

**First Sponsor Group Limited  
Investor Presentation  
8 February 2018**



**Hotspring facility within the Crowne Plaza Chengdu Wenjiang and  
Holiday Inn Express Chengdu Wenjiang Hotspring hotels**

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## Section 1

## Key Message

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## Key Message

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1. The Group has achieved a 2.4% growth in its profit before tax for FY2017 to S\$121.2 million despite the substantial one off gain of S\$97.3 million recognised from the dilution of equity interest in the Star of East River Project in FY2016. Excluding this one off dilution gain, the net profit of the Group would have increased by 4.5 times year on year.
2. To reward shareholders for their continuous support, the Board has approved a bonus issue of one bonus share for every 10 ordinary shares in issue.
3. The Board is also recommending a final tax-exempt (one-tier) dividend of 1.2 Singapore cents per ordinary share, adding up to a total dividend of 2.2 Singapore cents per ordinary share for FY2017 which represents a 10.0% increase from FY2016. The Board will work towards a stable payout with a steady growth when appropriate, subject to the successful implementation of the Group's business strategy and prevailing market conditions.
4. The Group has successfully recovered RMB365.4 million out of the total RMB470.0 million defaulted loan principal (78% recovery) for Case 2. In conjunction with the successful recovery, the Group had recognised cumulative net interest income of RMB152.6 million (S\$31.2 million). It is noteworthy that the cumulative interest income earned on Case 2 defaulted loans to-date is more than sufficient to cover the outstanding loan principal of RMB104.6 million.

## Key Message

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5. The Group has made four acquisitions amounting to approximately S\$349.2 million in the Netherlands, Germany and the PRC during the past two months:
  - the acquisition of the 300-room Le Méridien Frankfurt Hotel for a total consideration of approximately €85.0 million (S\$135.9 million), via a partnership with the Group's two key shareholders City Developments Limited and Tai Tak Group. This is the Group's first foray into Germany.
  - the majority apartment rights of Meerparc, a mixed use office building in the South Axis, the main central business district of Amsterdam for a total consideration of approximately €55.5 million (S\$88.6 million).
  - the 100% equity interest in Dongguan Wan Li Group Limited and its subsidiary, which owns outdated commercial (four) and industrial (two) properties in Dongguan ("Wanli Portfolio"), for approximately RMB206.0 million (S\$42.1 million), via an acquisition by Dongguan East Sun Limited. The Wanli Portfolio has redevelopment potential and currently generates recurrent rental income.
  - the 254-room Hilton Rotterdam Hotel for a total consideration of approximately €51.0 million (S\$82.6 million), via an acquisition led by the Group with a consortium of investors. The Group has undertaken a post completion restructuring exercise to lease and operate the hotel with effect from 31 January 2018.

## Key Message

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6. The Bilderberg Portfolio continued to perform well with its FY2017 EBITDA exhibiting a 15.5% year on year growth.
7. The Company will be embarking on an equity fund raising exercise to further strengthen its balance sheet so that the Group can capitalise on any available expansion opportunity. In this connection, the Company will do a renounceable 1-for-4 rights issue of 3.98% perpetual convertible capital securities which can be converted, at the holder's option, into new ordinary shares at a conversion price of S\$1.10 per share. The estimated net cash proceeds is S\$161.5 million.

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

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## 2.1 Statement of Profit or Loss - Highlights

Statement of Profit or Loss - Highlights						
In S\$'000	4Q2017	4Q2016 (restated)	Change %	FY2017	FY2016 (restated)	Change %
<b>Revenue<sup>(1)</sup></b>	180,279	23,711	660.3%	384,392	199,051	93.1%
<b>Gross profit</b>	75,198	(5,045)	n.m.	153,032	51,751	195.7%
<b>Profit before tax</b>	59,697	65,814	(9.3%)	121,233	118,389	2.4%
<b>Attributable profit<sup>(2)</sup></b>	42,660	72,915	(41.5%)	88,283	113,089	(21.9%)
<b>Basic EPS (cents)</b>	7.23	12.36	(41.5%)	14.97	19.17	(21.9%)
<b>Interest cover<sup>(3)</sup></b>	n.m. <sup>(4)</sup>	41.2x	n.a.	n.m. <sup>(4)</sup>	21.7x	n.a.

(1) Arising from a business review, the Group felt that it is more appropriate to classify interest income from loans extended to its associates as part of its property financing income given that such income would be earned on a recurrent basis. The associated financing costs for such loans are also reclassified to cost of sales. The prior period comparatives have been restated to conform with such presentation.

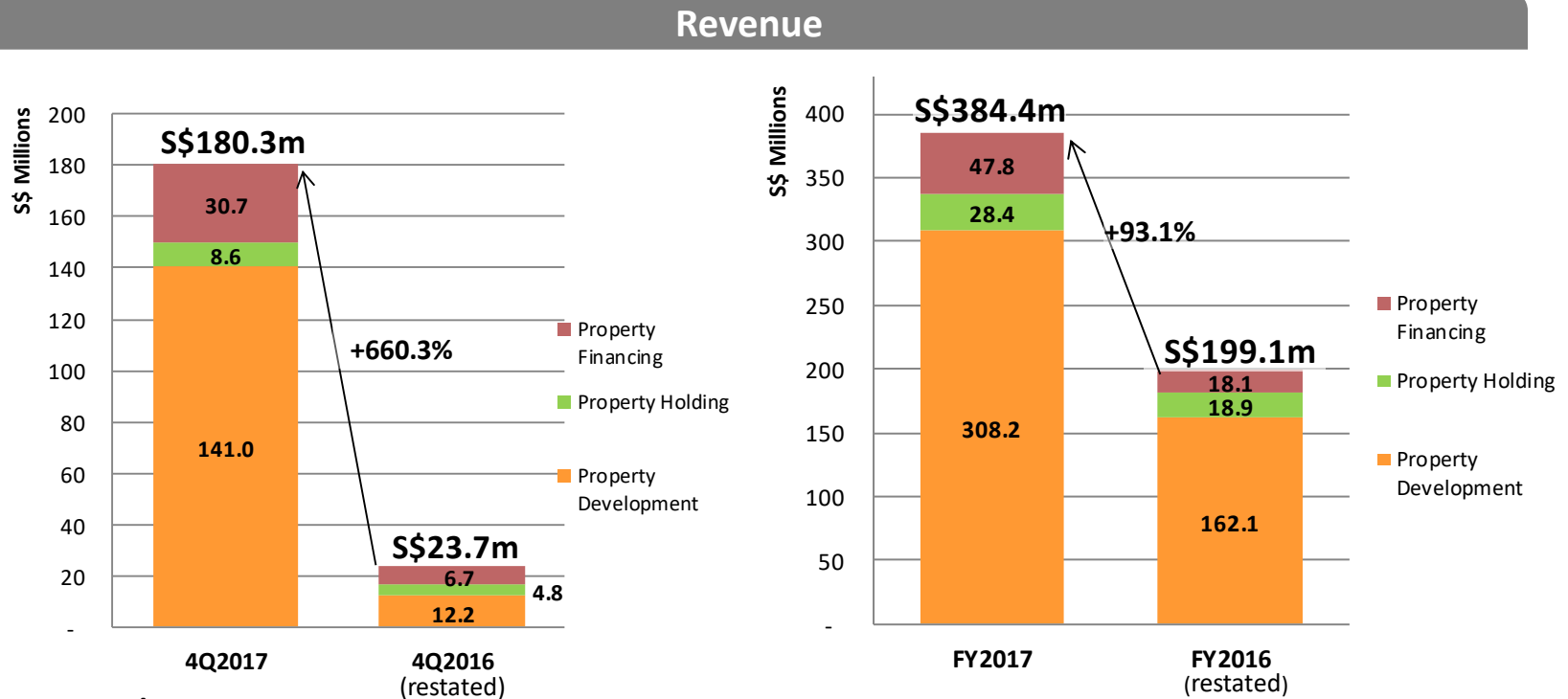
(2) Attributable profit refers to profit attributable to equity holders of the Company.

(3) Interest cover = PBT (excluding accounting interest due to or from financial institutions) ÷ net accounting interest expense due to or from financial institutions.

(4) The Group has net interest income from financial institutions.



## 2.2 Statement of Profit or Loss – Revenue



### Property Development

The increase in 4Q2017 is due mainly to the higher number of residential units from the Chengdu Millennium Waterfront project being handed over in 4Q2017 (1,080 residential units) as compared to 4Q2016 (58 residential units).

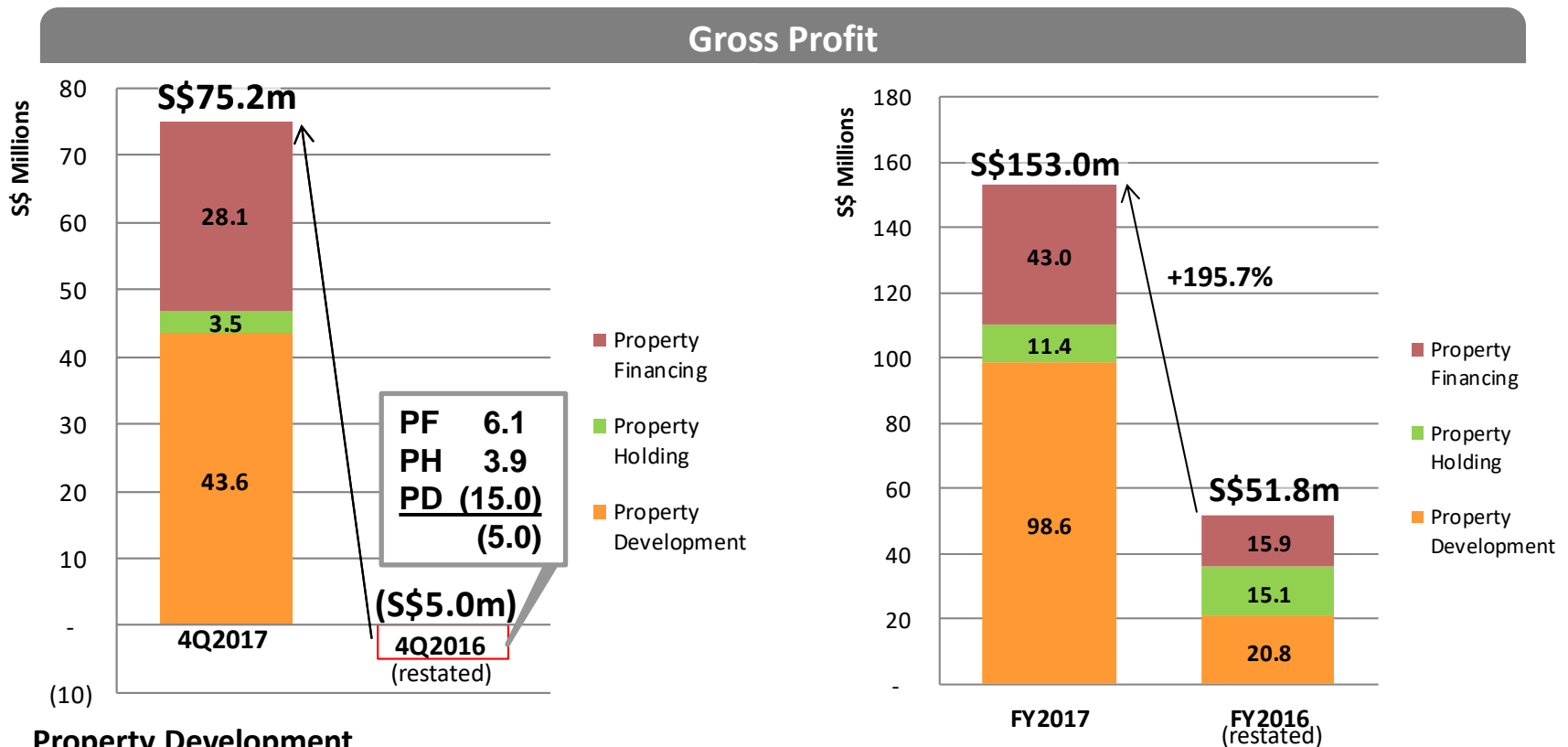
### Property Holding

The increase in 4Q2017 is due mainly to a full quarter's revenue contribution from Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels which commenced operations in late December 2016. This is partially offset by lower rental revenue from the Zuiderhof I property as a result of lease incentives granted for a lease extension of another 7 years.

### Property Financing

The increase in 4Q2017 is due to the recognition of net penalty interest income of S\$22.0m (RMB107.9m) upon the successful recovery of defaulted loans of RMB235.4m in total [Case 2.1, 2.5, 2.6 (partial) and 2.8] and extension of interest bearing loans to the FSMC Group for the acquisition of the Bilderberg Portfolio.

## 2.3 Statement of Profit or Loss – Gross Profit



### Property Development

Increase in gross profit of S\$58.6m in 4Q2017 is due mainly to the higher number of residential units from the Chengdu Millennium Waterfront project being handed over in 4Q2017 as compared to 4Q2016. In addition, there was a one-off re-allocation of the S\$18.8m costs relating to all the car parks in the Chengdu Millennium Waterfront project to their respective residential and commercial units in 4Q2016.

### Property Holding

Gross profit decreases despite the increase in revenue mainly because of depreciation charge from the Wenjiang hotels.

### Property Financing

The increase is consistent with the increase in revenue as this business segment has a relatively high gross profit margin.

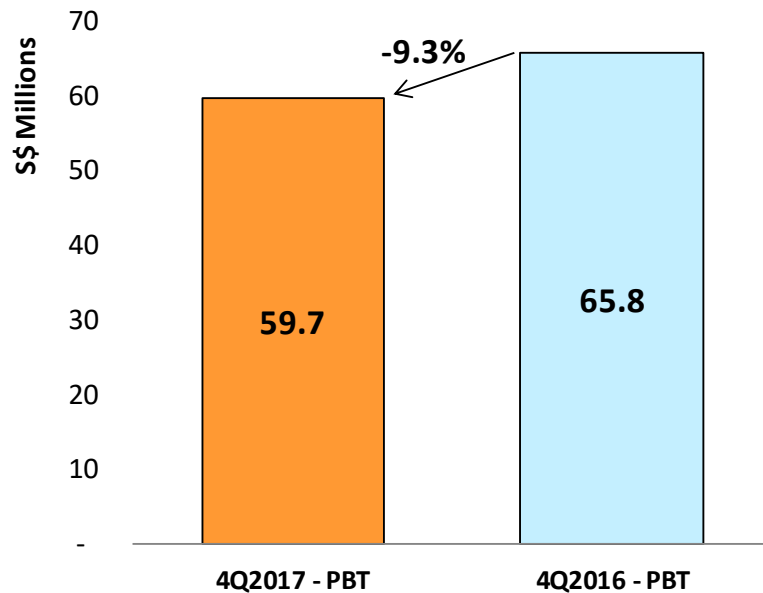
## 2.4 Income Contribution from the Dutch Operations

In S\$'000	4Q2017	4Q2016 (restated)	Change %	FY2017	FY2016 (restated)	Change %
Rental income	3,407	3,567	(4.5%)	13,447	13,885	(3.2%)
Interest income from FSMC	6,663	2,115	215.0% <sup>(1)</sup>	16,601	9,336	77.8%
Cost of sales	(1,986)	(845)	135.0% <sup>(2)</sup>	(5,385)	(3,034)	77.5%
Gross profit	8,084	4,837	67.1%	24,663	20,187	22.2%
Administrative expenses	(728)	(1,367)	(46.7%) <sup>(3)</sup>	(1,733)	(1,990)	(12.9%)
Fair value gain on investment properties	12,043	2,285	427.0%	12,043	2,285	427.0%
Gain on disposal of non-core properties	-	1,836	n.m.	-	1,836	n.m.
Share of FSMC's fair value gain	2,473	1,316	87.9%	2,473	1,316	87.9%
Share of FSMC's gain on disposal of non-core properties	1,483	3,172	(53.2%)	1,483	9,683	(84.7%)
Share of FSMC's other post tax results	(1,125)	235	n.m.	(93)	929	n.m.
<b>Total</b>	<b>22,230</b>	<b>12,314</b>	<b>80.5%</b>	<b>38,836</b>	<b>34,246</b>	<b>13.4%</b>
Recurrent income	6,231	3,705	68.2%	22,837	19,126	19.4%
Non-recurrent income	15,999	8,609	85.8%	15,999	15,120	5.8%
<b>Total</b>	<b>22,230</b>	<b>12,314</b>	<b>80.5%</b>	<b>38,836</b>	<b>34,246</b>	<b>13.4%</b>

- (1) Due mainly to loans disbursed to the FSMC Group for the acquisition of the Bilderberg Portfolio.
- (2) Due mainly to the financing cost of the loans extended to the FSMC Group in relation to the acquisition of the Bilderberg Portfolio.
- (3) Due mainly to higher professional fees accrued in 4Q2016.

**Excluding the Poortgebouw, Boompjes, Dreeftoren and Oliphant properties, the Dutch rental properties (LFA: 104,715 sqm, occupancy of 84% and WALT of approximately 8.7 years) have a net property income in excess of S\$28m (€18m) per annum. The FY2017 EBITDA of the Bilderberg Portfolio is S\$24.2m (€15.5m).**

## 2.5 Statement of Profit or Loss – 4Q2017 vs 4Q2016



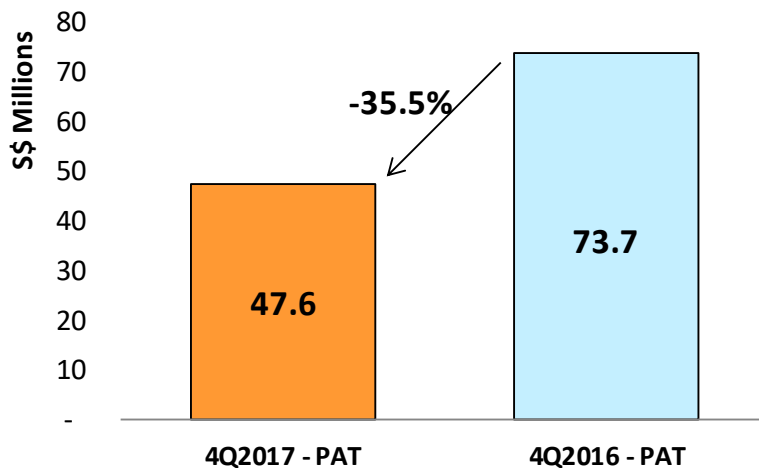
The decrease in profit before tax is due mainly to:

- One off dilution gain of S\$97.3m arising from the partial Star of East River Project divestment in 4Q2016
- Lower net finance income [S\$1.5m decrease]

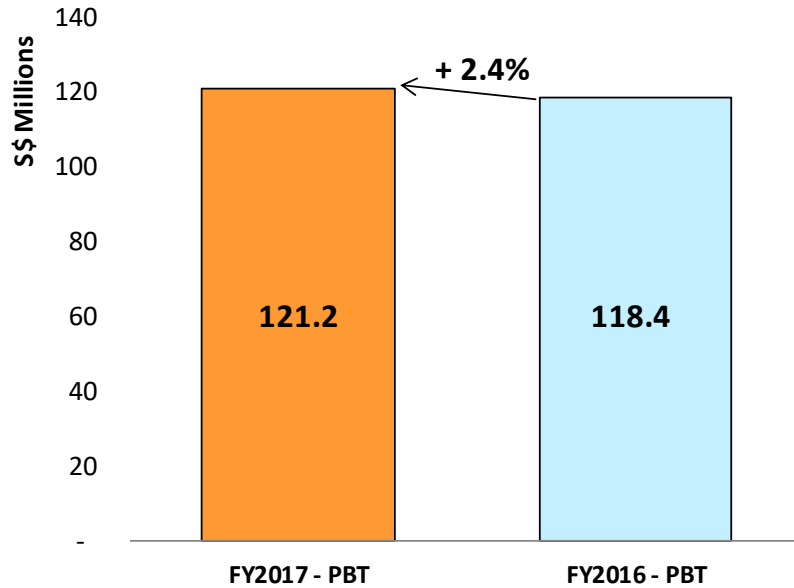
The decrease is partially offset by:

- Higher gross profit contribution from the property development and property financing business segments [S\$80.6m increase]
- Higher net fair value gain on investment properties [S\$13.5m increase]

The adjusted effective tax rate is 22.1% for 4Q2017.



## 2.6 Statement of Profit or Loss – FY2017 vs FY2016

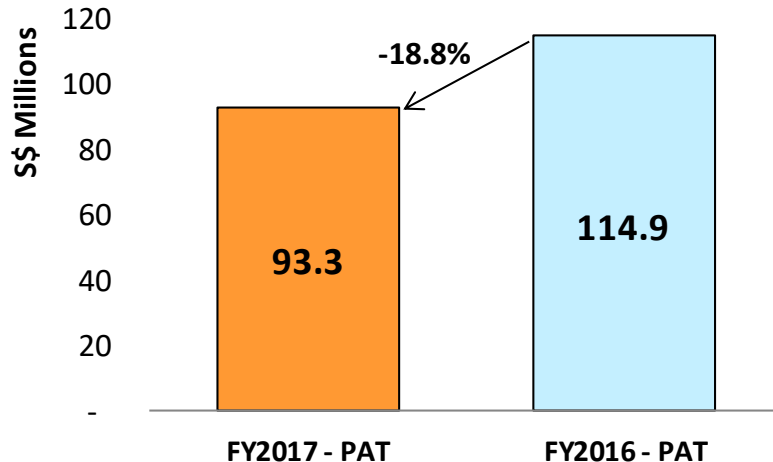


The increase in profit before tax is due mainly to:

- Higher gross profit contribution from the property development and property financing business segments [S\$104.9m increase]

The increase is partially offset by:

- One off dilution gain of S\$97.3m arising from the partial Star of East River Project divestment in 4Q2016
- Lower gross profit contribution from the property holding business segment [S\$3.7m decrease]



The adjusted effective tax rate is 22.6% for FY2017.

## 2.7 Statement of Financial Position - Highlights

Statement of Financial Position - Highlights			
In S\$'000	31-Dec-17	30-Sep-17	Change %
<b>Total assets</b>	2,106,503	2,016,578	4.5%
<b>Total cash</b>	319,298	405,167	(21.2%)
<b>Receipts in advance</b>	179,264	271,398	(33.9%)
<b>Total debt</b>	609,988 <sup>(1)</sup>	513,678 <sup>(2)</sup>	18.7%
<b>Net asset value (NAV)<sup>(3)</sup></b>	1,080,154	1,044,578	3.4%
<b>NAV per share (cents)</b>	183.13	177.10	3.4%
<b>Gearing ratio<sup>(4)</sup></b>	0.26x	0.13x	n.m.

(1) Comprises gross borrowings of S\$619.9m net of unamortised upfront fee of S\$9.9m.

(2) Comprises gross borrowings of S\$521.8m net of unamortised upfront fee of S\$8.1m.

(3) NAV excluding non-controlling interests and includes translation reserve of S\$37.0m (Sep 2017: S\$40.1m ).

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

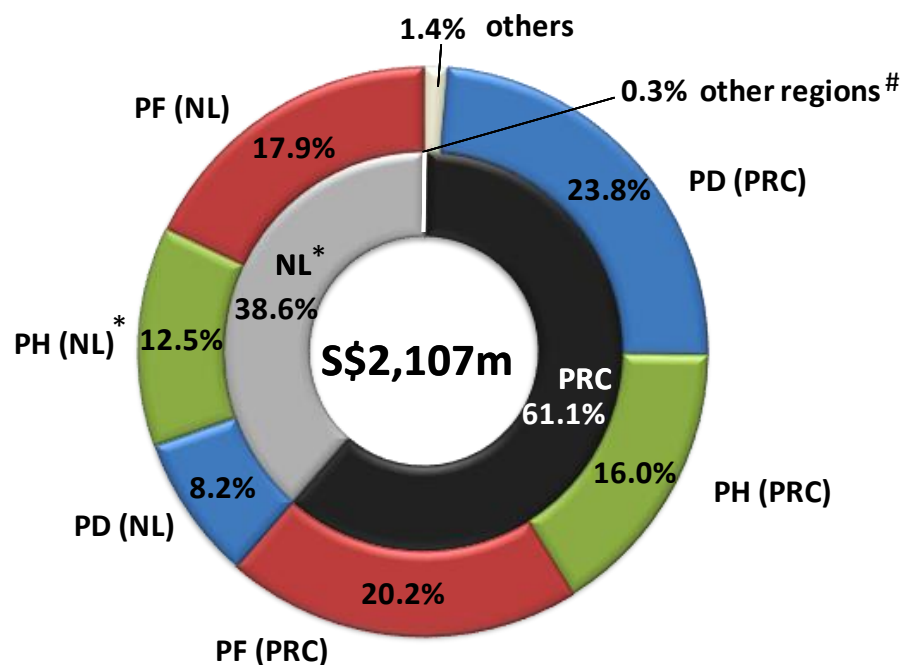
Net debt = gross borrowings + derivative liability – cash and cash equivalents (including principal-guaranteed structured deposits placed with financial institutions).

## 2.8 Statement of Financial Position - Total Assets

### Total Assets – by business and geographic segments

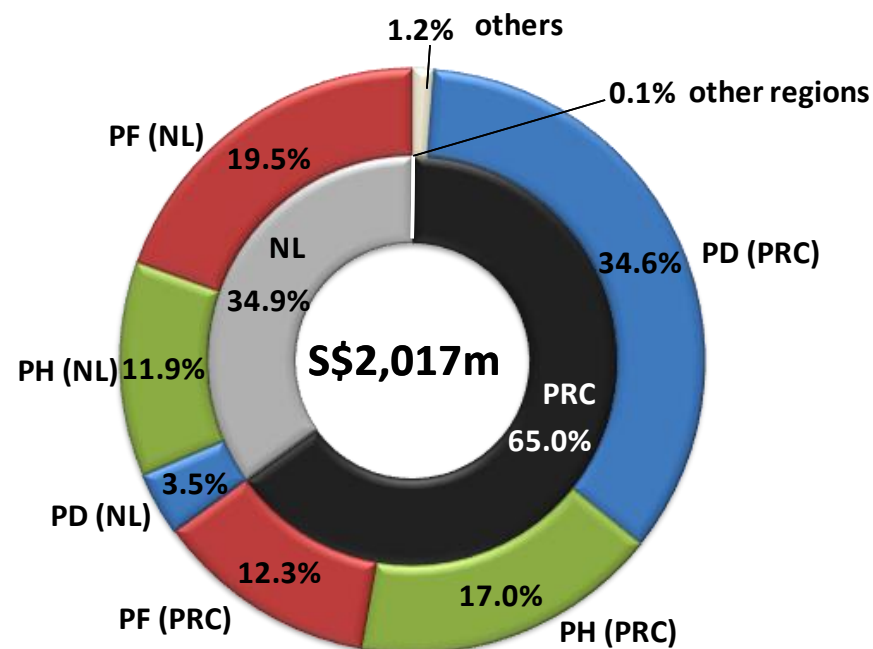
As at 31 December 2017

Total assets: S\$2,107m



As at 30 September 2017

Total assets: S\$2,017m

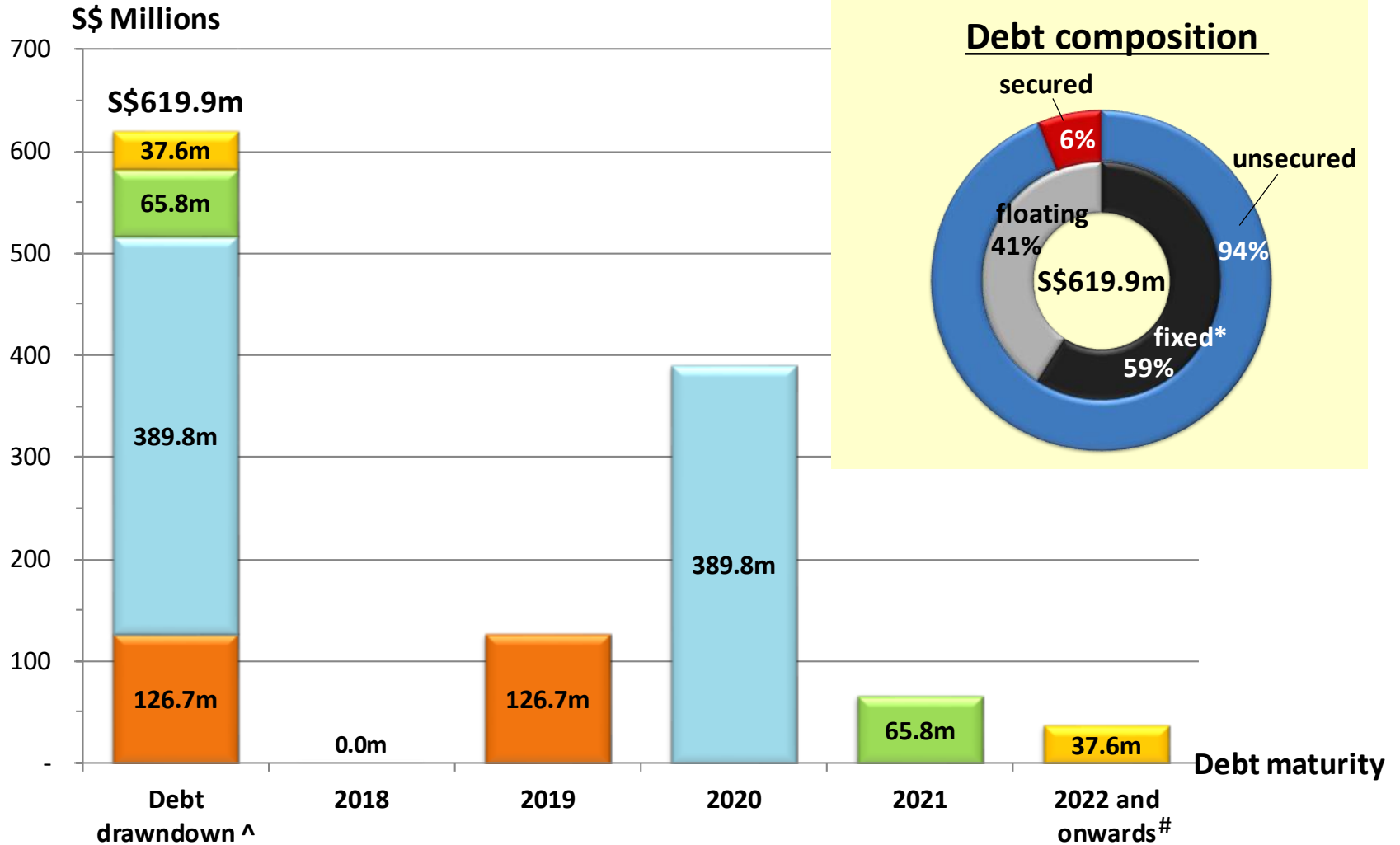


\* Includes the Group's 50% interest in a German partnership to fund its share of the deposit for the acquisition of the Le Méridien Frankfurt hotel.

# Includes S\$4.5m cash held in Singapore bank accounts.

■ NL = The Netherlands  
 ■ PRC = The People's Republic of China  
 ■ PD = Property Development  
 ■ PH = Property Holding  
 ■ PF = Property Financing

## 2.9 Debt Maturity and Composition as at 31 December 2017



\* Done via cross currency swaps

^ Available remaining headroom of S\$139.6m from committed credit facilities

# Subsequent to 31 December 2017, the Group has further obtained additional S\$180.0m of unsecured loan facilities.



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## Section 3

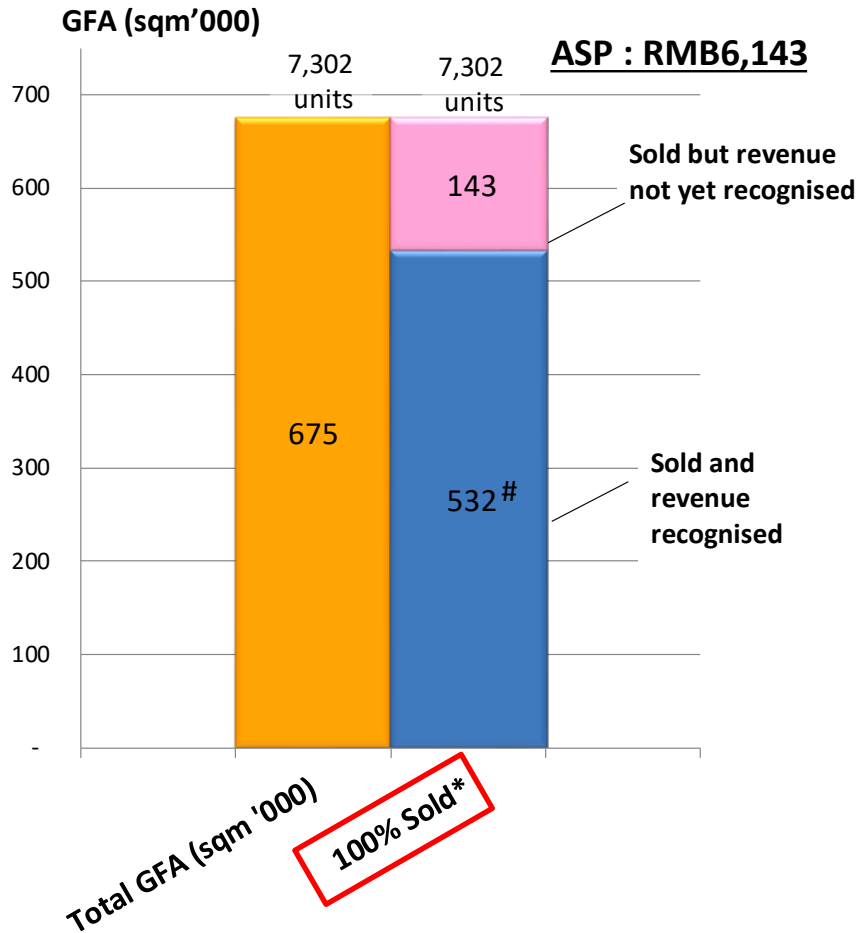
# Key Business Review 4Q2017 – Property Development

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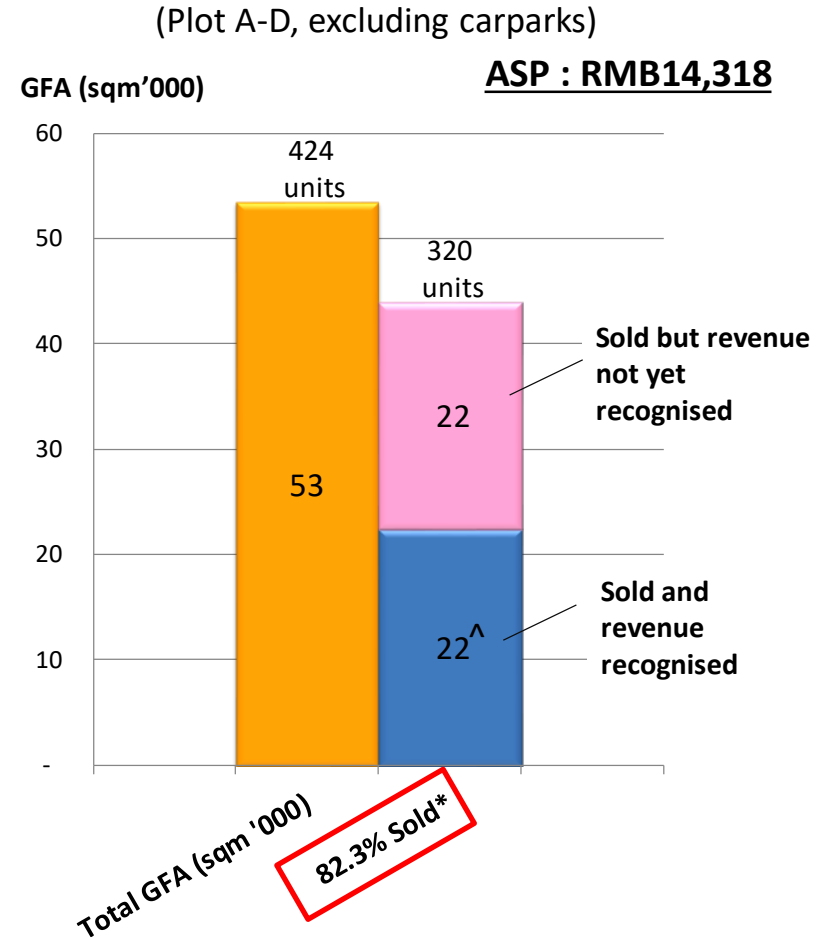
# 3.1 Property Development – Millennium Waterfront Project, Chengdu

## Pre-sale Performance as at 31 December 2017

### Overall Residential



### Commercial



# Residential : recognised 5,792 units, 531,869 sqm GFA, S\$656.3m gross sales value as at 31 December 2017.

^ Commercial : recognised 182 units, 22,396 sqm GFA, S\$67.3m gross sales value as at 31 December 2017.

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



## 3.1 Property Development – Millennium Waterfront Project, Chengdu

- The handover of the fully pre-sold Plot D residential units are expected to commence from 4Q2018.
- The Group has obtained the relevant construction permits for Plot E and F, the last development plots of the Chengdu Millennium Waterfront project. This development encompasses an elderly and health care concept whereby elderly care living quarters and a hospital with auxiliary commercial facilities would be built.
- The Group has commenced development in 2018 with primary focus initially on Plot F.



# 3.1 Property Development – Millennium Waterfront Project, Chengdu

## Plot A

- 2,000 residential units, 118 commercial units and 1,718 car park lots
- Pre-sales of residential units commenced in March 2015
- % of total saleable GFA launched for sale sold<sup>3</sup> :
  - Residential: 100.0%
  - Commercial: 81.6%
- Cumulative handover of 1,893 residential and 61 commercial units as at 31 December 2017

## Plot C

- 1,778 residential units, 91 commercial units and 1,508 car park lots
- Pre-sales of residential units commenced in January 2014
- % of total saleable GFA launched for sale sold<sup>3</sup> :
  - Residential: 100.0%
  - Commercial: 74.0%
- Cumulative handover of 1,773 residential and 46 commercial units as at 31 December 2017

## Plot D

- 1,274 residential units, 66 commercial units, 1,295 car park lots and two commercial blocks
- Pre-sales of residential units commenced in December 2016
- % of total saleable GFA launched for sale sold<sup>3</sup> :
  - Residential: 100.0%
  - Commercial: 81.4%
- Expected to commence handover of residential units in 2018

## Plot E

## Plot B

- 2,250 residential units, 96 commercial units, 1,905 car park lots and a three-storey commercial building
- Pre-sales of residential units commenced in November 2012
- % of total saleable GFA launched for sale sold<sup>3</sup> :
  - Residential: 100.0%
  - Commercial: 92.5%
- Cumulative handover of 2,126 residential and 75 commercial units as at 31 December 2017

## Plot F

## Plot G

- Commencement of operations of Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels on 28 December 2016 and ancillary hotspring facility on 27 October 2017.

### Notes:

1. This diagram is not drawn to scale.
2. Based on artist's impression which may not be fully representative of the actual development.
3. As at 31 December 2017 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

- All 272 units of the two residential blocks that were launched for sale in 3Q2017 were sold at approximately RMB25,900 psm within the first day of launch. The current progress of the construction is in line with the planned handover in 4Q2018.
- The remaining four blocks of approximately 949 residential units and 2 blocks of approximately of 2,332 SOHO apartment units are expected to be launched for sale during the course of 2018.

Two blocks of approx.  
2,332 SOHO apartment  
units

250m high office  
tower block with  
approx. 107,000 sqm  
of office space

Six blocks of approx.  
1,221 residential  
units, 2,011 sqm of  
commercial space and  
1157 car park lots

**SOLD**  
**SOLD**

Common podium with  
approx. 69,000 sqm of  
commercial/retail space

Star of East River Project, Dongguan, PRC  
Artist Impression

### 3.3 Property Development – Redevelopment of Boompjes, Rotterdam

Artist impression



- 75% of the residential units had been pre-sold on a forward funding basis in November 2016 to secure the funding and profitability of the project.

- Demand for the remaining 25% residential units (launched for sale in December 2017) has been overwhelming with buyers bidding for individual residential units at a significant premium.
- The project is expected to be completed in the course of 2020.

Artist impression



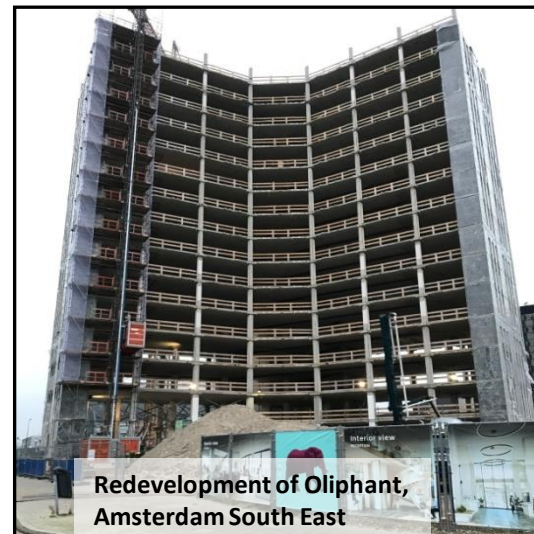
## 3.4 Property Development – Dreeftoren and Oliphant, Amsterdam

### Dreeftoren Residential Development

- As the local municipality did not approve certain conditions which were pre-requisites to the conditional sale agreement signed down with a Dutch residential fund in 3Q2017, the parties have mutually agreed to terminate the agreement.
- Nevertheless, the Group remains confident of the Dutch residential market and will be pursuing development sales of the units in the residential tower.

### Oliphant Office Redevelopment

- The office redevelopment is progressing well and is expected to be completed by December 2018. Leasing activities for the substantially renovated office building are in full steam.



## 3.4 Property Development – Sale of Terminal Noord, The Hague



### Terminal Noord Sale

- The Group's 33% owned FSMC had completed the sale of Terminal Noord (a vacant office property in The Hague, the Netherlands) in 4Q2017 at a premium of 77% to cost.



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## Section 4

# Key Business Review 4Q2017 – Property Holding

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

	Crowne Plaza	Holiday Inn Express
	FY2017	FY2017
Occupancy	32.8%	40.2%
ADR	RMB320	RMB218
RevPar	RMB105	RMB88

- Encouraging results achieved in FY2017 with the Wenjiang hotels recording a small gross operating profit for their first year of operations.
- The commencement of the hotspring operations in October 2017 within the same premises of the two Wenjiang hotels had complemented and enhanced the performance of the hotels.



## 4.2 Property Holding – Bilderberg Portfolio of 17 hotels in the Netherlands



	FY2017	FY2017		
		5 Crown Hotels	11 Hotels with Potential	1 Leased Hotel
Rooms	1,695	763	870	62
EBITDA	€ 15.5m	€ 9.9m	€ 5.2m	€ 0.4m

Trading Performance	FY2017	FY2016	Change
Occupancy	65.1%	62.5%	2.6%
ADR	€ 98	€ 95	3.2%
RevPar	€ 64	€ 59	7.5%
TrevPar	€ 131	€ 124	5.7%
EBITDA	€ 15.5m	€ 13.5m	<b>15.5%</b>

**The Bilderberg Portfolio achieved 15.5% full year EBITDA growth**

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## Section 5

# Key Business Review 4Q2017 – Property Financing

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## 5.1 Property Financing - Overview of Financial Performance

In S\$'000	4Q2017	4Q2016	Change %	FY2017	FY2016	Change %
<b>Secured PRC entrusted loans to 3rd parties</b>						
- interest	1,051	770	36.5%	3,616	3,448	4.9%
- penalty interest	22,041	3,497	530.3%	26,433	4,792	451.6%
<b>Unsecured loans to the Group's members</b>						
- FSMC Group <sup>(1)</sup>	6,663	2,115	215.1%	16,601	9,336	77.8%
- Star of East River Project Co <sup>(2)</sup>	492	-	n.m.	492	-	n.m.
- Dongguan East Sun Limited <sup>(1)(2)</sup>	311	-	n.m.	311	-	n.m.
<b>Others</b>	98	302	(67.5%)	331	485	(31.8%)
<b>Total PF Revenue</b>	<b>30,657</b>	<b>6,684</b>	<b>358.7%</b>	<b>47,784</b>	<b>18,061</b>	<b>164.6%</b>

(1) Long term loans disbursed to the FSMC Group and Dongguan East Sun Limited.

(2) Disbursed as entrusted loans to the Group's members

## 5.2 PRC PF Entrusted Loans - Overview of Financial Performance

	Revenue (S\$m)	As a % of Group Revenue	Profit before tax (S\$m)	As a % of Group Profit before tax
<b>4Q2017</b>	24.0 <sup>(1)</sup>	13.3%	23.0	38.6%
<b>4Q2016</b> (restated)	4.6	19.3%	4.9	7.4%
<b>FY2017</b>	31.2 <sup>(1)</sup>	8.1%	31.4	25.9%
<b>FY2016</b> (restated)	8.7	4.4%	7.0	5.9%

	Average Third Party Loan Balance for the quarter ended	Average Third Party Loan Balance for the year to date ended	Third Party Loan Balance as at
<b>31 December 2017</b> <sup>(2)</sup>	RMB762.1m (S\$155.7m)	RMB697.2m (S\$142.4m)	RMB1,184.6m (S\$242.3m)
<b>31 December 2016</b> <sup>(2)</sup>	RMB730.0m (S\$152.3m)	RMB753.2m (S\$157.1m)	RMB730.0m (S\$152.3m)

(1) The Group has recognised RMB107.9m (S\$22.0m) of penalty interest from the foreclosure actions for Loans 2.1, 2.5, 2.6 and 2.8 in 4Q2017. The cumulative penalty interest of RMB144.8m (S\$29.6m) as at 31 December 2017 for the remaining defaulted loans has not been recognised.

(2) Includes the defaulted loan cases.

## 5.3 Status of Problematic Loans – Summary

Loan No.	Date of First Disbursement	Date of Maturity	Principal (RMB'm)	Court	Status	Applicable Interest rate (a) p.a. (%)	Loan to Value ratio (a) (%)	Interest yet to be recognised (S\$m* net of VAT)	
								As of 31-12-2017	FY2018 Monthly
1	<b>Case 1</b> In default when interest due was not received on 21-Dec-15.		170.0	Shanghai First Intermediate Court	Foreclosure procedures suspended pending criminal proceeding involving a legal representative of the borrower.	24% (30.4% from 5-Aug-16)	50.9% (Adj. LTV: 80.7%)	19.1 <sup>(d)</sup>	0.9 <sup>(d)</sup>
2.4	<b>Case 2</b>		64.0		Foreclosure procedures commenced.	24% (30.4% from 5-Dec-16)	8.5% <sup>(b)</sup> (Adj. LTV: 13.0%)	6.7	0.3
2.6	In default when interest due was not received on 21-Jan-16. All loans under Case 2 were cross-collateralized.		11.6 <sup>(c)</sup>	Shanghai Pudong New Area People's Court	Substantially recovered. Outstanding amount will be recovered from foreclosure of cross collateralized assets.	24% on outstanding principal		0.8	0.1
2.7			29.0		Foreclosure procedures commenced.	24% (30.4% from 29-Nov-16)		3.0	0.1
<b>Case 2 Subtotal</b>			104.6	<b>78% recovery to-date out of total RMB470.0m for Case2</b>				10.5	0.5
<b>Total (Case 1 + Case 2)</b>			<b>274.6</b>					<b>29.6</b>	<b>1.4</b>

\*RMB 1: S\$0.2043

(a) Adjusted LTVs include the cumulative unrecognised interest as of 31 December 2017.

(b) The LTV for remaining outstanding Case 2 loans includes:

- i. the value of the guarantors' unencumbered assets with first preservation order of RMB805m; and
- ii. the value of the previously mortgaged properties under Loan 2.1 and Loan 2.8 which will be part of the collateral asset pool for the outstanding loans for Case 2.

(c) Excludes RMB55.4m of loan principal which has been recovered in 4Q2017.

(d) The Group may have to compromise on a lower interest entitlement for Case 1 due to the need to balance public interest arising from the criminal charges involving the legal representative of the borrower.

## 5.3 Status of Problematic Loans – Case 1 and Case 2

### Case 1

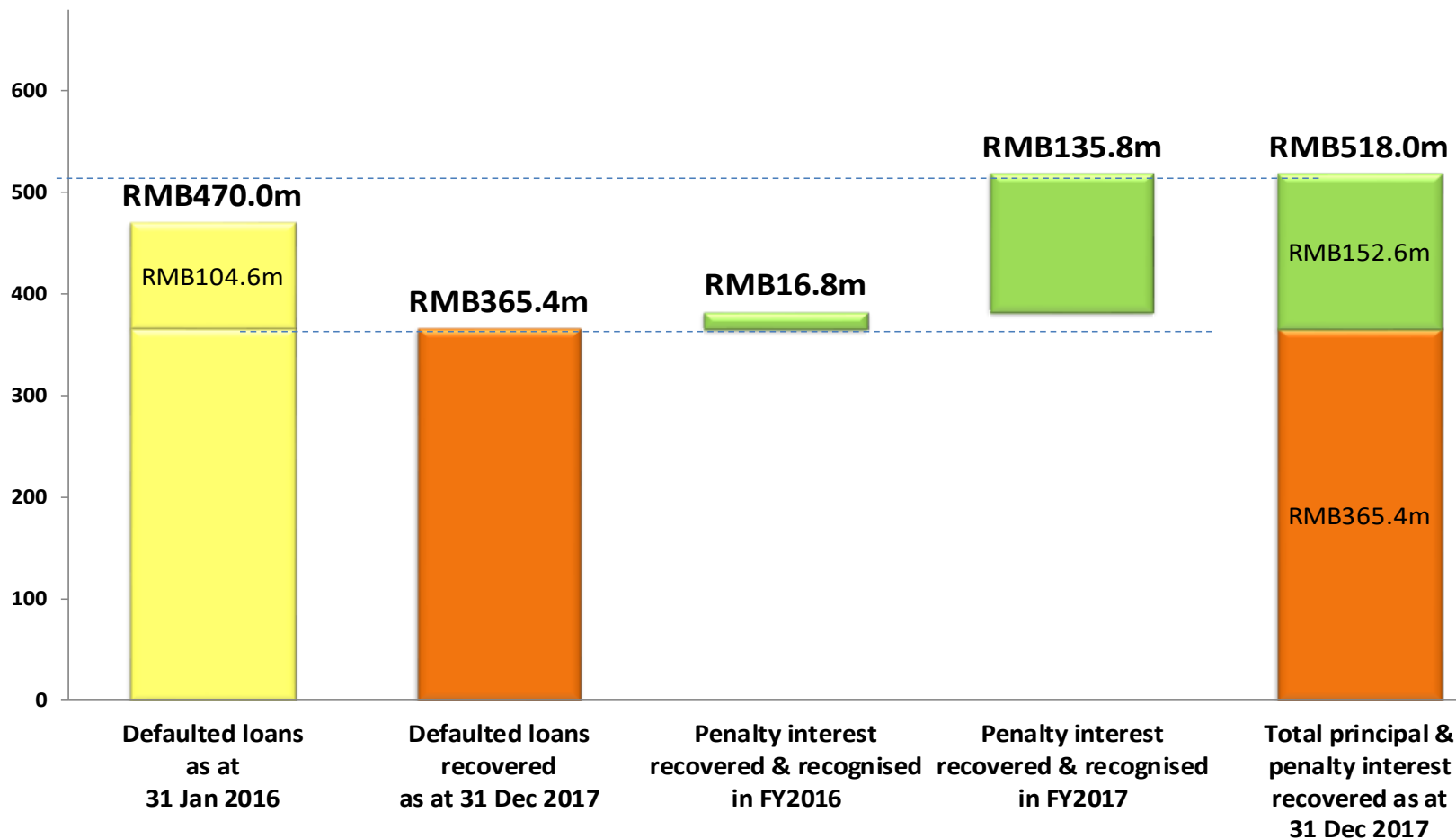
- Case 1 relates to a defaulted loan of RMB170.0m for which the foreclosure procedures have been suspended pending the closure of the various alleged criminal cases involving the legal representative of the borrower. The court has granted penalty interest of 24% per annum from 21 December 2015 and 30.4% per annum from 5 August 2016 in favour of the Group.
- While the Group has secured a favourable court ruling in relation to penalty interest, due to the need to balance public interest arising from the criminal charges involving the legal representative of the borrower, the Group may have to compromise and accept a lower interest entitlement. There are no significant updates during the quarter.

### Case 2

- In 4Q2017, the Group has duly received the cash proceeds relating to the loan recovery for Case 2 of a total of RMB235.4 million of defaulted loan principal, and its related net penalty interest of RMB107.9 million (S\$22.0 million). These include net auction proceeds and settlement proceeds received in lieu of the Group lifting the first preservation order on one of the property collaterals.
- As of 31 December 2017, the Group has successfully recovered approximately 78% of the RMB470 million defaulted loan principal and recognised cumulative net default interest of RMB152.6 million (S\$31.2 million). It is noteworthy that the cumulative interest income earned on Case 2 defaulted loan to-date is more than sufficient to cover the outstanding loan principal of RMB104.6 million.



## 5.3 Status of Problematic Loans – Case 2 Report Card



As at 31 December 2017:

- defaulted loan principal and penalty interest recovered by the Group amounted to RMB518.0 million in aggregate which is more than the original RMB470.0 million defaulted loan principal.
- cumulative penalty interest of S\$10.5 million has not been recognised, with S\$0.5 million interest accruing every month.


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## **Section 6** **Recent Acquisitions**

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## 6.1 Recent Acquisitions – Meerparc, Amsterdam, the Netherlands

- The Group acquired the majority apartment rights of Meerparc, a mixed use office building in the South Axis, the main central business district of Amsterdam on 29 December 2017.

Acquisition/Property Summary		
	<b>Land tenure</b>	<b>Apartment rights (parcel of land involved: Freehold)</b>
	<b>Location</b>	<b>Amstelveenseweg 638 - 710 Amsterdam, the Netherlands</b>
	<b>Year of Construction</b>	<b>1999</b>
	<b>Lettable floor area</b>	<b>Approx. 12,200 sqm of office area, 4,618 sqm retail/commercial area and 218 car park lots. The remaining 772 sqm of retail/commercial area and 15 car park lots are owned by third parties.</b>
	<b>Aggregate Land Size</b>	<b>Approx. 9,744 sqm</b>
	<b>Total Consideration</b>	<b>€55.5m (S\$88.6m)</b>
	<b>WALT*</b>	<b>4.9 years</b>
	<b>Occupancy*</b>	<b>73%</b>

\* Weighted average lease term (“WALT”) and occupancy of office area as at 31 December 2017.

## 6.2 Recent Acquisitions – Wanli Portfolio, Dongguan, PRC

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- In November 2017, the Group's 85% owned Dongguan East Sun Limited ("ESL") entered into sales and purchase agreements to acquire the entire equity interests in Dongguan Wan Li Group Limited and Dongguan De Hua Limited. The acquisition was completed on 5 January 2018 with the combined property portfolio owned by the two entities ("Wanli Portfolio") valued at RMB206.0 million (S\$42.1 million).
- The Wanli Portfolio comprises six outdated properties, four commercial and two industrial, in Dongguan, PRC which are currently tenanted with a positive running yield.
- Some of these properties are located in prime city areas with redevelopment potential, similar to the properties owned by ESL which the Group acquired in April 2017.

## 6.3 Recent Acquisitions – Le Méridien Frankfurt Hotel, Germany

- The Group partnered with its two key shareholders, City Developments Limited and Tai Tak Estates Sendirian Berhad, to acquire the Le Méridien Frankfurt Hotel in Germany in January 2018.
- The property is leased for a rent that (i) is directly linked to turnover, thereby providing the Group with upside participation; and (ii) has a minimum rent payable, thereby protecting the Group's downside.

### Acquisition/Property Summary



<b>Land tenure</b>	<b>Freehold</b>
<b>Location</b>	<b>Wiesenhüttenplatz 28, 30, 32, and Wiesenhüttenstraße 36-38 Frankfurt am Main, 60329, Germany</b>
<b>Year of construction</b>	<b>Modern Wing: 1970s, Classic Wing: 1905</b>
<b>Rooms</b>	<b>300 (Modern Wing: 220, Classic Wing: 80)</b>
<b>Lease Term</b>	<b>25 years expiring on 31 May 2040 with tenant's option for another renewal of 5 years</b>
<b>Aggregate Land Size</b>	<b>Approx. 4,405 sqm</b>
<b>Meeting Rooms</b>	<b>10 (670 sqm)</b>
<b>Total Consideration</b>	<b>€85.0m (S\$135.9m) or €283,000 (S\$453,000) per key</b>

## 6.4 Recent Acquisitions – Hilton Rotterdam Hotel, the Netherlands

- The Group led a consortium of investors in the acquisition of all of the issued shares in the capital of Hotelmaatschappij Rotterdam B.V. which owns and operates the Hilton Rotterdam hotel. The 254-room freehold property was acquired at approximately €51.0 million (\$82.6 million), including transaction costs.
- The Group has undertaken a post completion restructuring exercise to lease and operate the hotel with effect from 31 January 2018.

### Acquisition/Property Summary



<b>Land tenure</b>	<b>Freehold</b>
<b>Location</b>	<b>Weena 10, Rotterdam, 3012 CM, Netherlands</b>
<b>Year of Construction/ refurbished</b>	<b>1963/ 2011 - 2013</b>
<b>Rooms</b>	<b>254</b>
<b>Aggregate Land Size</b>	<b>Approx. 3,822 sqm</b>
<b>Meeting Rooms</b>	<b>8 (1,533 sqm)</b>
<b>Property Acquisition Cost</b>	<b>€51.0m (\$82.6m) or €201,000 (\$325,000) per key</b>

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**Thank You**

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# Disclaimer

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