



First Sponsor Group Limited

Investor Presentation

27 April 2016



**Star of East River Project,
Dongguan, PRC**



**Mondriaan Tower,
Amsterdam, the Netherlands**



**Millennium Waterfront Project,
Chengdu, PRC**

The initial public offering of the Company's shares was sponsored by DBS Bank Ltd., who assumes no responsibility for the contents of this presentation.

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.

We had on 10 July 2014 issued a prospectus which was lodged for registration by the Monetary Authority of Singapore (the “Prospectus”). The results contained in this document should be reviewed in conjunction with the Prospectus.

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Section 1

Key Message

Key Message

1. **The Group achieved the sixth consecutive quarter of year-on-year profit growth since IPO amidst the current backdrop of uncertain global economic conditions.**
2. **For 1Q2016, the Group recorded a 260.1% increase in revenue and 6.5% increase in profit before tax underpinned by (i) revenue recognition from the handover of Plot C residential blocks of the Millennium Waterfront project; and (ii) share of gain from the disposal of non-core properties in the Netherlands during the period.**
3. **After a slow start during the beginning of the year for the Millennium Waterfront project, sales* have since picked up from March 2016 with April being the best performing month of the year thus far#.**
4. **To capitalise on the positive outlook of the Dongguan residential market, the Group will roll out the construction of Phase 1 of the Star of East River project as soon as possible with the aim of launching the sale of the residential component in early 2017.**
5. **The Group has entered into long term hotel management contracts with InterContinental Hotels Group (Shanghai) Ltd on 22 April 2016 to operate the two hotels of the Millennium Waterfront project in Wenjiang, Chengdu. The hotels are set to be branded as Crowne Plaza and Holiday Inn Express.**

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

Based on information as at 24 April 2016.

Key Message

6. **The Group has, via its 33% owned Dutch associated company (“FSMC”), begun its maiden property development project in the Netherlands through the redevelopment of its Boompjes property in Rotterdam.**
7. **The Group has, also through FSMC, disposed eight Dutch non-core properties at approximately 40% premium to cost, contributing a net attributable gain on disposal of S\$6.6m in 1Q2016.**
8. **In addition, the Dutch operations of the Group contributed a recurrent income of S\$6.7m in 1Q2016. This translates to an annualised income contribution in excess of S\$26m (approximately €17m).**
9. **The Group has taken legal actions on the two problematic loans relating to its property financing business. The progress has been satisfactory. No provision for these loans is deemed necessary as the Group remains optimistic about the full recovery of the loan and interest due.**
10. **As at 31 March 2016, the Group maintains a strong balance sheet with total shareholders’ funds of S\$949.8m, low net gearing ratio of 0.27x and S\$539.7m of cash, monetary loan receivables*, and unutilised committed credit facilities. The Group is eager to expand its footprint in the property market of the Netherlands and other regions when the right opportunity arises. In this connection, the Group may tap on the debt and equity capital markets to fund this expansion plan.**

* Includes non-current receivables and secured property financing loans in default.



Section 2 **Financial Highlights**

2.1 Statement of Profit or Loss - Highlights

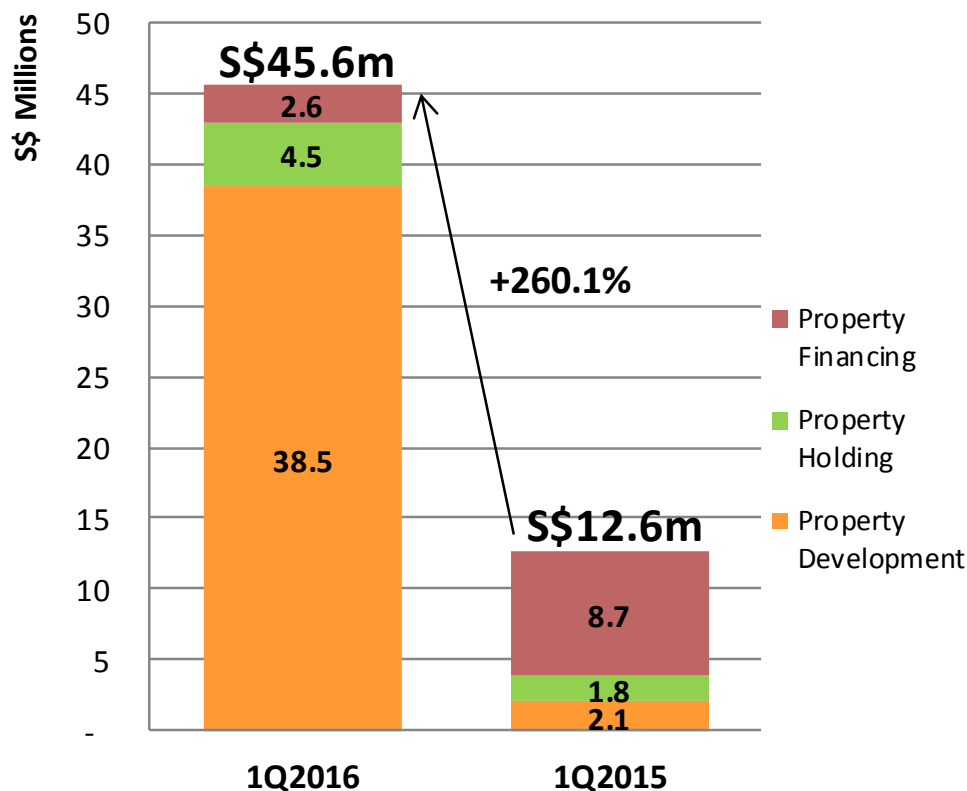
Statement of Profit or Loss - Highlights			
In S\$'000	1Q2016	1Q2015	Change %
Revenue	45,557	12,650	260.1%
Gross profit	14,358	10,581	35.7%
Profit before tax	15,866	14,901	6.5%
Attributable profit ⁽¹⁾	12,233	10,730	14.0%
Basic EPS (cents)	2.07	1.82	14.0%
Interest cover ⁽²⁾	13.8x	34.3x	(20.5)x

(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 increase in 1Q2016 is due mainly to the significantly higher number of residential units from the Millennium Waterfront project being handed over in 1Q2016 (324 units, majority from Plot C) as compared to 1Q2015 (9 units from Plot B).

Property Holding (including hotel operations)

The increase in 1Q2016 is due mainly to a full quarter contribution from Zuiderhof I (acquired in February 2015) and Arena Towers (acquired in June 2015) in the Netherlands.

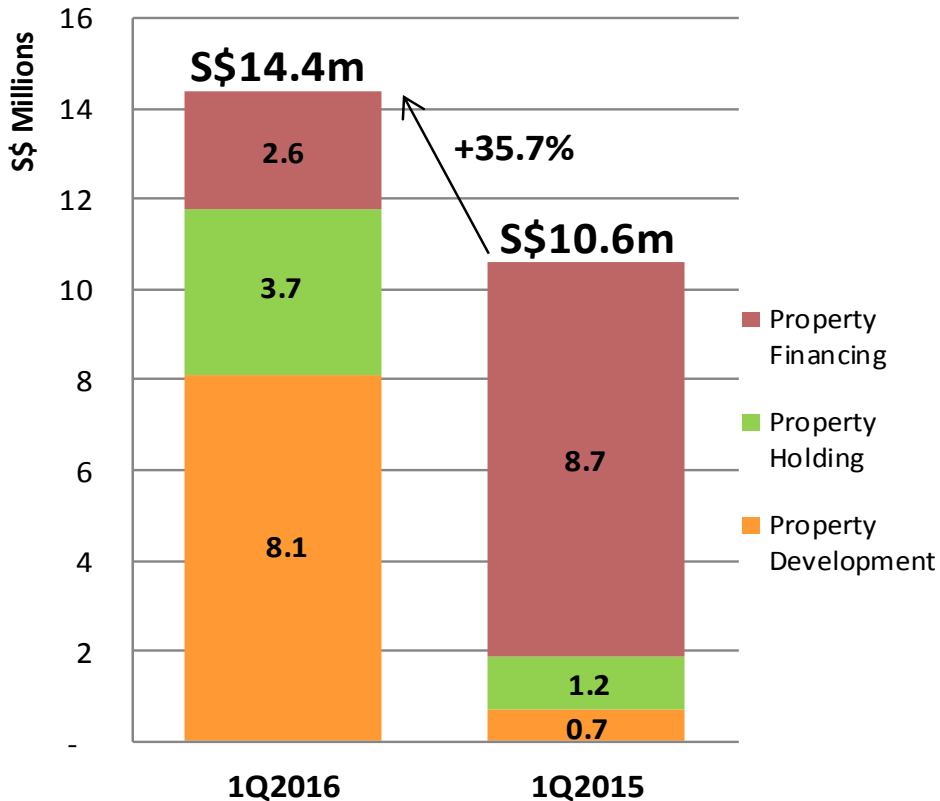
Property Financing

The decrease is largely due to the loans which defaulted in December 2015 and January 2016 (refer to Case 1 and Case 2 in Section 5.2 and 5.3 respectively).

Interest income in 1Q2016 was derived from an average entrusted loan balance of RMB291.9m and no interest is recognised on the RMB640.0m loans after the point of default.

2.3 Statement of Profit or Loss – Gross Profit

Gross Profit



Property Development

Gross profit achieved of S\$8.1m in 1Q2016 is due mainly to the significantly higher number of residential units from the Millennium Waterfront project being handed over in 1Q2016 as compared to 1Q2015.

Property Holding (including hotel operations)

The increase in gross profit of S\$2.5m in 1Q2016 is attributable mainly to a full quarter contribution from Zuiderhof I and Arena Towers.

Property Financing

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

2.4 Income Contribution from the Dutch Operations

In S\$'000	1Q2016	
Revenue	3,427	Income generated from Zuiderhof I and Arena Towers
Cost of sales	(109)	
Gross profit	3,318	
Share of FSMC's gain on disposal of non-core properties	6,578	Income generated from the FSMC operations
Share of results of FSMC	264	
Interest income earned from FSMC	3,140	
Total	13,300	
Recurrent income	6,722	
Non-recurrent income	6,578	
Total	13,300	

Income contribution from the Dutch property portfolio will form part of the recurrent income base for the Group. This translates to an annualised income contribution in excess of S\$26m (approximately €17m).

2.4 Income Contribution from the Dutch Operations

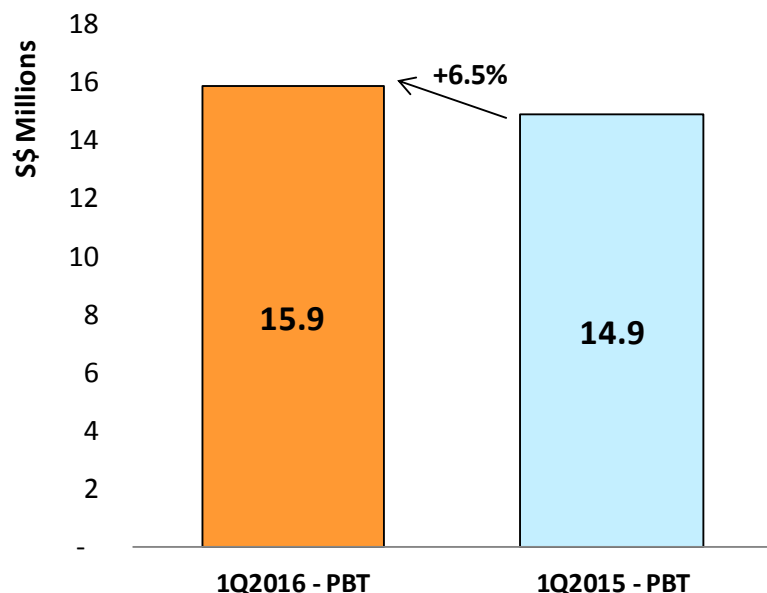


**9 Dutch Properties:
Total LFA of 131,204 sqm, average occupancy
of 74% and WALT of 8.0 years***

**INCOME CONTRIBUTION IN EXCESS OF
€17 MILLION PER ANNUM**

* Weighted Average Lease Term (WALT) and occupancy computation in this presentation are as at 31 March 2016

2.5 Statement of Profit or Loss – 1Q2016 vs 1Q2015

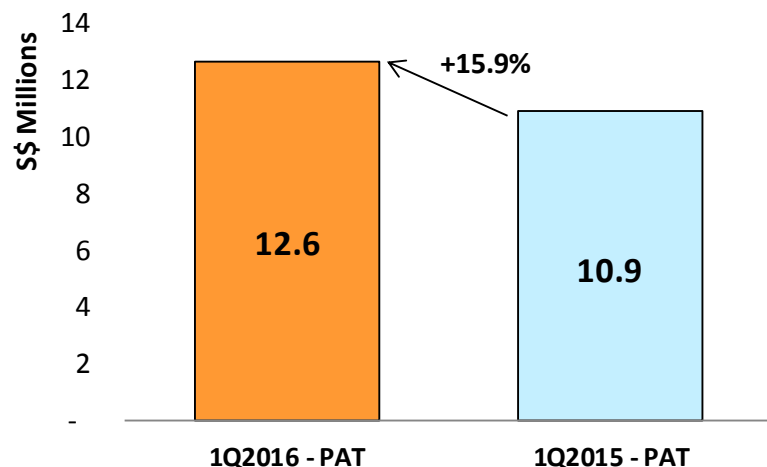


The increase in profit before tax is due mainly to:

- Higher gross profit contribution from the property development and property holding business segments with an aggregate increase in gross profit of S\$9.9m
- Increase in share of profit of associates of S\$6.8m

The increase is partially offset by:

- Lower gross profit contribution from property financing business with a decrease of S\$6.1m
- Decrease in Zhongtang investment return of S\$3.7m in 1Q2016
- Increase in administrative and selling expenses of S\$4.8m
- One off reversal of IPO expenses of S\$0.6m in 1Q2015



The adjusted effective tax rate is 27.4% for 1Q2016.

2.6 Statement of Financial Position - Highlights

Statement of Financial Position - Highlights			
In S\$'000	31-Mar-16	31-Dec-15	Change %
Total assets	1,663,415	1,800,794	(7.6%)
Total cash	137,977	112,044	23.1%
Receipts in advance	162,228	182,059	(10.9%)
Total debt	388,923 ⁽¹⁾	477,104 ⁽²⁾	(18.5%)
Net asset value (NAV)⁽³⁾	949,808	974,738	(2.6%)
NAV per share (cents)	161.03	165.26	(2.6%)
Gearing ratio ⁽⁴⁾	0.27x	0.38x	(0.11)x

(1) Comprises gross borrowings of S\$392.0m net of unamortised upfront fee of S\$3.1m.

(2) Comprises gross borrowings of S\$480.9m net of unamortised upfront fee of S\$3.8m.

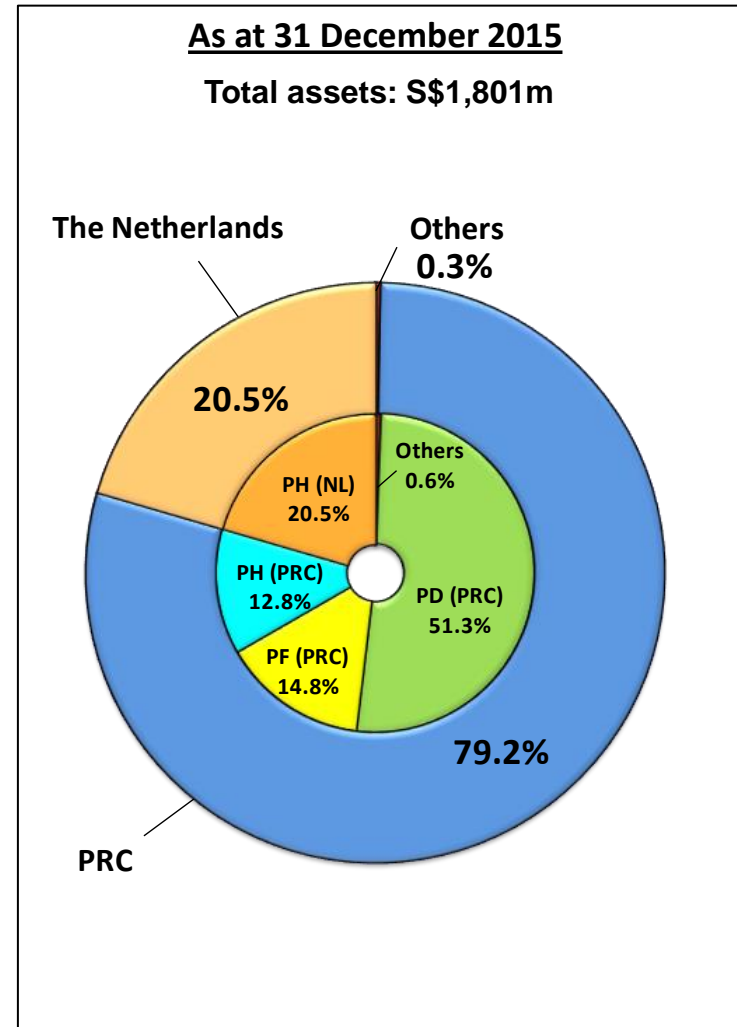
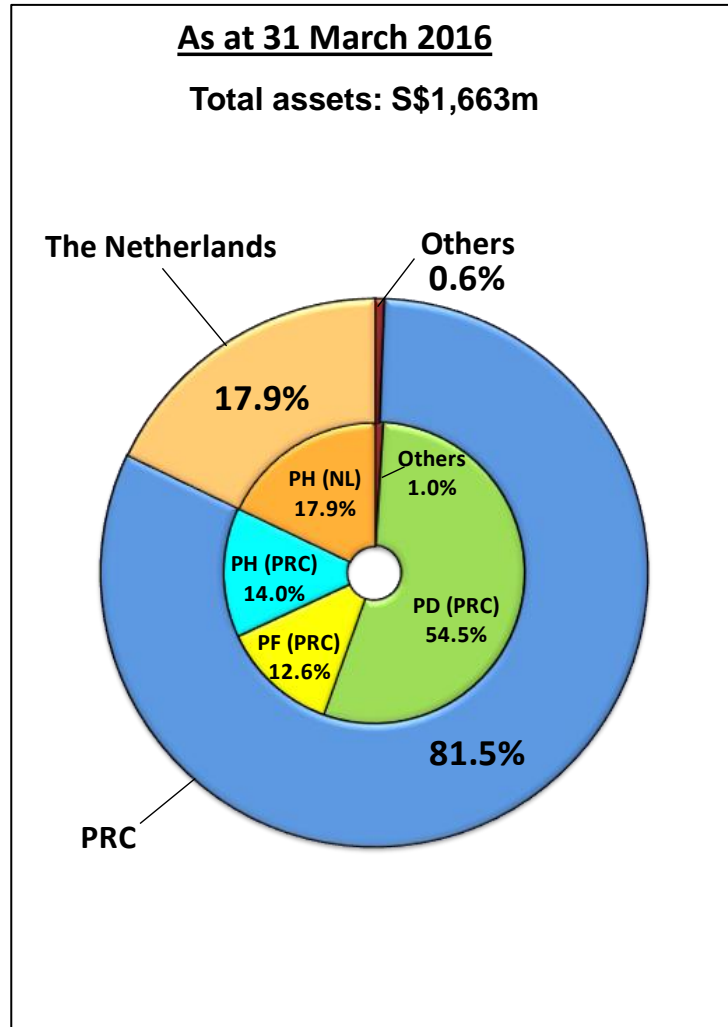
(3) NAV excluding non-controlling interests. The decline is due mainly to the weakening of RMB against S\$ in 1Q2016.

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

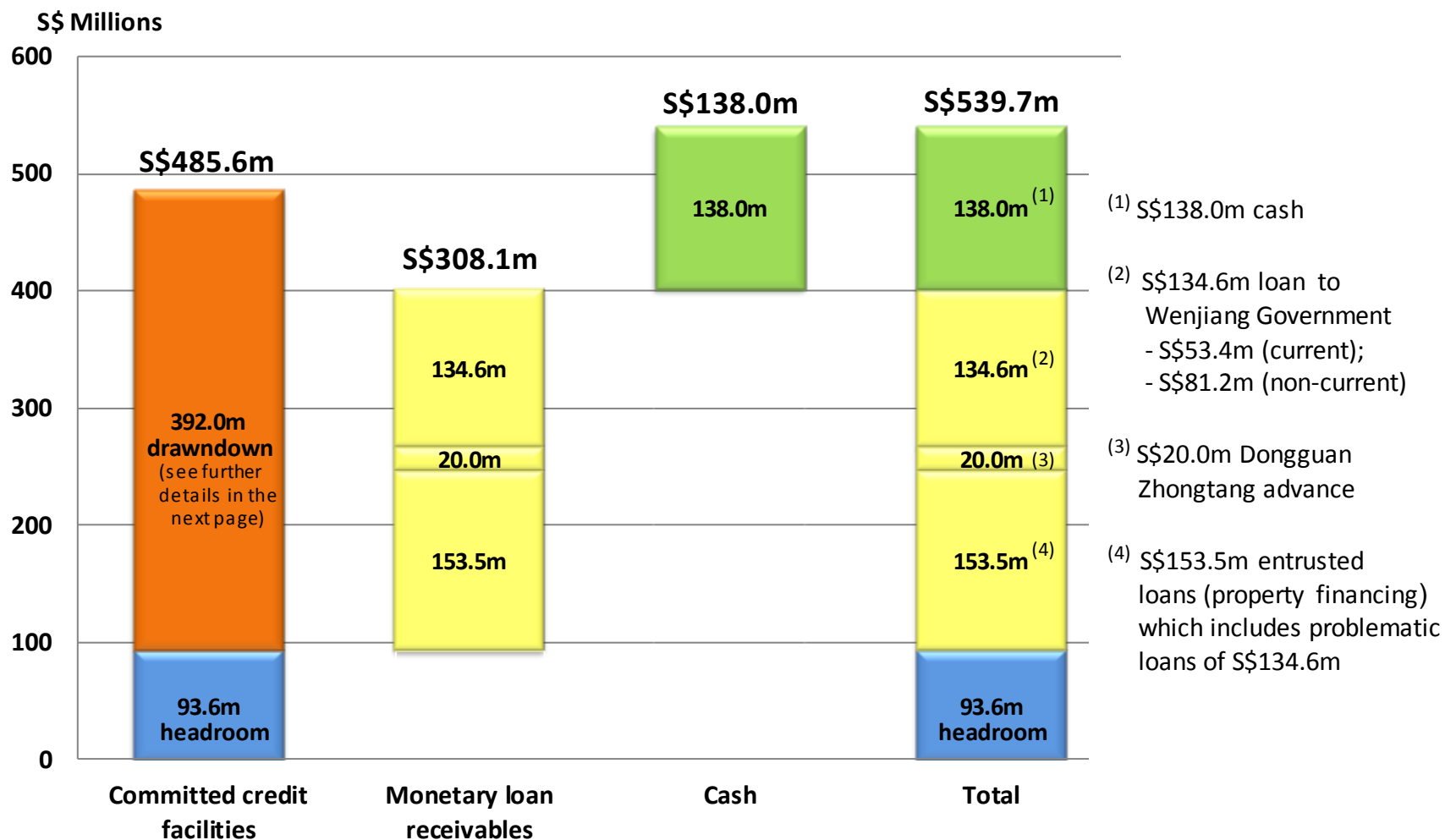
Net debt = gross borrowings + derivative liability – cash and cash equivalents

2.7 Statement of Financial Position - Total Assets

Total Assets – by business and geographic segments

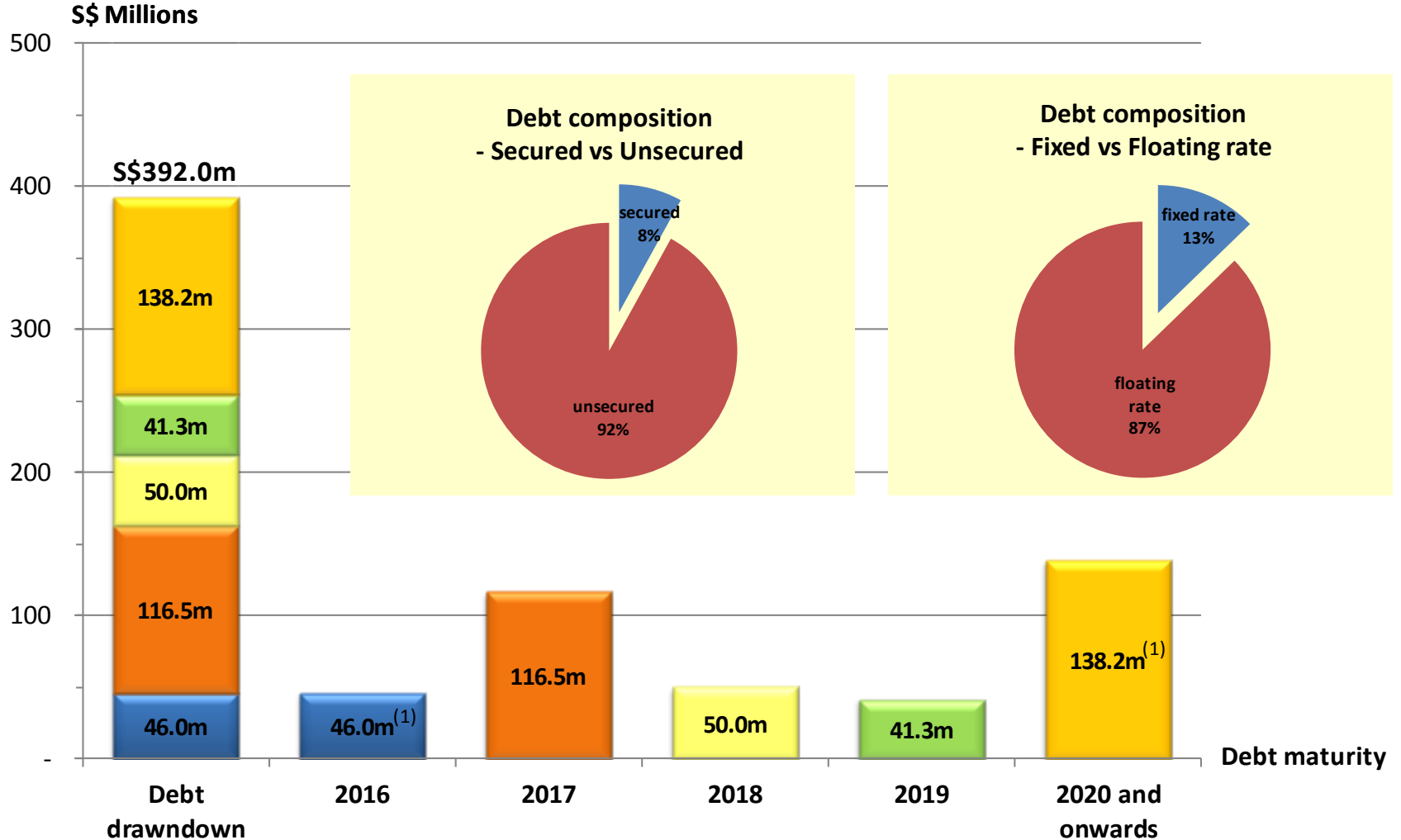


2.8 Liquidity Management as at 31 March 2016



- Healthy balance sheet backed by S\$539.7m of cash, monetary loan receivables, and unutilised committed credit facilities as at 31 March 2016. The Group also has a S\$1 billion Multicurrency Debt Issuance Programme to tap on for any future funding needs.

2.9 Debt Maturity and Composition as at 31 March 2016



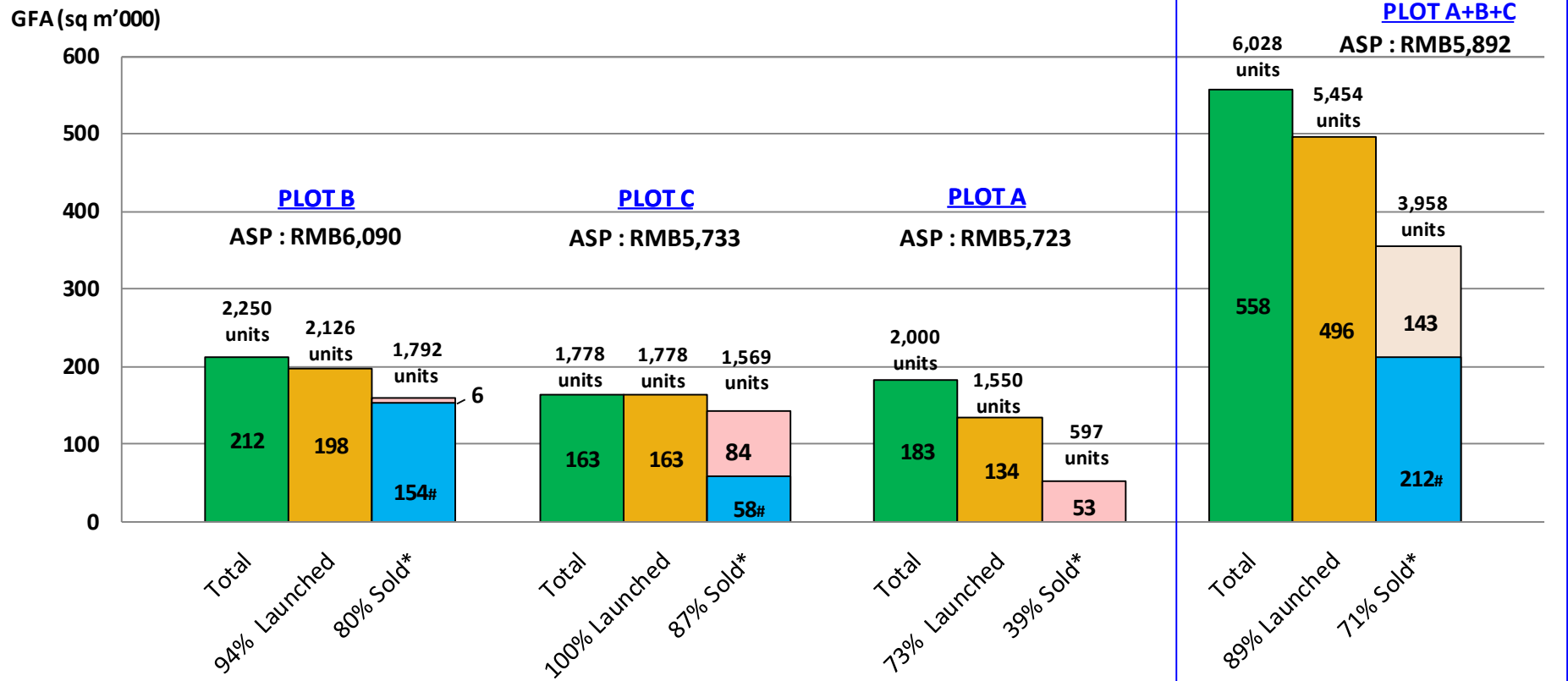
(1) Subsequent to 31 March 2016, the Group has extended credit facilities with two banks in April 2016, including the refinancing of the bridging loan obtained in relation to the acquisition of FSMC in November 2015. The above depicts the treasury position after taking into account these extensions.

Section 3

Key Business Review 1Q2016 – Property Development

3.1 Property Development – Millennium Waterfront Project, Chengdu

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



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

1,733 Plot B residential units (GFA: 154,205 sqm) with a gross sales value of S\$198.0m have been cumulatively recognised as at 31 March 2016.

675 Plot C residential units (GFA: 58,436 sqm) with a gross sales value of S\$74.6m have been cumulatively recognised as at 31 March 2016.



3.1 Property Development – Millennium Waterfront Project, Chengdu

- Further handover of Plot C residential units in 1Q2016.
- Launched three blocks of Plot A and one riverfront block of Plot B for pre-sales in 1Q2016.
- After a slow start during the beginning of the year for the Millennium Waterfront project, sales* have since picked up from March 2016 with April being the best performing month of the year thus far#.
- Expected to commence construction of Plot D in the course of 2016.



Plot C blocks



Plot A blocks under construction

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

Based on information as at 24 April 2016.

3.1 Property Development – Millennium Waterfront Project, Chengdu

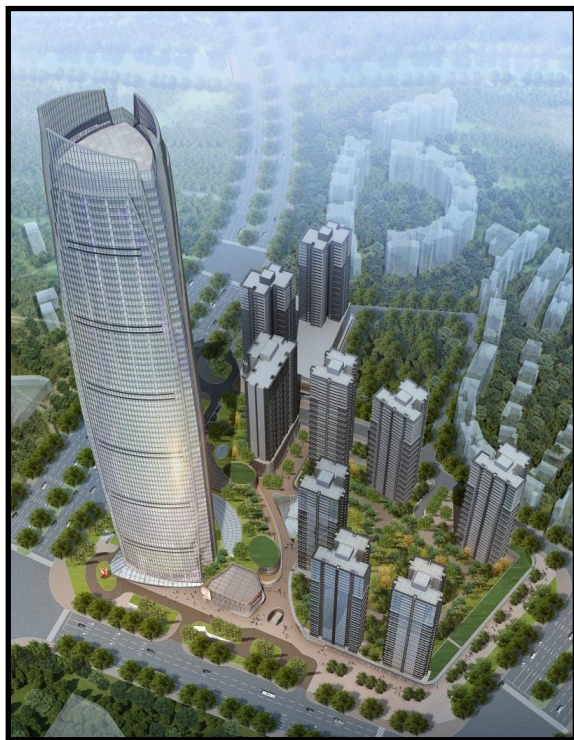


Notes:

- This diagram is not drawn to scale.
- Based on artist's impression which may not be fully representative of the actual development.
- As at 31 March 2016 and includes sales under option agreements or sale and purchase agreements, as the case may be.

3.2 Property Development – Star of East River Project, Dongguan

- The Group expects to commence construction of Phase 1 of the Star of East River project which comprises residential units and retail spaces by 3Q2016. Based on the latest estimate, the sale of the residential component is expected to commence in early 2017.
- The strong demand in the residential property market in Dongguan continues to drive the residential inventory turnover index lower, from an approximately 5 months in November 2015 to 4 months in January 2016*, which augurs well for our project.



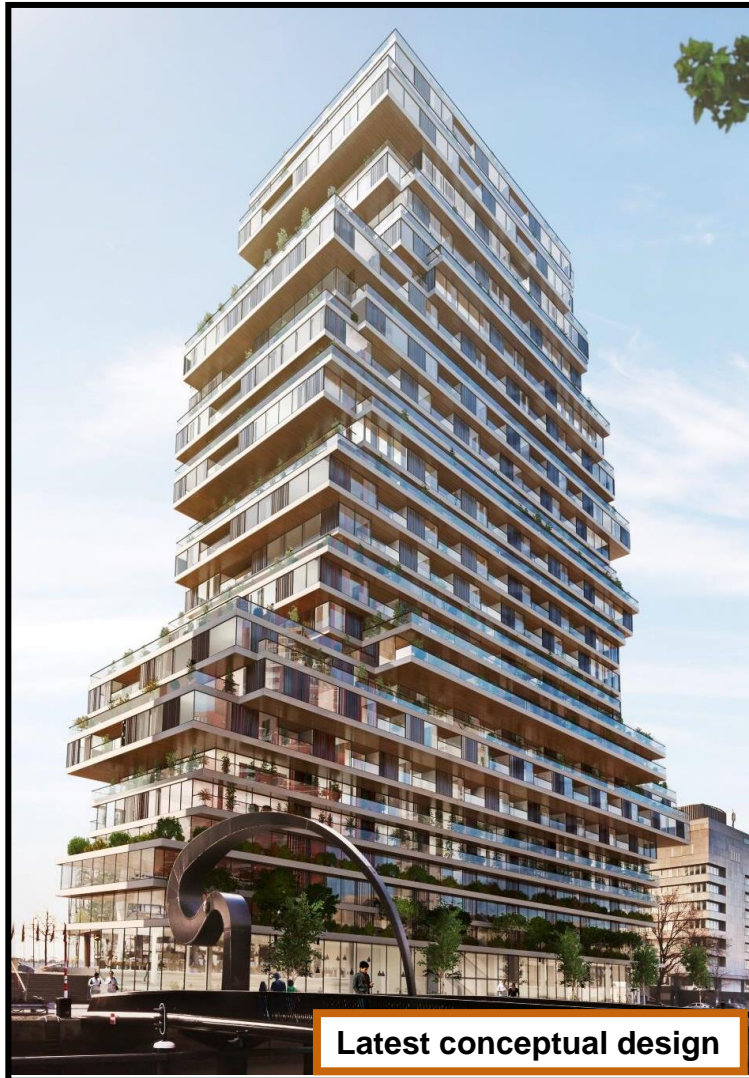
(artist's impression only)



Site preparation works

*Source: Centaline Property Agency Limited reports on the Dongguan property market

3.3 Property Development – Redevelopment of Boompjes, Rotterdam



- In consultation with Provast, the consortium has since appointed several advisors including architects and engineers for the Boompjes redevelopment project and targets to finalise the conceptual design in the course of the next few months.
- FSMC has started discussion with a few real estate funds with the aim of selling a substantial part of the redeveloped residential property before the commencement of construction. The remaining can then be sold to retail consumers on a strata title basis thereafter.

3.3 Property Development – Redevelopment of Boompjes, Rotterdam

Latest conceptual design for Boompjes redevelopment



* Artist impression of latest conceptual design

Section 4

Key Business Review 1Q2016 – Property Holding

4 Property Holding – M Hotel Chengdu

	1Q2016	1Q2015	Increase/(decrease)
Occupancy	41.4%	37.5%	3.9%
ADR	RMB364	RMB383	(RMB19)
RevPar	RMB151	RMB144	RMB7



M Café Restaurant



4 Property Holding – Hotel component of the Millennium Waterfront project

- The Group has entered into long term hotel management contracts with InterContinental Hotels Group (Shanghai) Ltd on 22 April 2016 to operate the two hotels of the Millennium Waterfront project in Wenjiang, Chengdu. The hotels are set to be branded as Crowne Plaza and Holiday Inn Express.
- The Group has entered into a long-term cooperation agreement with a Chinese partner which had obtained exploration rights of natural resources in the vicinity of the hotel site. The partner had extracted ground water samples on the hotel site which contain the natural mineral strontium. This augurs well with the planned hotspring operations which will be managed separately within the hotel complex from late 2017 onwards. It is believed that a natural strontium hotspring is beneficial to humans. The exploration of natural resources on the site continues to be in progress.



Proposed hotel name:
Crowne Plaza Chengdu Wenjiang

Proposed hotel name:
Holiday Inn Express Chengdu Wenjiang Hotspring



Section 5

Key Business Review 1Q2016 – Property Financing

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
1Q2016	2.6	5.7%	1.8	11.3%
1Q2015	8.7	68.9%	10.1	68.1%

	Average Third Party Loan Balance for the quarter ended	Third Party Loan Balance as at
31 March 2016	RMB823.4m ⁽¹⁾ (S\$177.0m)	RMB730.0m ⁽¹⁾ (S\$153.5m)
31 March 2015	RMB921.9m (S\$199.3m)	RMB1,101.0m (S\$242.0m)

(1) Average loan balance for 1Q2016 and loan balance as at 31 March 2016 include the 2 default cases amounting to RMB640m in aggregate (refer to further updates in Section 5.2 and 5.3). Interest income was recognised on the loans up to the point of default. Penalty interest on loan default has not been recognised.

5.2 Status of Problematic Loans – Update to 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.
- On 22 December 2015, the Group filed a lawsuit with the Shanghai No. 1 Intermediate People's Court against the borrower, the mortgagor and the guarantors, claiming for the repayment of the entrusted loan principal of RMB170.0m, the interest due of RMB2.6m and related liquidated damages.
- The Group had since placed first preservation orders on the loan collateral properties located in the CBD of Pudong, Shanghai which the Group has a first legal mortgage on and also on an unencumbered Shanghai residential apartment owned by the legal representative of the borrower who is also the personal guarantor for the loan. The LTV of the loan based on the abovementioned property collaterals is 48.7%.
- As the legal representative of the borrower is assisting in the investigation of certain alleged criminal business activities, the Public Security Bureau had placed restrictions on the above mentioned properties before the Group's preservation orders.
- A court hearing was held at the Shanghai No.1 Intermediate People's on 13 April 2016. No ruling has been issued to date.
- No provision for Case 1 has been made on the outstanding balance due as at 31 March 2016 as the Group remains optimistic about the full recovery of the loan and interest due.

5.3 Status of Problematic Loans – Update to Case 2

- Case 2 relates to eight related loans disbursed to six different borrowing entities amounting to RMB470.0m. One month's interest amounting to RMB6.9m was not received when due on 21 January 2016. All these loans are cross-collateralised.
- The Group had since called an event of default on all the loans and initiated legal action against the group of borrowers.
- First preservation orders had been placed on the first legal mortgaged property collaterals and assets of the guarantors which include high end offices and luxury residential apartments located in prime locations in Beijing, Shanghai, Guangzhou and Chengdu.
- Based on the total value of the mortgaged property collaterals and the unencumbered assets of the guarantors, the LTV derived is less than 25%. For prudence, the aforesaid LTV has not ascribed any value to the first preservation orders that the Group has placed over the equity interest of various companies, cars, bank accounts and other properties with third party mortgages owned by the guarantors. This means that the Group is more than 4 times covered for every dollar of the loans in default.
- The borrowers have since taken pro-active steps to engage the Group in working out an amicable commercial solution to repay the loans, penalty interest and associated expenses.
- Court hearings for some of the defaulted loans have been held but no ruling has been issued to date.
- No provision for Case 2 has been made on the outstanding balance due as at 31 March 2016 as the Group remains optimistic about the full recovery of the loan and interest due.

Appendix

Summary – Properties in the Netherlands

Summary – Properties in the Netherlands

Core Properties



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)	3.3 years	22.7 years

Summary – Properties in the Netherlands

Core Properties



Property name	Mondriaan Tower	N.A	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)	5.6	1.5	3.7

Summary – Properties in the Netherlands

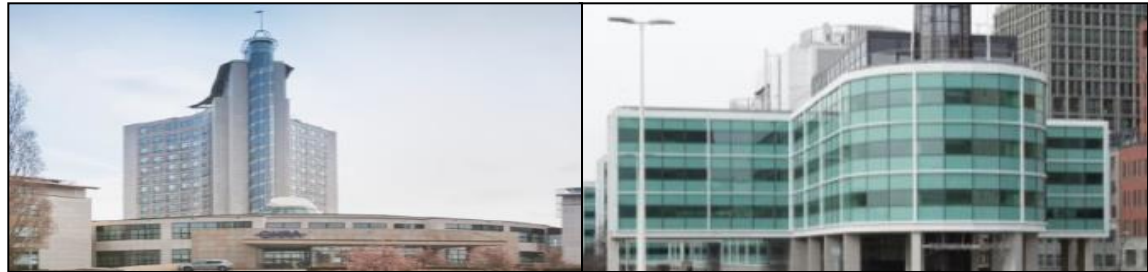
Properties with Redevelopment Potential



Property name	N.A	Munthof	Berg & Bosch
Description	Office and car parks	Office and car parks	Office and car parks
Land tenure	Freehold	Freehold	Freehold
Location	Boompjes 55 and 57, Rotterdam	Reguliersdwarsstraat 50-64, Amsterdam	Professor Bronkhorstlaan 4, 4A, 6, 8, 10A -10M, 12 - 20 and 26, Bilthoven
Year of construction/ renovation	1967	1969	1933/2006
Lettable floor area	9,566 sqm	1,719 sqm	34,024 sqm, on land area of 415,799 sqm
Number of car park lots	68	147	627
Occupancy	50%	100%	76%
Number of tenants	6	16	33
WALT (years)	0.5	2.8	4.4

Summary – Properties in the Netherlands

Non-core properties



Property name	Ooyevaarsnest	Terminal Noord
Description	Office and car parks	Office and car parks
Land tenure	Freehold	Effective freehold
Location	Rijksweg-West 2, Arnhem	Schedeldoekshaven 127, 129 and 131, The Hague
Year of construction/ renovation	1997	1991/2007
Lettable floor area	29,932 sqm, on land area of 48,325 sqm	8,897 sqm
Number of car park lots	665	97
Occupancy	45%	0%
Number of tenants	1	Vacant
WALT (years)	5.3	N.A

Thank You
