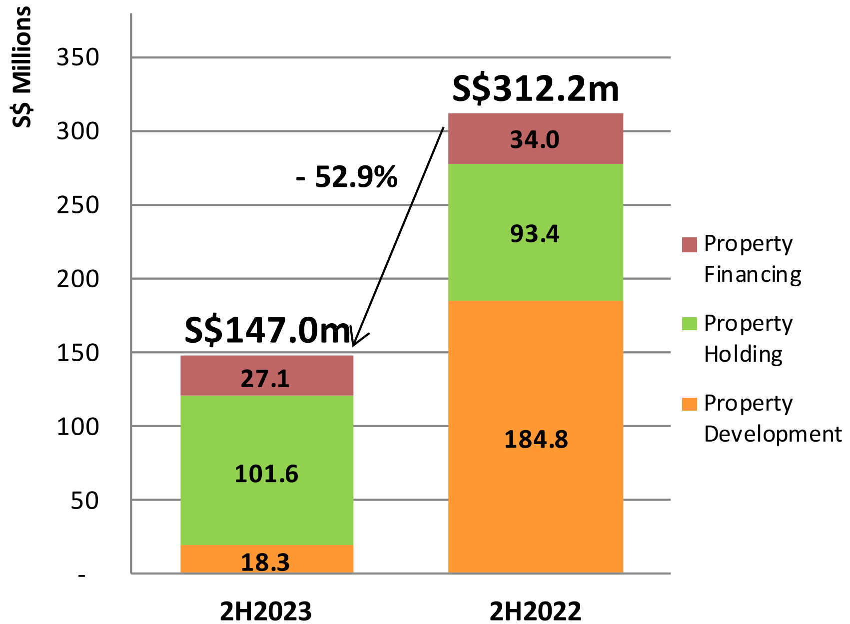
Statement of Profit or Loss - Highlights						
In S$'000	**2H2023**	**2H2022**	**Change %**	**FY2023**	**FY2022**	**Change %**
Revenue	147,039	312,239	(52.9%)	282,928	427,493	(33.8%)
Gross profit	66,450	139,863	(52.5%)	131,872	206,091	(36.0%)
Profit before tax	15,149	110,831	(86.3%)	27,696	195,716	(85.8%)
Attributable profit [1]	1,917	59,925	(96.8%)	12,522	131,256	(90.5%)
Basic EPS (cents)	0.19	6.49	(97.1%)	1.29	14.21	(90.9%)
Diluted EPS (cents)	0.16	4.52	(96.5%)	1.08	9.90	(89.1%)
Interest cover [2]	1.4x	9.0x	n.a.	1.4x	8.5x	n.a.

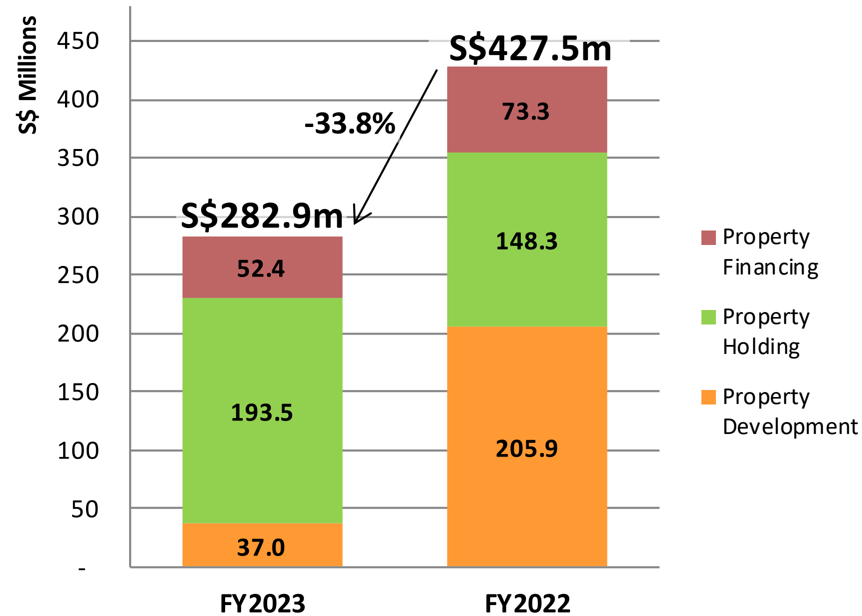
[1] "Attributable profit" refers to profit attributable to equity holders of the Company.

[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

Revenue





Property Development

The decrease in 2H2023 revenue was due mainly to a lower handover volume in relation to The Pinnacle project which consisted of 2 SOHO units and 3 retail units whereas 2H2022 saw a handover of 168 residential units, 45 SOHO units, 2 retail units and 111 carpark lots.

Property Holding

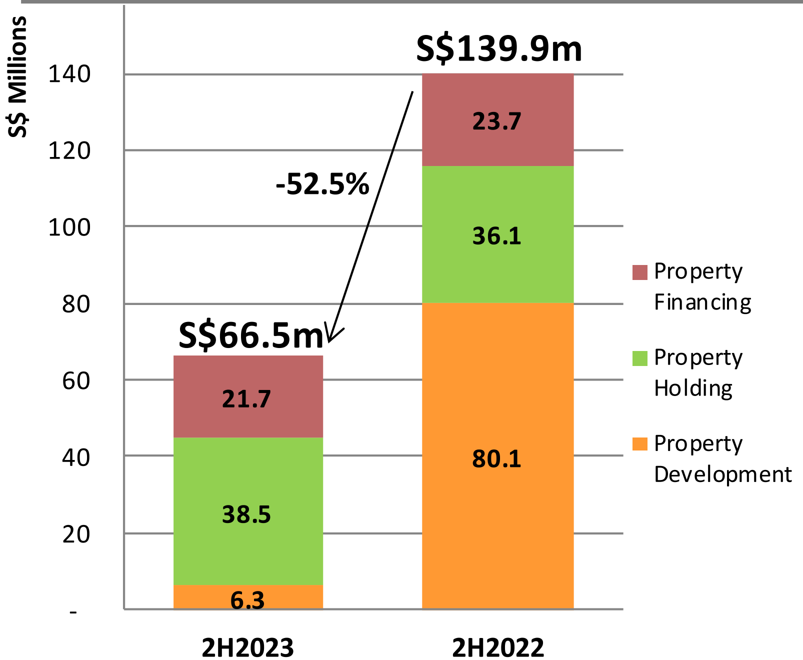
The increase was due mainly to the continued recovery of the European hospitality sector which was underpinned by strong post Covid-19 travel demand.

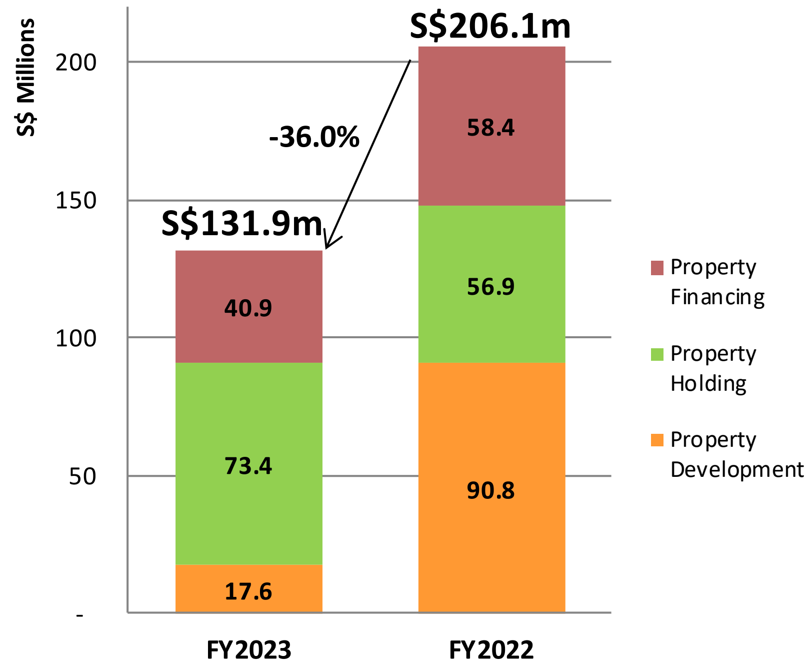
Property Financing

The decrease was due mainly to the recognition of interest revenue amounting to S$8.7m on the RMB280m defaulted loan in 2H2022, which was fully impaired in the same period below the gross profit line.

2.3 Statement of Profit or Loss – Gross Profit

Gross Profit





Property Development

The decrease in 2H2023 was in line with the lower revenue recognised due mainly to a lower handover volume in relation to The Pinnacle project which consisted of 2 SOHO units and 3 retail units whereas 2H2022 saw a handover of 168 residential units, 45 SOHO units, 2 retail units and 111 carpark lots.

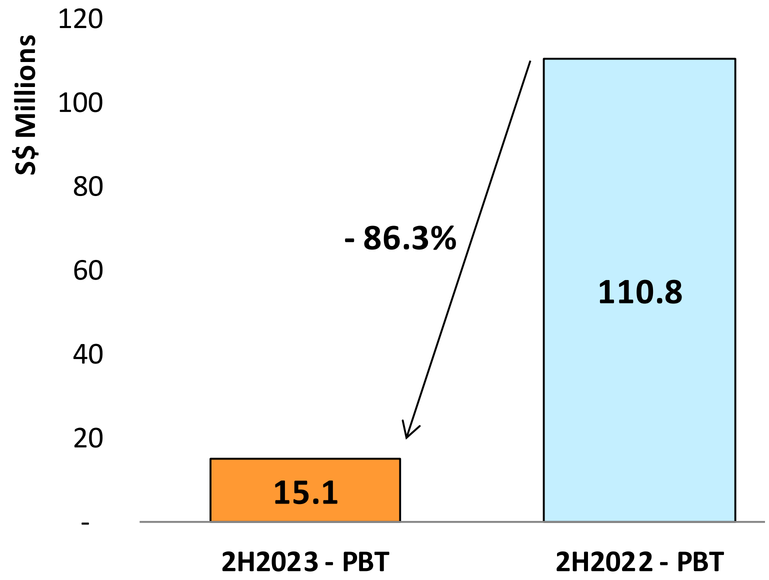
Property Holding

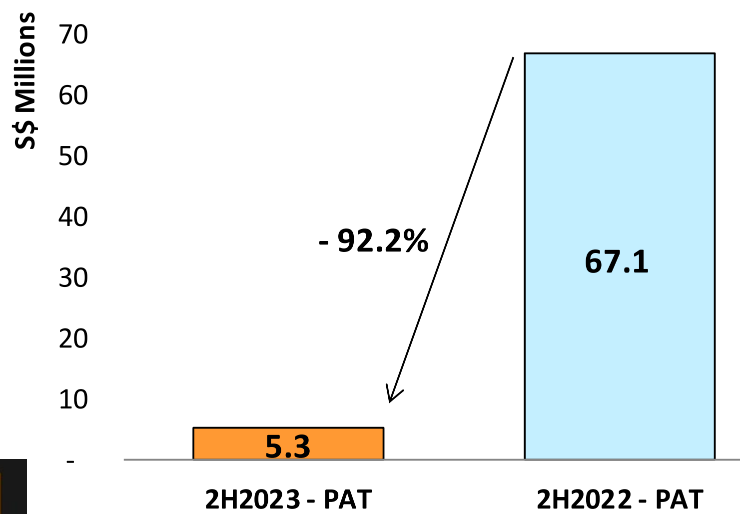
The increase was due mainly to the full-year contribution from the FS Han Mai Mall in Shanghai which was acquired by the Group via a foreclosure auction in April 2022 as part of the Group's enforcement action on a defaulted loan and the continued recovery of the European hospitality sector which was underpinned by strong post Covid-19 travel demand.

Property Financing

The decrease was due mainly to the recognition of interest revenue amounting to S$8.7m on the RMB280m defaulted loan in 2H2022, which was fully impaired in the same period below the gross profit line.

2.4 Statement of Profit or Loss – 2H2023 vs 2H2022





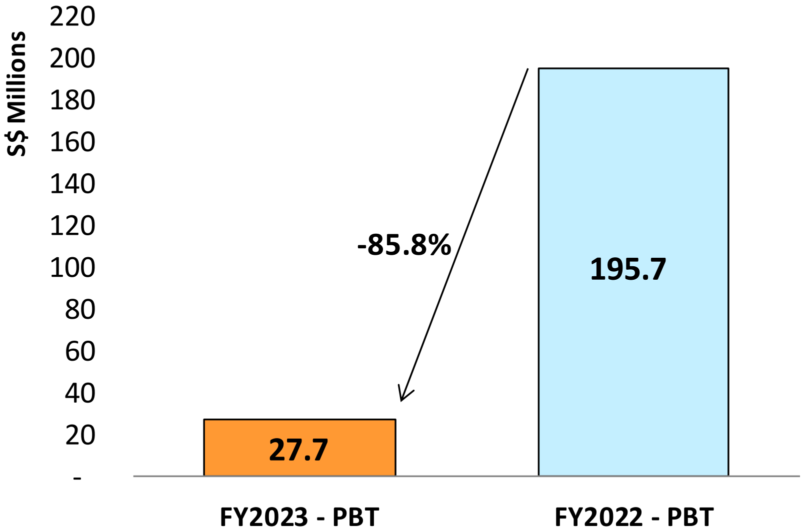
The decrease in profit before tax was due mainly to:

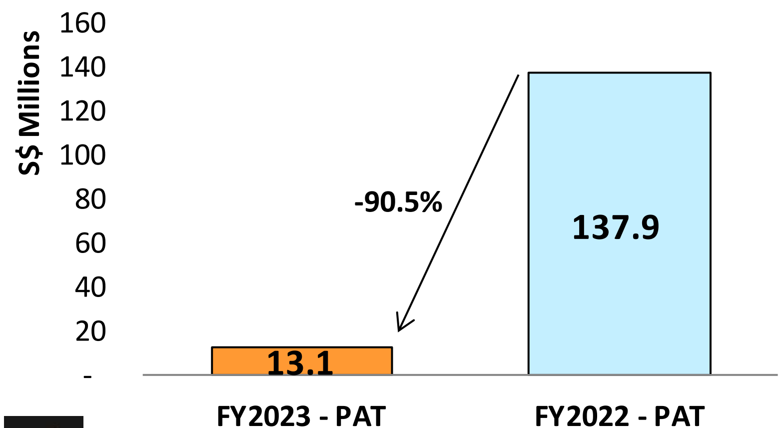
- Lower gross profit contribution from the PD and PF business segments [S$75.8m decrease]
- Lower foreign exchange gain net of fair value loss on financial derivatives [S$67.8m decrease]
- Lower share of after-tax results of associates and joint ventures due mainly to the lower handover volume from the Skyline Garden and impairment of office assets of FSMC, partially offset by first time handover from the Time Zone [S$18.6m decrease]
- Higher net finance cost due mainly to higher interest rates and average borrowings [S$11.6m decrease]

Offset by:

- Lower non-cash impairment of real estate related assets [S$34.3m increase]
- Absence of net impairment of loan receivable in relation to the RMB280m defaulted loan in 2H2022 [S$26.6m increase]
- Lower administrative expenses due mainly to lower staff cost incurred [S$5.9m increase]
- Higher other gains due mainly to the gain on disposal of the Group’s effective 44.1% interest in the Wan Li Dalingshan Industrial Property [S$3.9m increase]
- Higher gross profit contribution from the PH business segment [S$2.4m increase]

2.5 Statement of Profit or Loss – FY2023 vs FY2022





The decrease in profit before tax was due mainly to:

- Lower gross profit contribution from the PD and PF business segments [S$90.7m decrease]
- Lower foreign exchange gain net of fair value loss on financial derivatives [S$82.5m decrease]
- Lower share of after-tax results of associates and joint ventures due mainly to the lower handover volume from the Skyline Garden, impairment of office assets of FSMC and absence of disposal gain recognised by FSMC in relation to the sale of its 95% equity interest in the Dutch Bilderberg hotel portfolio to the Group, partially offset by first time handover from the Time Zone [S$42.7m decrease]
- Higher net finance cost due mainly to higher interest rates and average borrowings [S$16.5m decrease]
- Lower other gain arising from disposal of the Group's effective 44.1% interest in the Wan Li Dalingshan Industrial Property, as compared to the disposal of the Group's 90% interest in the East Sun Liaobu Factory in FY2022 [S$11.2m decrease]
- Higher administrative and selling expenses due mainly to the consolidation of the Dutch Bilderberg hotel portfolio for the full year and the pre-sale launch of The Brilliance project [S$4.8m decrease]

Offset by:

- Lower non-cash impairment of real estate related assets [S$34.3m increase]
- Higher gross profit contribution from the PH business segment [S$16.5m increase]
- Absence of net impairment of loan receivable in relation to the RMB280m defaulted loan in 2H2022 [S$26.6m increase]

2.6 Statement of Financial Position – Highlights

Statement of Financial Position - Highlights

In S$'000	31-Dec-23	30-Jun-23	Change %
Total assets	4,642,721	4,474,133	3.8%
Cash	177,799	177,129	0.4%
Total debt [1]	1,250,553	1,328,782	(5.9%)
Net asset value (NAV) [2]	1,973,133	1,755,767	12.4%
NAV per share (cents)	177.89	190.04	(6.4%)
Adjusted NAV per share (cents) [3]	166.94	168.24	(0.8%)
Gearing ratio [4]	0.52x	0.62x	n.a.

[1] Comprises gross borrowings of S$1,258.2m net of unamortised upfront fee of S$7.6m and S$1,339.0m net of unamortised upfront fee of S$10.2m as at 31 December 2023 and 30 June 2023 respectively.

[2] NAV includes translation loss of S$113.3m (Jun 2023: translation loss of S$104.3m), and excludes non-controlling interests.

[3] Represents NAV per share adjusted for the exercise of all outstanding warrants into ordinary shares.

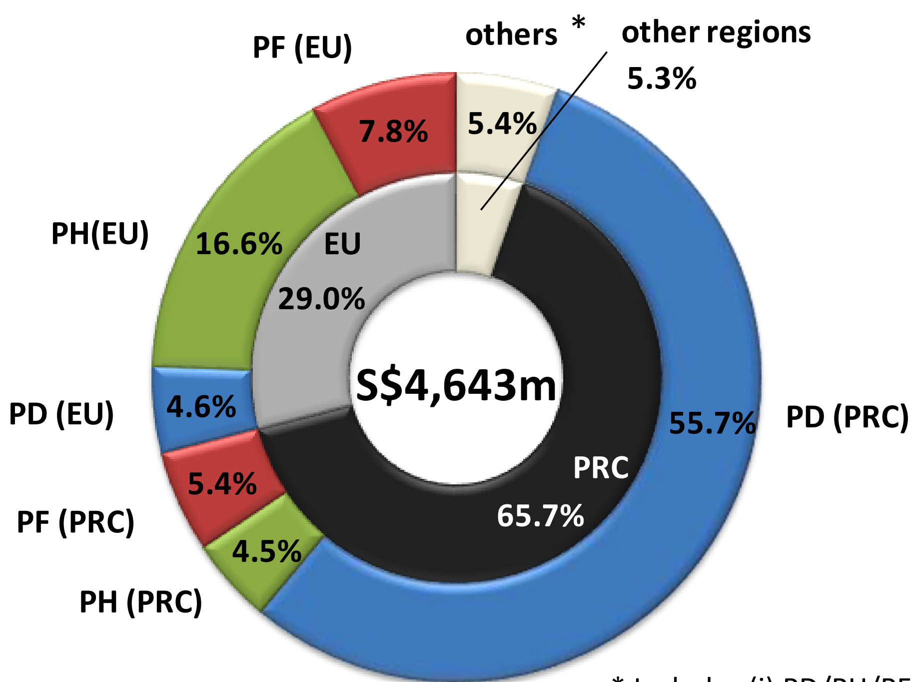
[4] Computed as net debt ÷ total equity including non-controlling interests.
Net debt = gross borrowings – cash and structured deposits.

2.7 Statement of Financial Position - Total Assets

Total Assets – by business and geographic segments

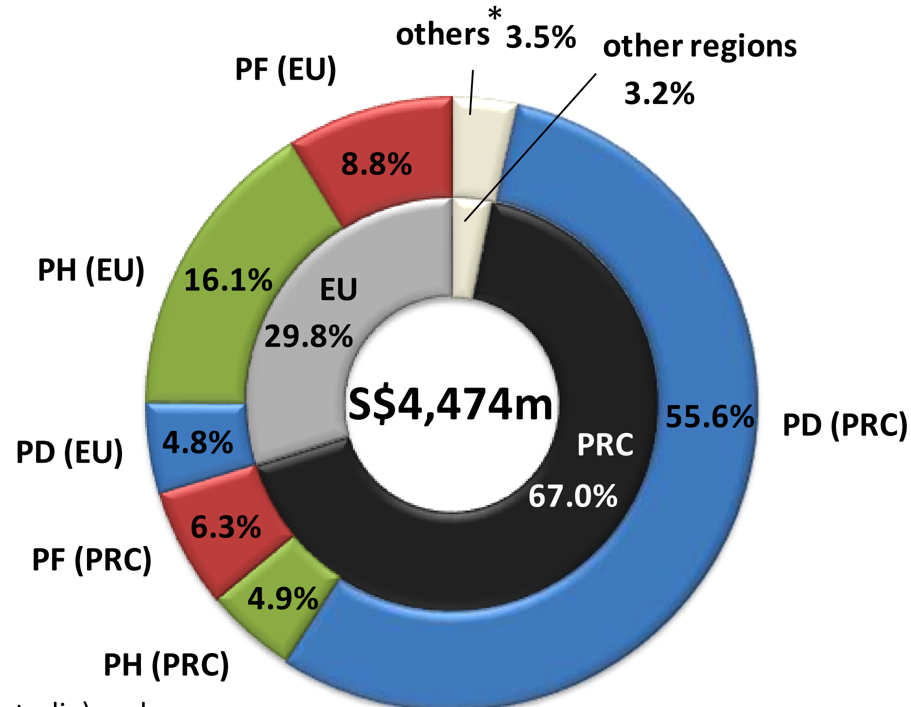
As at 31 December 2023

Total assets: S$4,643m



As at 30 June 2023

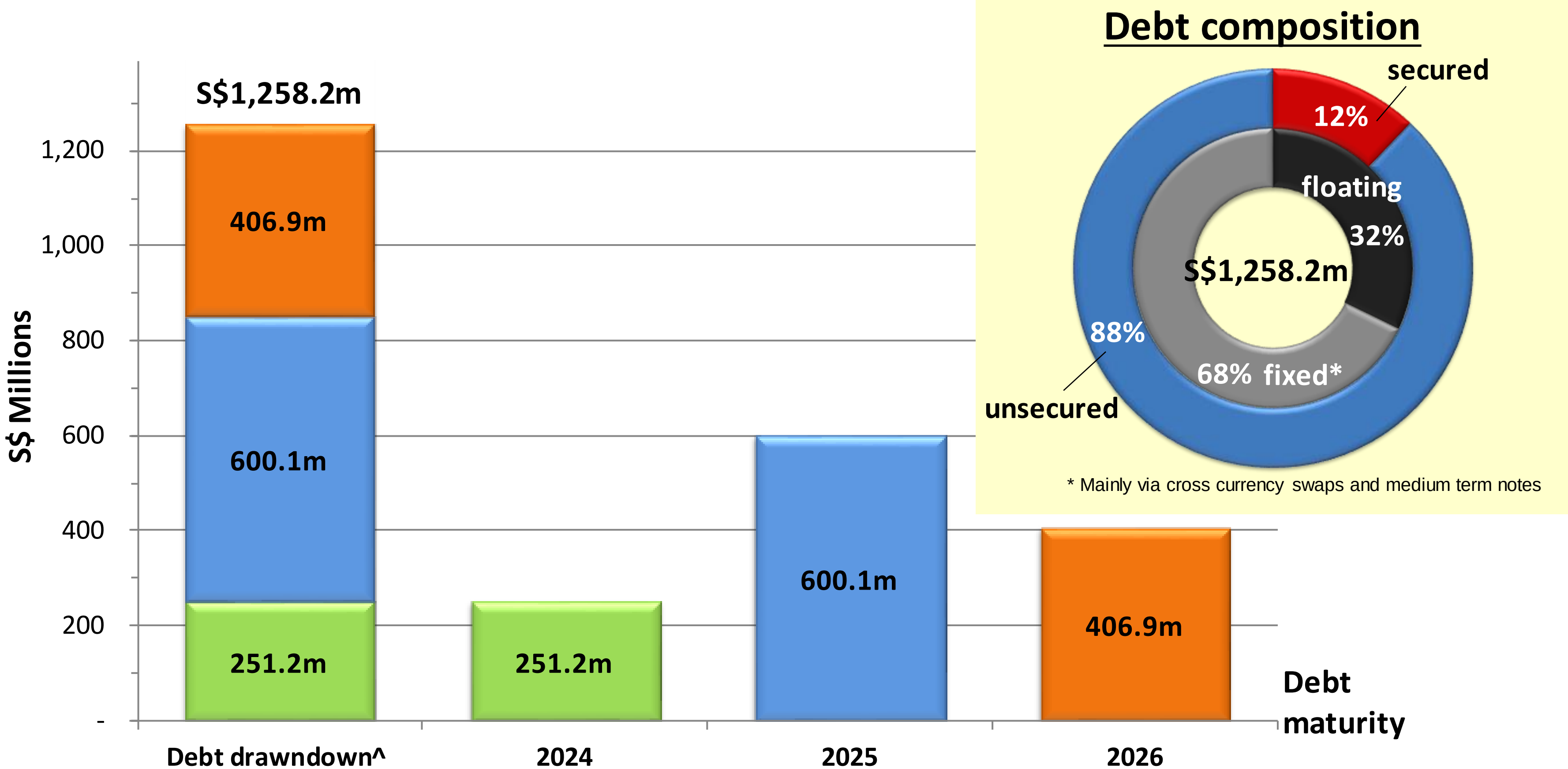
Total assets: S$4,474m



* Includes (i) PD/PH/PF (Australia) and (ii) unallocated cash, equity securities held and tax related items in the various regions

- 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 2023



* Mainly via cross currency swaps and medium term notes

^ Remaining headroom of S$423.8m of committed credit facilities

- A S$150 million debt facility due in April 2024 with an existing principal bank has since been refinanced in February 2024 with the same bank for another 4.5 years.
- Formal credit approval to refinance another S$100 million debt facility due in July 2024 for 3 more years with another existing principal bank has been obtained and legal documentation is in progress.

Section 3 Business Updates 2H2023 – Property Development

3.1 Property Development – Ongoing PRC Projects (1 of 2)

	Project	Equity %	Type	Total saleable GFA (sqm)	In units (unless otherwise specified)				% of launched GFA sold [1]	Average selling price (RMB psm)	Land cost RMB psm ppr (Date of Entry)
					Total	Launched	Sold as per previous report	Sold [1]			
1	Millennium Waterfront Plot E, Wenjiang, Chengdu	100%	SOHO	195,800	2,960	288	107	111	39%	7,200	310 (May 2012)
			Commercial [2]	112,700	Not applicable	-	-	-	-	-	
2	Skyline Garden, Wanjiang, Dongguan	27%	Residential	131,900	1,194	1,194	1,193	1,192	~100%	38,300	15,200 (Jun 2019)
			SOHO	66,600	777	777	591	583	51%	16,700	
3	Time Zone, Humen, Dongguan	17.3%	Residential	296,600	2,370	2,062	1,590	1,616	75%	36,500	15,400
			SOHO	367,400 [3]	5,820	948	750	751	79%	18,300	3,100 (Jun 2020)
			Commercial [4]	357,100	Not applicable	3,800 sqm	3,000 sqm	3,800 sqm	100%	36,600	
4	Fenggang Project, Dongguan	18%	Residential	155,600	1,260 *(Estimate)*	-	-	-	-	-	13,400 (Jan 2021)
5	Primus Bay, Panyu, Guangzhou	95%	Residential	160,500	1,495	539	96	102	17%	23,500	8,000 (Feb 2021)

[1] Unless otherwise specified, for this and subsequent slides for the property development projects in the PRC, the term "sold" includes sales as at 6 February 2024 under option agreements or sale and purchase agreements as the case may be, and "sold %" is calculated based on GFA.

[2] Comprises a commercial building (74,200 sqm) and a retail podium (38,300 sqm).

[3] 268,900 sqm of the 367,400 sqm SOHO component, along with the office and hotel components mentioned in footnote 4, are currently under discussion with the government for potential rezoning of a substantial portion of the originally approved commercial GFA into residential GFA.

[4] Comprises office (198,100 sqm), hotel (40,000 sqm), shopping mall (99,400 sqm) and other commercial/retail space (19,600 sqm).

3.1 Property Development – Ongoing PRC Projects (2 of 2)

	Project	Equity %	Type	Total saleable GFA (sqm)	In units (unless otherwise specified)				% of launched GFA sold	Average selling price (RMB psm)	Land cost RMB psm ppr (Date of Entry)
					Total	Launched	Sold as per previous report	Sold			
6	Central Mansion, Humen, Dongguan	36%	Residential	82,100	562	386	79	85	20%	35,700	14,200 (Jul 2021)
			SOHO	26,200	102	-	-	-	-	-	
7	Exquisite Bay, Dalingshan, Dongguan	46.6%	Residential	147,700	1,240	271	75	83	28%	25,400	14,600 (Jun 2022)
8	Egret Bay, Wanjiang, Dongguan	27%	Residential	71,100	383	311	98	146	46%	42,500	22,400 (Jun 2022)
9	The Brilliance, Shilong, Dongguan	100%	Residential	93,500	819	323	34	48	13%	21,300	10,900 (Aug 2022)
10	Kingsman Residence, Shijie, Dongguan	50%	Residential	154,900	1,228	308	47	50	15%	20,100	10,300 (Aug 2022)

Total Residential	**1,293,900**	**10,551**
Total SOHO	**656,000**	**9,659**
Total (Residential + SOHO)	**1,949,900**	**20,210**

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

Residential Apartment Blocks

- Five blocks of 1,194 units (131,900 sqm)
- Four blocks of 830 units (94,600 sqm) were 100% sold and revenue duly recognised in FY2022
- The last residential apartment block of 364 units (37,300 sqm), which was ~100% sold, was handed over in December 2023

SOHO Blocks

- Seven blocks of 777 SOHO units (66,600 sqm) and 4,400 sqm of retail space
- All SOHO units and retail space are to be kept for a minimum holding period of 2 years as per land tender conditions
- All six low-rise SOHO blocks (498 units) have been reserved by purchasers and substantially paid off in cash, including the two river-facing blocks which were reserved by the Group
- 85 units of the high-rise SOHO block (279 units) have been reserved by purchasers with cash deposits paid

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

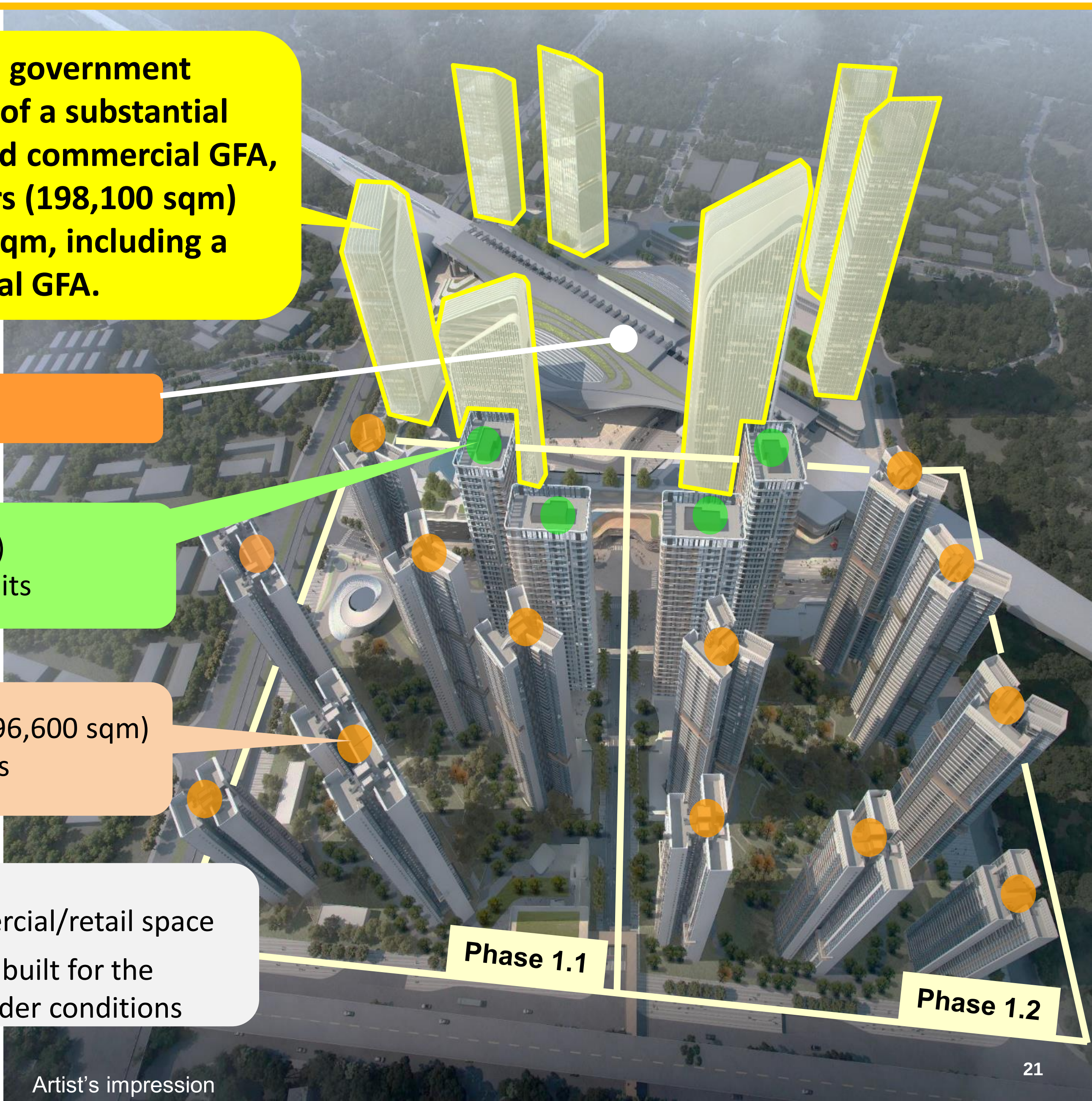
Discussions are ongoing with the government regarding the potential rezoning of a substantial portion of the originally approved commercial GFA, encompassing three office towers (198,100 sqm) and four SOHO blocks (308,900 sqm, including a 40,000 sqm hotel), into residential GFA.

Shopping Mall (99,400 sqm)

Four SOHO Loft Blocks (98,500 sqm)
- Four blocks of 1,140 SOHO loft units

13 Residential Apartment Blocks (296,600 sqm)
- 13 blocks of 2,370 residential units

Others:
- Approx. 19,600 sqm of commercial/retail space
- Other general amenities to be built for the authorities as per the land tender conditions



Artist's impression

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

- In December 2023, the 17.3%-owned Humen Time Zone commenced its first handover of two residential apartment blocks (452 units), of which 95.6% was sold. As Phase 1.1 and Phase 1.2 are at an advanced stage of construction, the various residential and SOHO loft blocks from these two phases are expected to be progressively handed over to the buyers during the course of 2024 and 2025.

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

- All six residential apartment blocks and two SOHO loft blocks in Phase 1.1 have been launched for pre-sales and achieved sales rates of 71% and 90% respectively.
- Phase 1.1 commenced its first handover of two residential apartment blocks in late December 2023, while the remaining four residential apartment blocks and two SOHO blocks are expected to commence handover in 2024.

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

- The SOHO units were sold at an average selling price of approximately RMB18,800 psm
- The effective land cost for the commercial component of the entire project is approx. RMB3,100 psm ppr

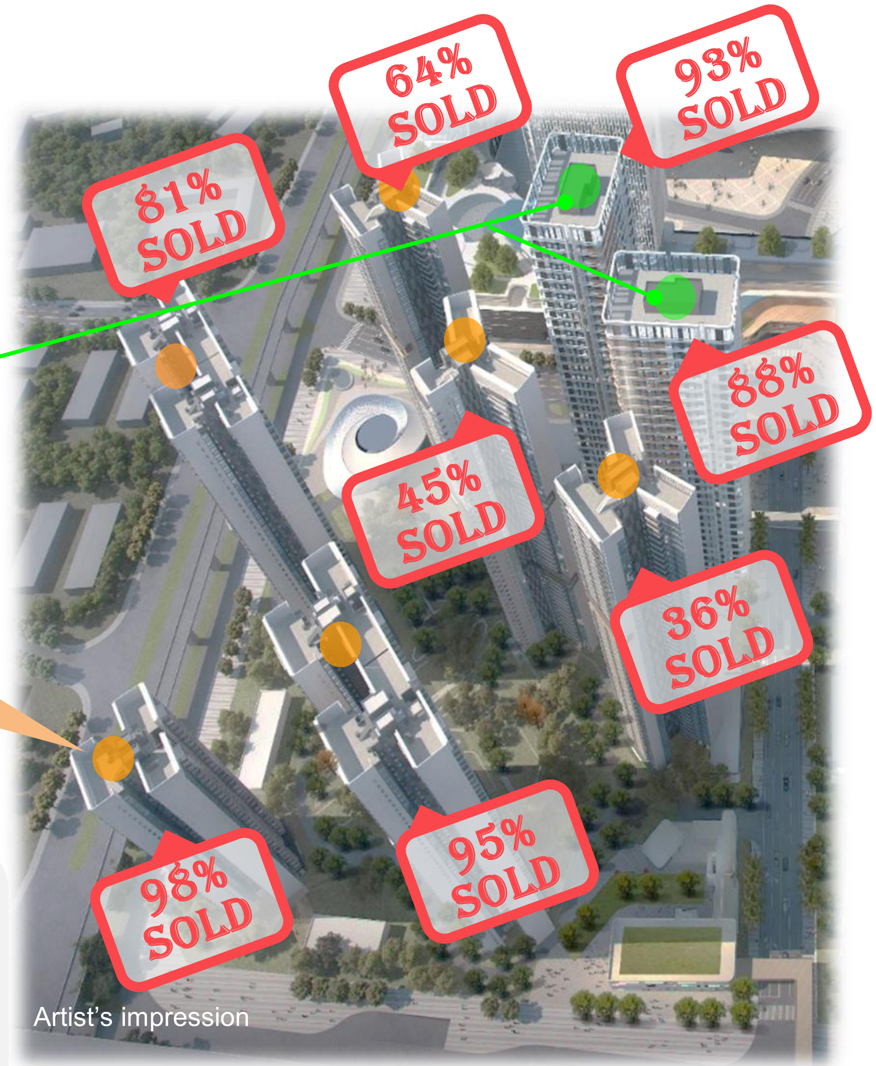
Six Residential Apartment Blocks (1,274 units, 158,700 sqm)

- The residential units were sold at an average selling price of approximately RMB38,500 psm on a furnished basis
- The effective land cost for the residential component of the entire project is approx. RMB15,400 psm ppr

Ground Level Retail (4,300 sqm):

100% SOLD

- Out of the 2,300 sqm launched for pre-sale, 100% has been sold at an average price of approximately RMB36,900 psm
- The remaining 2,000 sqm pertains to the sales office and will not be available for sale in the foreseeable future



Artist's impression

3.3 Property Development – Time Zone Phase 1.2 (17.3%-owned)

Two SOHO Loft Blocks (492 units, 43,400 sqm)

- One SOHO block has been launched for pre-sale and units were sold at an average selling price of approximately RMB16,800 psm

Seven Residential Apartment Blocks (1,096 units, 137,900 sqm)

- The residential units were sold at an average selling price of approximately RMB33,700 psm on a furnished basis

Ground Level Retail (1,900 sqm)

- Out of the total 1,900 sqm of retail space, 1,500 sqm has been launched for pre-sale and 100% were sold at an average price of approximately RMB36,200 psm

100% SOLD

Artist's impression

- In total, five residential apartment blocks and one SOHO loft block have been launched for pre-sales, achieving sales rates of 82% and 55% respectively.
- Pre-sales for the last two residential apartment blocks (308 units) and the remaining SOHO loft block (192 units) are expected to be launched in 1H2024.

3.4 Property Development – Central Mansion, Humen, Dongguan (36%-owned)

- The 36%-owned Humen Central Mansion has launched four (386 units) residential apartment blocks for pre-sales, with the latest block launched in January 2024. It has achieved a sales rate of 20% with an average selling price of approximately RMB35,700 psm.
- The project is expected to commence the first handover of two residential apartment blocks in late 2024 or early 2025.

Comprises :

- Seven blocks of 562 residential units (82,100 sqm)
- Three blocks of 102 SOHO units (26,200 sqm)
- Approx. 4,100 sqm of saleable storage space and 3,400 sqm of commercial/retail space

The Group's all-in land cost amounted to approximately RMB14,200 psm ppr

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

- Approval for the rezoning exercise is expected to be obtained in 1H2024, following which the land conversion premium will be paid in instalments.
- Based on the finalised land conversion premium and related costs, the Group's land cost in the project is estimated to be approximately RMB13,400 psm ppr. Nevertheless, the project company is currently negotiating for a lower monetary compensation to the village community, which will reduce the estimated land cost.

Artist's impression

<u>Fenggang Project</u>
Site area : 33,400 sqm
Saleable GFA : approx. 159,300 sqm (residential 98% / retail 2%)

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

- The 95%-owned Panyu Primus Bay has launched six residential apartment blocks (539 units) for pre-sales and achieved a sales rate of 17% with an average selling price of approximately RMB23,500 psm.
- The project commenced its first handover of the sold residential units in January 2024 instead of the initially planned December 2023. All sold units from the six launched blocks are expected to be handed over within 1H2024.
- While the project has been selling at an operating profit, a write-down of S$24.6 million was made in FY2023 on grounds of prudence.

Residential Apartment Blocks

- Predominantly residential project comprising 19 blocks of 1,495 units (160,500 sqm)
- The Group's land cost in the project is approximately RMB8,000 psm ppr

3.7 Property Development – Exquisite Bay, Dalingshan, Dongguan (46.6%-owned)

- The 46.6%-owned Exquisite Bay has launched three residential apartment blocks (271 units) for pre-sales and achieved a sales rate of 28% with an average selling price of approximately RMB25,400 psm.
- The project is expected to commence the first handover of the sold residential units from June 2024.

Residential Apartment Blocks
- Predominantly residential project comprising 12 blocks of 1,240 units (147,700 sqm)
- The Group's land cost in the project is approximately RMB14,600 psm ppr

3.8 Property Development – Egret Bay, Wanjiang, Dongguan (27%-owned)

- The 27%-owned Egret Bay has launched six residential apartment blocks (311 units) for pre-sales, including one block recently launched in December 2023. It has achieved a sales rate of 46% with an average selling price of approximately RMB42,500 psm.
- The project is expected to commence its first handover of the sold residential units in 1H2025.

Residential Apartment Blocks
- Residential project comprising seven blocks of 383 units (71,100 sqm)
- The Group's land cost in the project is approximately RMB22,400 psm ppr

3.9 Property Development – The Brilliance, Shilong, Dongguan (100%-owned)

- The wholly-owned The Brilliance has launched three residential apartment blocks (323 units) for pre-sales, including one block newly launched in December 2023. It has achieved a sales rate of 13% with an average selling price of approximately RMB21,300 psm.
- The project is expected to commence its first handover of the sold residential units in late 2024.

<u>Residential Apartment Blocks</u>

- Predominantly residential project comprising seven blocks of 819 units (93,500 sqm)
- The Group's land cost in the project is approximately RMB10,900 psm ppr

3.10 Property Development – Kingsman Residence, Shijie, Dongguan (50%-owned)

- The 50%-owned Kingsman Residence has launched three residential apartment blocks (308 units) for pre-sales in mid-September 2023. It has achieved a sales rate of 15% with an average selling price of approximately RMB20,100 psm.
- The project is expected to commence its first handover of the sold residential units in late 2024.

Residential Apartment Blocks

- Predominantly residential project comprising 11 blocks of 1,228 units (154,900 sqm)
- The Group's land cost in the project is approximately RMB10,200 psm ppr

3.11 Property Development – Millennium Waterfront Project, Wenjiang, Chengdu (100%-owned)

- **Plot E** (E1&E2) comprises 3 towers with approximately 2,960 SOHO units (195,800 sqm), a 39,400 sqm retail podium and a 73,300 sqm commercial building providing medical/healthcare services and products.
- Plot E1 is at an advanced stage of construction and has launched its first pre-sale of the SOHO units since March 2023.
- Plot E2 has commenced its construction in 3Q2023, but at a slow pace.

Plot F comprises 15 levels of 781 SOHO loft units which were 99% sold and 5 lower levels of commercial and retail (LFA of 28,100 sqm) which have been operational since January 2021.

Plot G comprises (i) the 458-room Crowne Plaza Chengdu Wenjiang hotel and 150-room Holiday Inn Express Chengdu Wenjiang Hotspring hotel which commenced operations since December 2016; and (ii) the Shu Le Chi hotspring which commenced operations since October 2017.

Artist's impression

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

- The wholly-owned Millennium Waterfront Plot E1 launched 288 units out of its two SOHO blocks (total 2,228 units) for pre-sales and sold 111 units at an average selling price of RMB7,200 psm.

- Sold units are expected to be handed over in mid-2024.
- Approximately 39% of the Plot E1 retail podium has been leased. Negotiations with potential tenants are ongoing.

~30,000 sqm (lettable GFA) of retail podium at lower floors of the two SOHO blocks

3.12 Property Development – Dreeftoren Amsterdam (100%-owned)

- Due to the bankruptcy of the façade contractor in late September 2023, the Dreeftoren redevelopment project is now expected to be delayed by six months. The targeted completion dates have been revised to 2Q2025 for the office tower and 2Q2026 for the residential tower.
- The bankrupt facade contractor has since been taken over by a new investor and the Group is in advanced discussions to engage the successor company for the remaining facade works.

Dreeftoren office tower

- Upon completion of construction, the project will comprise mainly a refurbished and enlarged 20-storey office tower (GFA: 20,231 sqm) and a new 130-metre residential tower (312 units).

3.13 Property Development – Amsterdam Meerparc and Prins Hendrikkade Property (100%-owned)

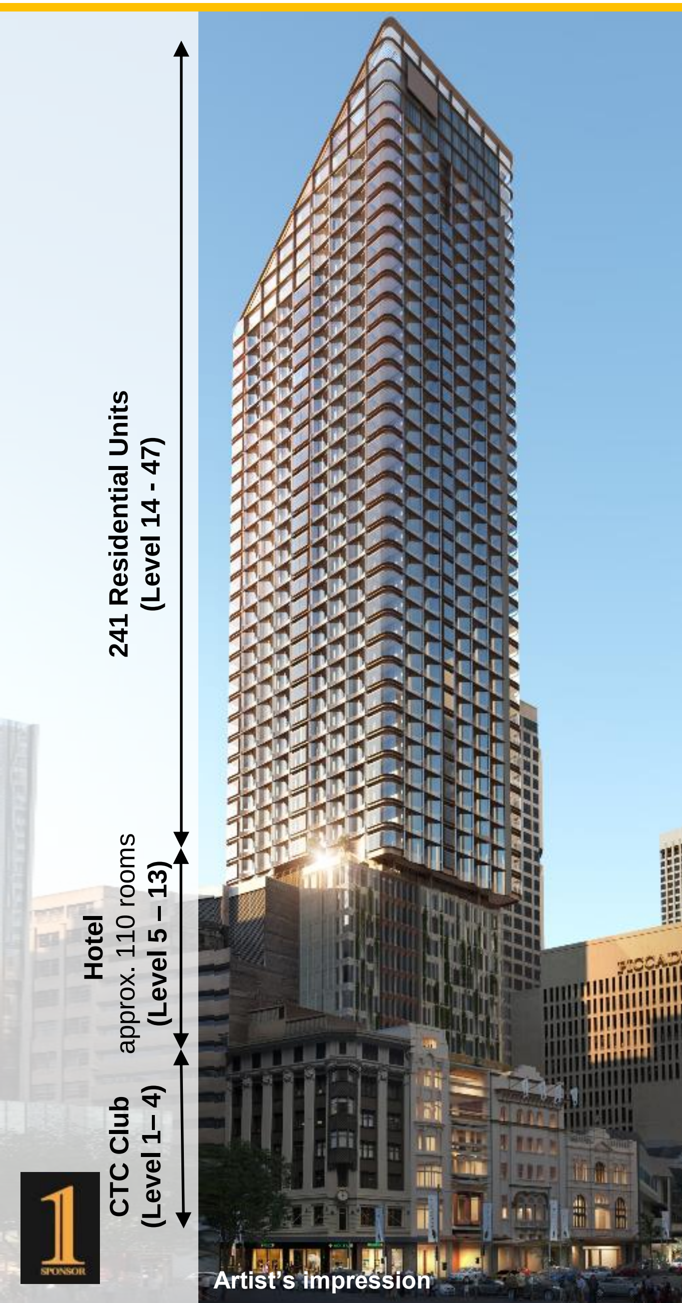
The Group is working to redevelop the freehold Meerparc, from a 19,143 sqm (GFA) office cum industrial property, into a 50,000 sqm (GFA) mixed residential (60%) and office (40%) property. Discussions with the municipality regarding the Group's proposal for a residential composition of 55% mid-rent and 45% free sector rent for the redevelopment are ongoing. The Group may reassess its redevelopment option if the eventual residential composition imposed by the municipality is financially unviable.

Meerparc

Prins Hendrikkade Property

The Group is also working to fully renovate Prins Hendrikkade which comprises four adjacent monumental buildings. Discussions are ongoing with the municipality on the renovation which entails a predominantly office property with five residential units. The Group aims to promptly submit the renovation permit application after finalising the renovation option with the municipality. Redevelopment is expected to commence in FY2024, with estimated completion in FY2025.

3.14 Property Development – City Tattersalls Club (“CTC”) Project, Sydney (39.9%-owned)



Artist’s impression

- On 23 February 2023, the 39.9%-owned developer trust for the CTC project signed a construction agreement with Richard Crookes Constructions Pty Limited as the main contractor, with a contract price comprising fixed and variable components. Construction work has since commenced in March 2023.
- The CTC project, upon expected completion in FY2027, will comprise the refurbished City Tattersalls Club, 241 residential units and a 110-room hotel.
- As at 31 December 2023, the main contractor’s works are approximately 13% completed based on the claimed contract works.
- Regarding the 241 saleable residential units, the Group will continue to monitor the market conditions in Sydney CBD and the construction progress before determining the optimal time for pre-sale launch.
- Additionally, the Group has increased its equity stake in the 110-room hotel component from the initial 70.5% to 90.5%, thereby further enhancing its property holding portfolio.

Section 4 Business Updates 2H2023 – Property Holding

4.1 Property Holding – FY2023 Non-Cash Fair Value Adjustments/Impairment Charges

In S$'000	Asset level Fair Value (Impairment)/Gain	Share %	Impact to the Group's Net Profit
European Office Portfolio	**(60,271)**		**(14,499)**
- Berg & Bosch Bilthoven	937	33%	229
- Mondriaan Tower Amsterdam	(27,857)	33%	(6,821)
- Zuiderhof I Amsterdam	(11,953)	33%	(2,927)
- Munthof Amsterdam	(2,895)	33%	(709)
- Oliphant Amsterdam	(21,552)	33%	(5,277)
- Allianz Tower Rotterdam	3,049	33%	1,006
European Hotel Portfolio	**6,637**		**2,746**
- Le Méridien Frankfurt	497	50%	209
- Arena Towers Amsterdam	2,078	100%	1,542
- Hilton Rotterdam	4,062	33%	995
Dongguan East Sun Portfolio	284	90%	192
Dongguan Wanli Portfolio	(65)	44.1%	(22)
Shanghai FS Han Mai Mall	150	100%	112
Panyu Primus Bay [1]	(24,557)	95%	(23,848)
Chengdu CitySpring SOHO units [1]	(768)	100%	(576)
Total	**(78,590)**		**(35,895)**
Total (FY2022)	*(136,266)*		*(76,025)*

- The Group recognised a lower net attributable fair value loss and impairment charges of S$35.9 million in FY2023 compared to S$76.0 million in FY2022.

[1] Not under property holding business segment, but included here for ease of reference to non-cash P&L adjustments relating to fair value adjustments and impairment charges in FY2023.

4.2 Property Holding – European Property Portfolio Operating Performance

In €'000	2H2023	2H2022	Change %	FY2023	FY2022	Change %
Dutch office income	**11,583**	**9,612**	**20.5%** [1]	**21,876**	**18,858**	**16.0%**
European hotel income	**14,296**	**15,682**	**(8.8%)**	**24,844**	**23,817**	**4.3%**
- Operating hotels [2]	12,068	13,575	(11.1%) [3]	20,481	19,572	4.6%
- Leased hotels [4]	2,228	2,107	5.7%	4,363	4,245	2.8%
Total	**25,879**	**25,294**	**2.3%**	**46,720**	**42,675**	**9.5%**

[1] Due mainly to the 3.5-month income contribution from the newly acquired Allianz Tower Rotterdam and rent indexation from the Dutch office portfolio.

[2] Includes the Dutch Bilderberg Hotel Portfolio, Hilton Rotterdam, Bilderberg Bellevue Hotel Dresden, Hampton by Hilton Utrecht Centraal Station, Crowne Plaza Utrecht Centraal Station and Le Méridien Frankfurt.

[3] Due mainly to the business interruption at the Bilderberg Europa Hotel Scheveningen and a lower contribution from Le Méridien Frankfurt, but partially offset by the better trading results from the rest of the European operating hotel portfolio.

[4] Includes the Holiday Inn and Holiday Inn Express at Arena Towers Amsterdam.

Excluding the three Amsterdam development properties; namely, Dreeftoren, Meerparc and Prins Hendrikkade property, the Dutch office portfolio and European leased hotels (LFA: 134,272 sqm, 91% occupancy) have a WALT of approximately 6.5 years.

4.3 Property Holding – European Hotels[1] Operating Performance

	2H2023	2H2022	Change	FY2023	FY2022	Change
Occupancy	68.2%	68.7%	(0.5%)	65.1%	60.1%	5.0%
ADR	€ 133	€ 127	4.7%	€ 133	€ 123	8.1%
Revenue	€ 63.69m	€ 62.16m	2.5%	€ 121.96m	€ 106.68m	14.3%
EBITDA	€ 12.07m	€ 13.57m	(11.1%)	€ 20.48m	€ 19.57m	4.6%

- For 2H2023, the average daily rate (ADR) for European hotels grew by a healthy 4.7% to €133, while occupancy dropped by 0.5% compared to the same period last year. The net impact resulted in a slight 2.5% growth in total revenue.
- Despite the growth in revenue for 2H2023, EBITDA has decreased by 11.1% due mainly to higher labour and operating costs across the hotel portfolio, in particular the Dutch Bilderberg hotels and Le Méridien Frankfurt. Despite these challenges and the absence of the €2.8 million COVID-related subsidy received in 2022, FY2023 EBITDA has increased by 4.6% compared to FY2022.

[1]Comprises eleven 95%-owned hotels in the Dutch Bilderberg Hotel Portfolio, 33%-owned Hilton Rotterdam, two 100%-owned Utrecht Centraal Station hotels, 50%-owned Le Méridien Frankfurt and 94.9%-owned Bilderberg Bellevue Hotel Dresden.

4.3 Property Holding – European Hotels Operating Performance

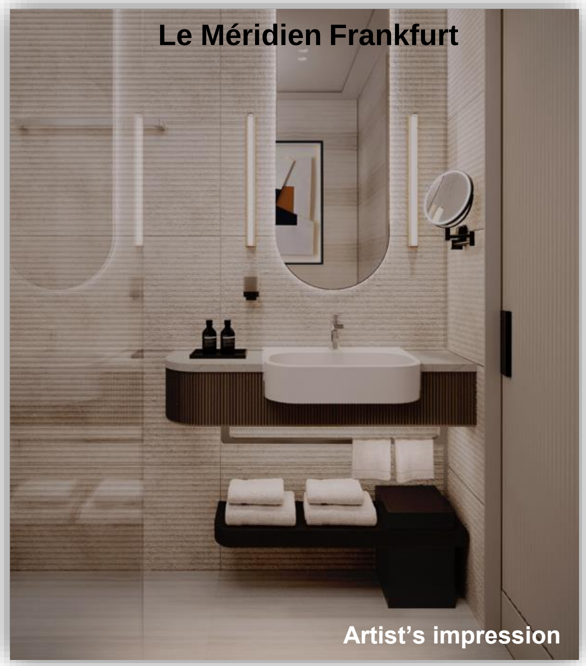
- Amongst the European hotels, the 2H2023 results were driven by the Bilderberg Bellevue Hotel in Dresden and the Crowne Plaza and Hampton by Hilton hotels at Utrecht Centraal Station. These hotels recorded a revenue growth of 10% in 2H2023 over 2H2022, with the Bilderberg Bellevue Dresden seeing an increase of 36% in its EBITDA from €2.0 million in 2H2022 to €2.8 million in 2H2023. Meanwhile, the Utrecht hotels increased their EBITDA from €2.4 million in 2H2022 to €2.9 million in 2H2023.

- While most hotels experienced revenue growth in 2H2023, Le Méridien Frankfurt was an exception. The hotel faced headwinds as the Frankfurt conference market has not fully recovered to pre-COVID-19 levels. Additionally, the presence of new supply in the Frankfurt hotel market impacted the hotel's revenue.

- Excluding the 2022 COVID-related subsidy amounting to €2.8 million and the results of Bilderberg Europa Hotel Scheveningen, which underwent a major renovation in FY2023, the EBITDA of the operating European hotels would have been €21.9 million, 36% higher than the adjusted €16.1 million in FY2022. The Bilderberg Europa Hotel Scheveningen has since fully resumed normal operations in January 2024.

4.3 Property Holding – European Hotel Development and Renovation

- The Group is set to transform the wholly-owned bare-shell Puccini Milan hotel into a 4-star 59-room Tapestry by Hilton hotel and is currently in the interior design phase. Construction works are expected to commence in 2Q2024, with completion estimated in 1H2025, ready for the 2026 Winter Olympics to be held in the Italian cities of Milan and Cortina d'Ampezzo.
- The Group is also working on a major renovation project in the Palais wing of the 50%-owned Le Méridien Frankfurt. The renovation involves the complete refurbishment of all 80 rooms in the Palais wing and the addition of 29 new rooms to the current 300-room inventory of the hotel. The necessary building permit application was filed with the municipality in December 2023. Renovation works are expected to commence in late 2024 and to be completed in 1H2025.



4.4 Property Holding – Chengdu Wenjiang Hotels[1] Operating Performance

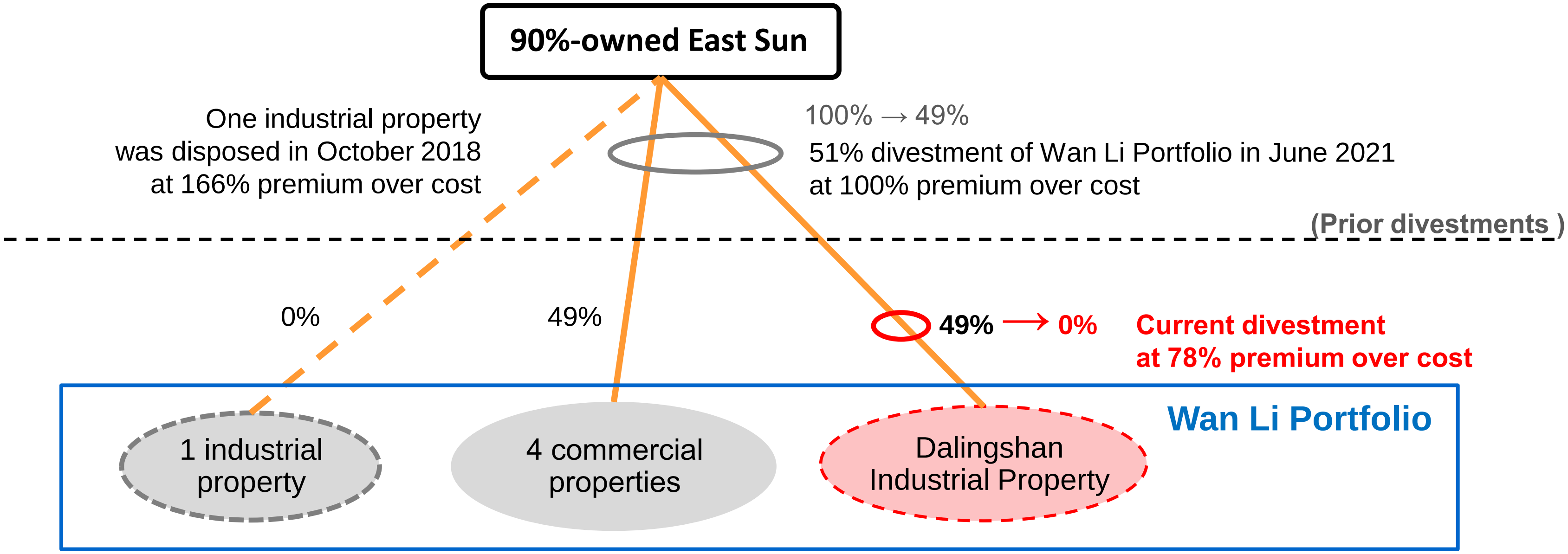
	2H2023	2H2022	Change	FY2023	FY2022	Change
Occupancy	55.6%	46.3%	9.3%	53.8%	44.1%	9.7%
ADR	RMB 357	RMB 383	(6.8%)	RMB 361	RMB 384	(6.0%)
Revenue	RMB 47.77m	RMB 35.17m	35.8%	RMB 91.44m	RMB 63.53m	43.9%
EBITDA	RMB 10.27m	RMB 8.30m	23.7%	RMB 21.16m	RMB 11.86m	78.4%

- With continued growth in both occupancy and F&B revenue, the hotels recorded a higher EBITDA of RMB10.3 million in 2H2023 (2H2022: RMB8.3 million). As a result, total FY2023 EBITDA amounted to RMB21.2 million (FY2022: RMB11.9 million), making this a record year for the hotels, despite the slowdown and issues faced by the PRC economy. This is a significant improvement of 78.4% as compared to FY2022, which was a weaker period as trading was affected by the implementation of restrictions to curb Covid-19, as both hotels were used as quarantine hotels intermittently during FY2022 for an average of approximately 17 weeks.

[1] Comprises the two 100%-owned Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels

4.5 Property Holding – Update on Wan Li Dalingshan Industrial Property (44.1%-owned)

- On 15 April 2023, the 90%-owned East Sun entered into an agreement to divest its remaining 49% equity interest in the most significant property ("Dalingshan Industrial Property") in the Wan Li Portfolio valuing the property at approximately RMB135 million, which represents a premium of approximately 78% over its allocated cost.
- The divestment was successfully completed on 29 November 2023.



4.7 Property Holding – Mondriaan Tower Amsterdam (33%-owned)

- The 33%-owned FSMC has been working on asset enhancement initiatives to upgrade and modernise the entrance areas of the Mondriaan Tower (24,880 sqm LFA) so as to enhance the leasing potential of the property.
- Renovation work commenced in June 2023 and was completed in December 2023.
- FSMC will also be upgrading the toilets on most floors during FY2024 as its next phase of asset enhancement program.
- Tenants who have already signed new leases commencing in FY2024 will bring the occupancy to 86%. In addition, several potential new leases and lease extensions are currently under discussions.

Section 5 Business Updates 2H2023 – Property Financing

5.1 Property Financing - Overview of Financial Performance

In S$'000	2H2023	2H2022	Change %	FY2023	FY2022	Change %
Secured PRC PF debt	16,086	15,372[1]	4.6%	29,123	40,066[1]	(27.3%)
PF loans to the Group's members						
- European associates and JVs	8,627	8,696	(0.8%)	19,181	22,340	(14.1%)
Secured Sydney PF loans	2,432[2]	1,297	87.5%	4,073	2,198	85.3%
Total PF revenue	**27,145**	**25,365**	**7.0%**	**52,377**	**64,604**	**(18.9%)**

[1] Includes pro forma adjustment made by way of deduction of S$8.7m to the reported PRC PF revenue to reflect the impact of the impairment charge to the PRC PF income in FY2022 due to the interest recognised on the RMB280m defaulted loan.

[2] Includes one-off establishment fees of S$0.66m in respect of loans provided to a JV partner in the 39.9%-owned developer trust for the CTC project in Sydney.

5.2 Property Financing – PRC PF Loan Book

	Average PRC PF loan book for the year to date ended	PRC PF loan book as at
31 December 2023	RMB1,091.9m (S$207.0m)	RMB1,210.2m (S$224.9m)
30 September 2023	RMB1,017.5m (S$193.8m)	RMB1,365.2m (S$254.8m)

- The PRC PF loan book has further reduced to approximately RMB1.2 billion as at 31 December 2023.
- The PRC PF loan book is expected to further decrease in FY2024 as the Group will be cautious in disbursing new loans in view of the dismal PRC property market and certain existing loans will become due during the year.

Thank You

For enquiries, please contact:

Mr Leonard Gerk
Senior Vice President – Financial Planning & Analysis
First Sponsor Group Limited
Email: ir@1st-sponsor.com.sg

Disclaimer

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