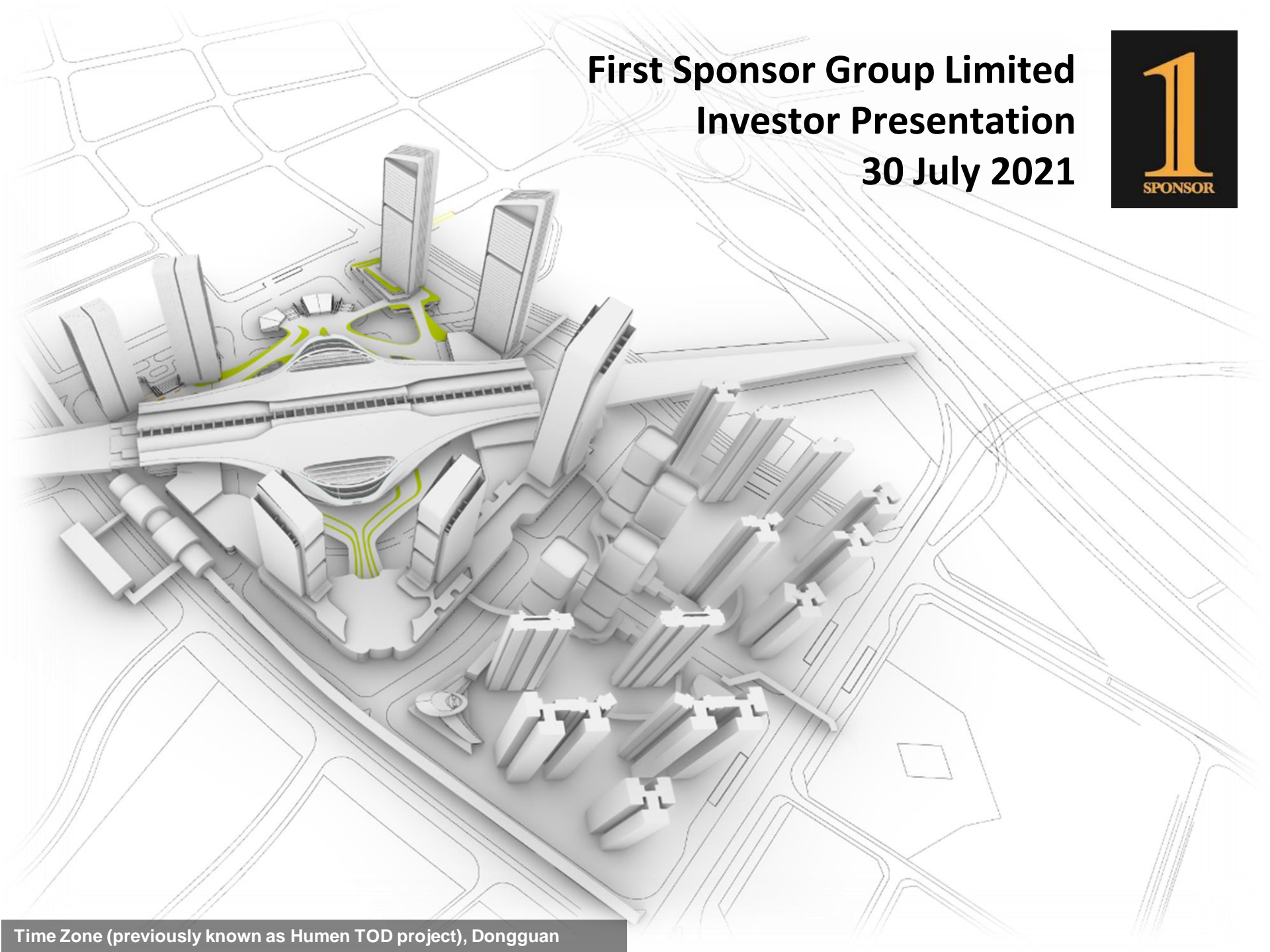


First Sponsor Group Limited Investor Presentation 30 July 2021



Time Zone (previously known as Humen TOD project), Dongguan

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Section 1

Key Message

Key Message

1. Net profit for the Group was S\$69.0 million for 1H2021, an 18.7% growth from 1H2020.
2. The Board has approved a first interim tax-exempt (one-tier) cash dividend of 1.1 Singapore cents per share for FY2021 which is the same as that of last year. Subject to the successful implementation of the Group's business strategy and market conditions amidst the current uncertainties arising from the Covid-19 pandemic, the Board will continue to work towards a stable dividend payout with a steady growth.
3. On 28 July 2021, the Group entered into a joint venture pursuant to which it will subscribe for a 36% equity stake in a project company that owns and will redevelop two adjacent plots of mixed-use development land in Humen, Dongguan, valuing the development land at RMB963.6 million prior to the payment of a land conversion premium of approximately RMB680 million, including stamp duty. This marks the Group's fourth property development acquisition in the Greater Bay Area this year. The project will have a saleable GFA of approximately 110,000 sqm which comprises approximately 82,000 sqm (75%) of residential GFA and 28,000 sqm (25%) of commercial GFA. Construction and pre-sale are expected to commence in 4Q2021 and 3Q2022 respectively.

Key Message

4. In March 2017, the Group acquired a 90% equity interest in Dongguan East Sun Limited (“East Sun”) which in turn acquired the entire equity interest in Dongguan Wan Li Group Limited (“Wan Li”) in January 2018. East Sun and Wan Li own a number of outdated commercial and industrial properties (“East Sun Portfolio” and “Wan Li Portfolio” respectively). In January 2020, East Sun entered into an agreement with a third party to divest a 51% controlling equity interest in Wan Li, valuing the properties held by Wan Li at RMB320.0 million which represents a premium of approximately 100% over its allocated cost. The divestment was completed on 30 June 2021 and generated a net gain of S\$9.1 million to the Group.
5. In May and June 2021, the Group entered into two other agreements to divest a 40.5% and 72% effective equity interest in two properties within the East Sun Portfolio at a substantial premium of 219% and 128% over the allocated cost of RMB40.3 million and RMB61.4 million respectively. These divestments are expected to be completed in December 2021 and April 2022 respectively.

Key Message

6. In October 2020, the Company stated that it was approached by an independent third party with regard to the Group's interests in the Chengdu Millennium Waterfront project, including Plot E, the last development plot of the project, and that discussions were on-going. In February 2021, the Company further stated that it was in concurrent discussions with other third parties which have expressed similar interest. The Company wishes to update that all discussions have been terminated and no transaction has materialised from such discussions. Following the successful development of Plot F, Plot E comprising approximately 2,800 SOHO units, 37,500 sqm of lettable commercial space and a medical facility with a GFA of 74,200 sqm will be developed in two phases.
7. The development of the Group's 33%-owned Terraced Tower project in Rotterdam, which marks the Group's first residential development project in the Netherlands and involved the transformation of an aged office building into a new landmark residential building with 344 apartments supported by commercial and retail amenities, has been completed. Handover of the fully sold out project to purchasers started on 1 July 2021.

Key Message

8. The Group intends to commence the development of the Dreeftoren Amsterdam project, which encompasses (i) 312 residential units with a lettable floor area of 20,300 sqm and (ii) an office and commercial space with a lettable floor area of 15,600 sqm (currently 8,722 sqm) and 1,600 sqm respectively, in 4Q2021. In addition, the Group has started preliminary discussions with the relevant authority regarding the redevelopment potential of Meerparc which is located in the Amsterdam CBD.
9. Overall occupancy of the Group's European operating hotels remained lacklustre in 1H2021 although performance picked up in the later months due mainly to a gradual easing of measures in June 2021. Nevertheless, the outlook for the Group's Dutch operating hotels remains uncertain as restrictions were re-implemented in July 2021 following a resurgence of Covid-19 cases. The Group's European operating hotels achieved an overall loss before interest, tax, depreciation and amortisation ("LBITDA") of €5.4 million for 1H2021 (LBITDA of €4.6 million for 1H2020), after taking into account an estimated €6.6 million in government subsidies. The Group expects the performance of its European operating hotel portfolio to remain weak. On a more positive note, the Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring Hotel in the PRC recorded an EBITDA of RMB8.3 million, a performance level similar to pre-Covid-19 times and a significant turnaround from the LBITDA of RMB3.9 million in 1H2020.

Key Message

10. In November 2020, the Group commenced legal action against a borrower group in the Shanghai court to recover an aggregate loan principal of RMB330 million and associated interest under two cross collateralised loans. In March 2021, the Group entered into a settlement agreement with the borrower group, which formed the basis of a ruling issued by the Shanghai court on 30 March 2021. The principal terms of the court ruling include, among others, a repayment schedule for the loan principal and interest, including default interest. However, the borrower group failed to fully comply with the fourth instalment payment which was due on 30 June 2021. On 12 July 2021, the Group filed a court application to inter alia seek the auction sale of the mortgaged assets in accordance with the court ruling.
11. Backed by a strong balance sheet, substantial potential equity infusion from the exercise of outstanding warrants and unutilised committed credit facilities, the Group continues to actively pursue opportunities to expand its footprint in the regions that it has an existing exposure.

Section 2

Financial Updates 1H2021

2.1 Statement of Profit or Loss - Highlights

Statement of Profit or Loss - Highlights			
In S\$'000	1H2021	1H2020	Change %
Revenue	156,758	104,148	50.5%
Gross profit	71,250	84,070	(15.2%)
Profit before tax	73,619	72,157	2.0%
Attributable profit ⁽¹⁾	68,951	58,071	18.7%
Basic EPS (cents)	7.55	6.90	9.4%
Diluted EPS (cents)	5.20	5.27	(1.3%)
Interest cover ⁽²⁾	7.4x	18.3x	n.a.

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

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

2.2 Statement of Profit or Loss – Revenue

Revenue

Property Development

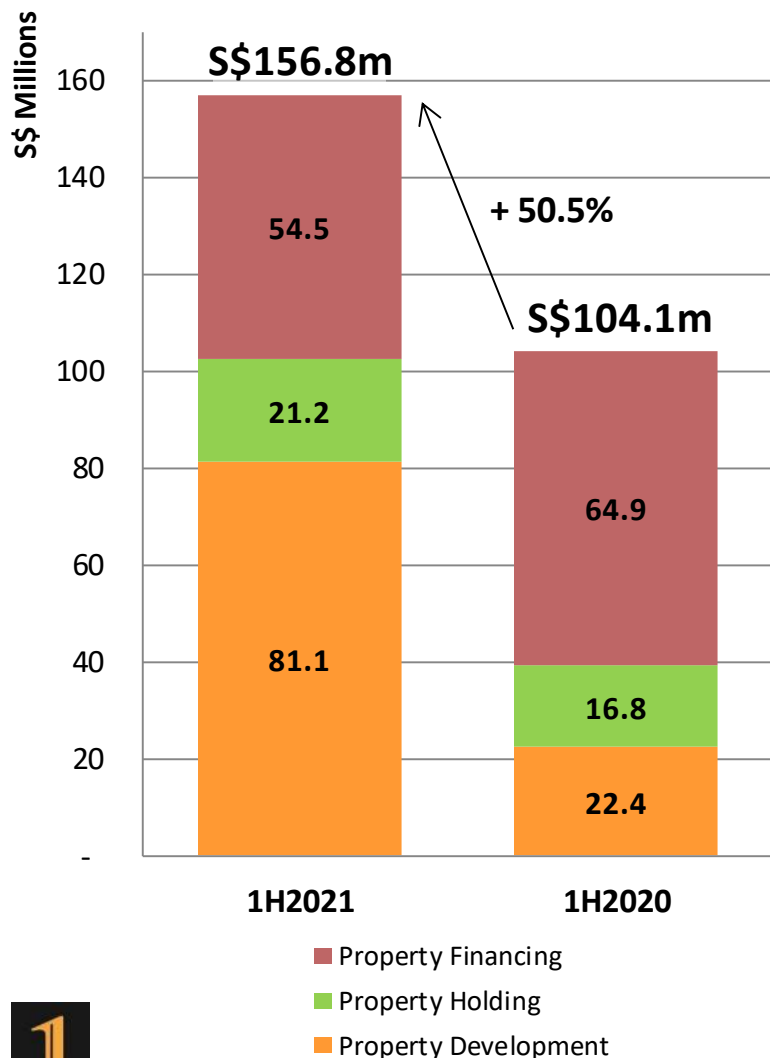
The increase was due mainly to the handover of SOHO loft units in Plot F of the Chengdu Millennium Waterfront project in 1H2021, partially offset by higher number of carpark lots sold in 1H2020. (1H2021: 619 SOHO loft units, 1 commercial unit and 7 car park lots; 1H2020: 1,172 car park lots).

Property Holding

The increase was due mainly to higher hotel revenue contribution from the Chengdu Wenjiang hotels and hotspring operations, and additional contributions from the East Sun and Wan Li Portfolio arising from the consolidation of these properties on 31 March 2021.

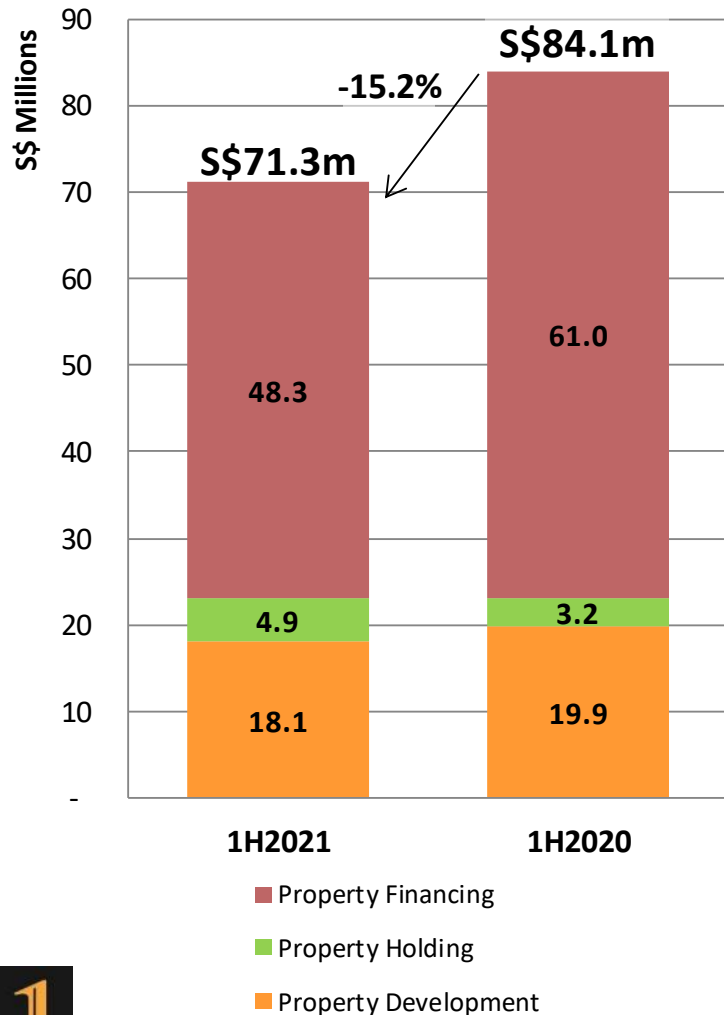
Property Financing

The decrease in 1H2021 was due mainly to the absence of loan restructuring income arising from the refinancing of the FSMC loans and establishment fee from the provision of a A\$370m construction facility to fund the redevelopment of the City Tattersalls Club project in Sydney. Excluding the above-mentioned one-off income of S\$18.9m, property financing income increased by S\$8.5m from 1H2020 arising mainly from a higher average return from the PRC PF business.



2.3 Statement of Profit or Loss – Gross Profit

Gross Profit



Property Development

Despite the increase in revenue, property development gross profit decreased due mainly to the significantly lower gross profit margin made from the handover of the SOHO loft units in Plot F of the Chengdu Millennium Waterfront project in 1H2021.

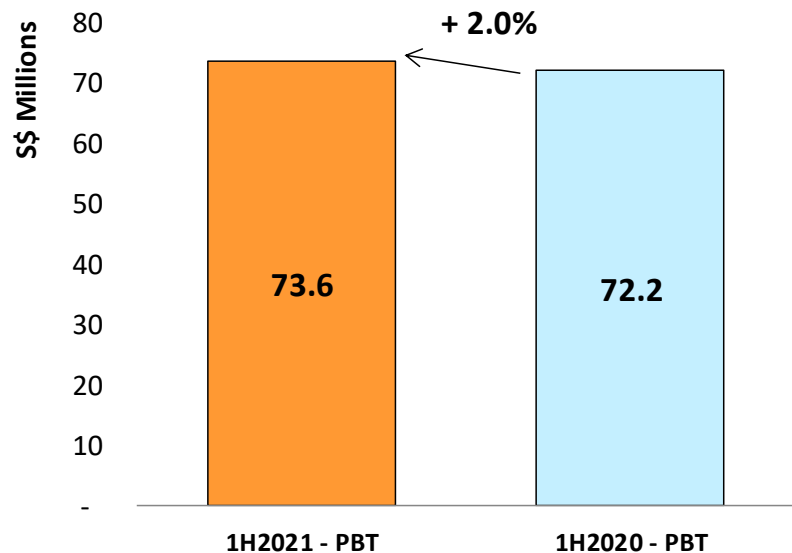
Property Holding

The increase was due mainly to higher hotel profit contribution from the Chengdu Wenjiang hotels and hotspring operations, and additional contributions from the East Sun and Wan Li Portfolio arising from the consolidation of these properties on 31 March 2021.

Property Financing

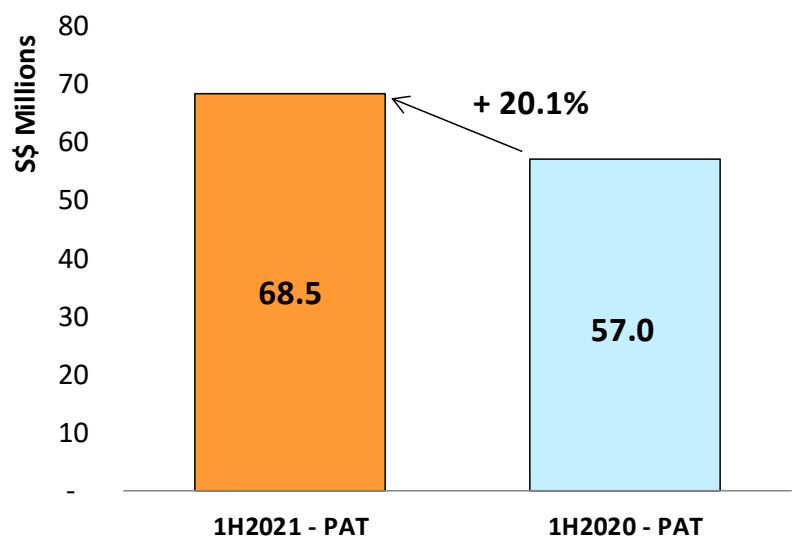
The decrease was consistent with the decrease in revenue recognised in 1H2021. Excluding the one-off income of S\$18.9m, property financing gross profit increased by S\$6.2m from 1H2020 arising mainly from a higher average return from the PRC PF business.

2.4 Statement of Profit or Loss – 1H2021 vs 1H2020



The increase in profit before tax was due mainly to:

- Higher share of income from associates due mainly to the higher volume of handover from their respective PRC development projects and lower financing costs incurred by EU associates arising from the loan restructuring exercise in June 2020 [S\$16.5m increase]
- One-off Wan Li divestment gain [S\$10.1m increase]
- Higher gross profit contribution from the property holding business segment [S\$1.7m increase]



The increase was partially offset by:

- Lower gross profit contribution from the property development and property financing business segments [S\$14.5m decrease]
- Higher overall selling expenses arising from the handover of Plot F SOHO loft units in the Chengdu Millennium Waterfront project [S\$4.1m decrease]
- Lower net credit from foreign exchange differences and fair value change in financial derivatives and other investments [S\$7.6m decrease]

The adjusted effective tax rate was 23.0% for 1H2021.

2.5 Statement of Financial Position – Highlights

Statement of Financial Position - Highlights			
In S\$'000	30-Jun-21	31-Dec-20	Change %
Total assets	4,349,967	3,424,581	27.0%
Cash and structured deposits ⁽¹⁾	294,717	476,304	(38.1%)
Total debt ⁽²⁾	1,215,240	739,572	64.3%
Net asset value (NAV) ⁽³⁾	1,784,605	1,671,147	6.8%
NAV per share (cents)	195.44	183.05	6.8%
Adjusted NAV per share (cents) ⁽⁴⁾	171.29	162.75	5.2%
Gearing ratio ⁽⁵⁾	0.49x	0.16x	n.a.

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

(2) Comprises gross borrowings of S\$1,225.0m net of unamortised upfront fee of S\$9.8m and S\$747.6m net of unamortised upfront fee of S\$8.0m as at 30 June 2021 and 31 December 2020 respectively.

(3) NAV includes translation gain of S\$63.6m (Dec 2020: translation gain of S\$19.3m), and excludes non-controlling interests.

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

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

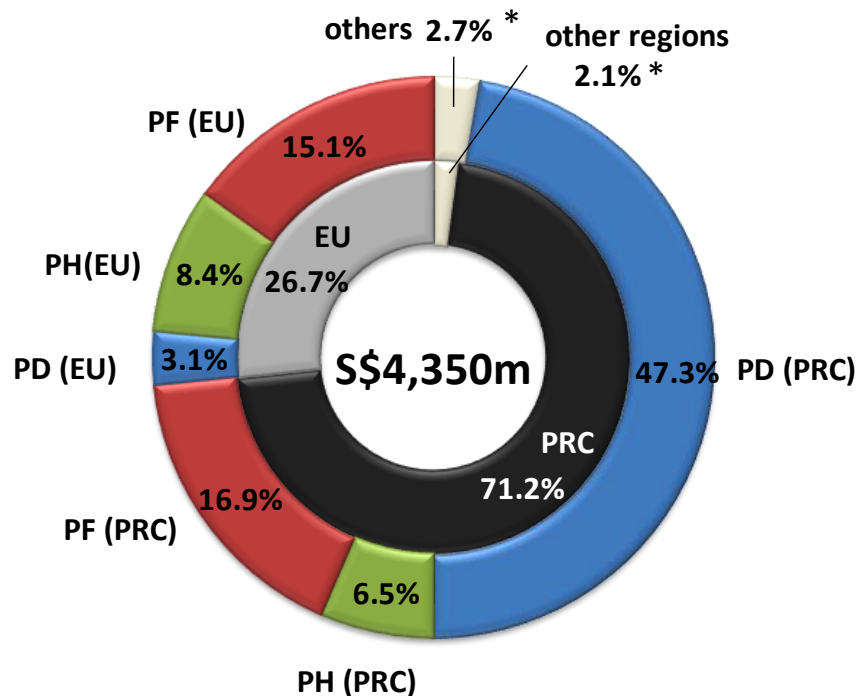
Net debt = gross borrowings – cash and structured deposits.

2.6 Statement of Financial Position - Total Assets

Total Assets – by business and geographic segments

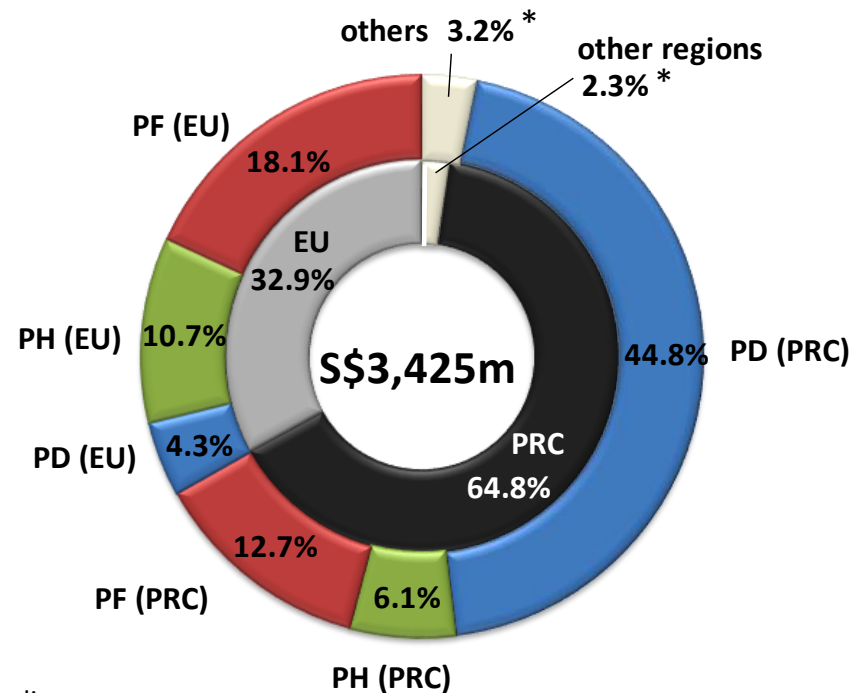
As at 30 June 2021

Total assets: S\$4,350m



As at 31 December 2020

Total assets: S\$3,425m

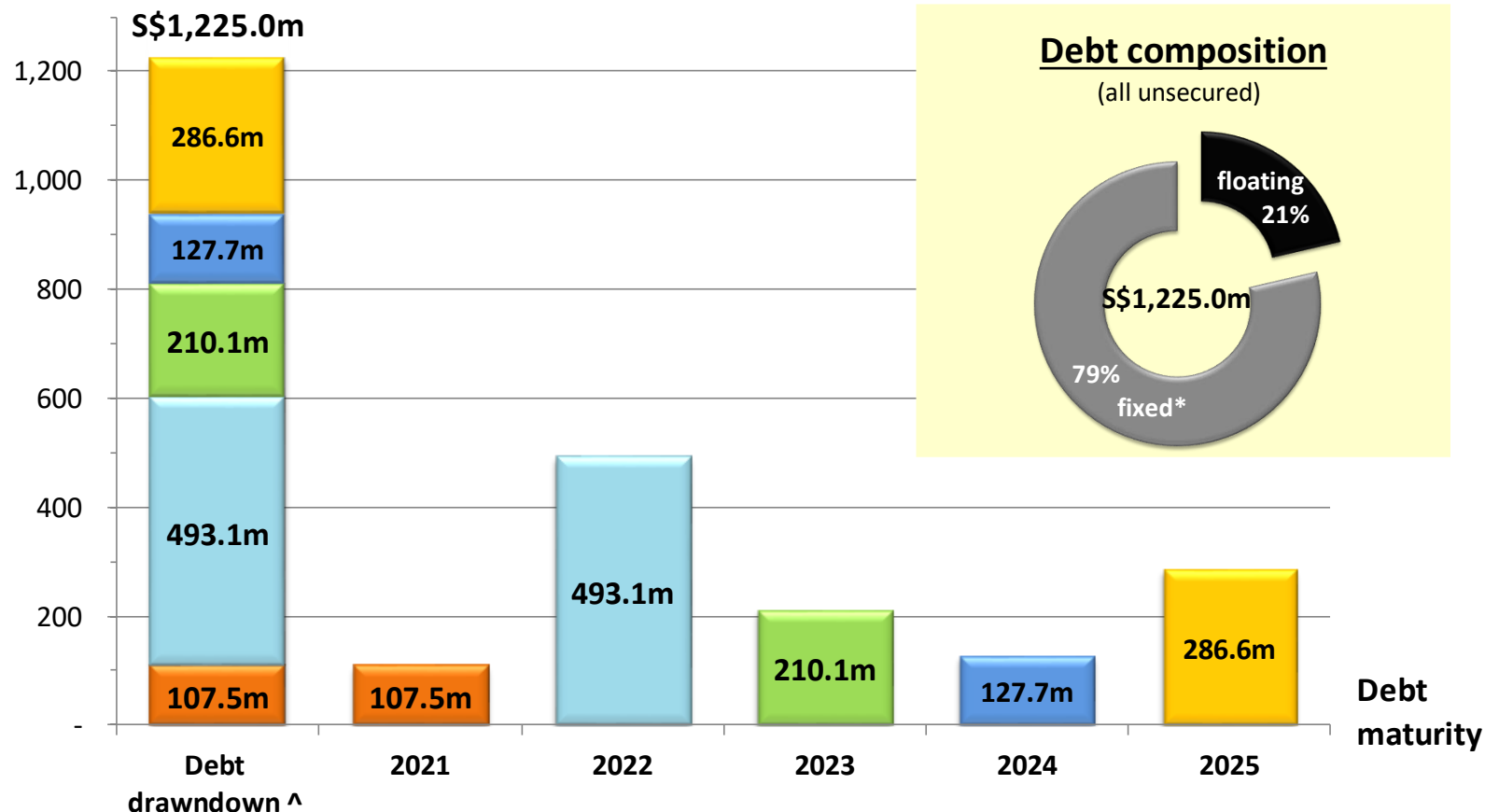


* Includes PD and PF in Australia

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

2.7 Debt Maturity and Composition as at 30 June 2021

S\$ Millions



* Mainly via cross currency swaps and medium term notes.

^ Remaining headroom of S\$84.7m of committed credit facilities.

- In July 2021, the Company was granted an additional S\$100m 3-year committed unsecured credit facility by a key relationship bank.
- The Group had cash and structured deposits of S\$294.7m as at 30 June 2021. Subsequent to the reporting period, the Group collected a further S\$280.0m cash from its property development and financing businesses.

Section 3

Business Updates 1H2021 – Property Development

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

Residential Blocks

- All eight blocks of 606 units (63,600 sqm) were 100% sold
- Expected to be handed over in phases from 4Q2021



100% SOLD
@ASP : RMB35,100 PSM

Ground Level Retail:

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

SOHO Cluster

- Comprises 226 SOHO units (8,900 sqm)
- Launched for pre-sale in June 2021, of which 2% was sold¹

¹ As at 30 June 2021 and includes sales under option agreements or sale and purchase agreements, as the case may be.

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



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

3.3 Property Development – Time Zone¹, Dongguan (17.3%-owned)

Three Office Towers (188,800 sqm)

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

Four SOHO cum Hotel Blocks (207,600 sqm)

- Four blocks of approx. 3,700 SOHO units (167,600 sqm) and a hotel (40,000 sqm)

Shopping Mall (100,000 sqm)

Four SOHO Loft Blocks (210,000 sqm)

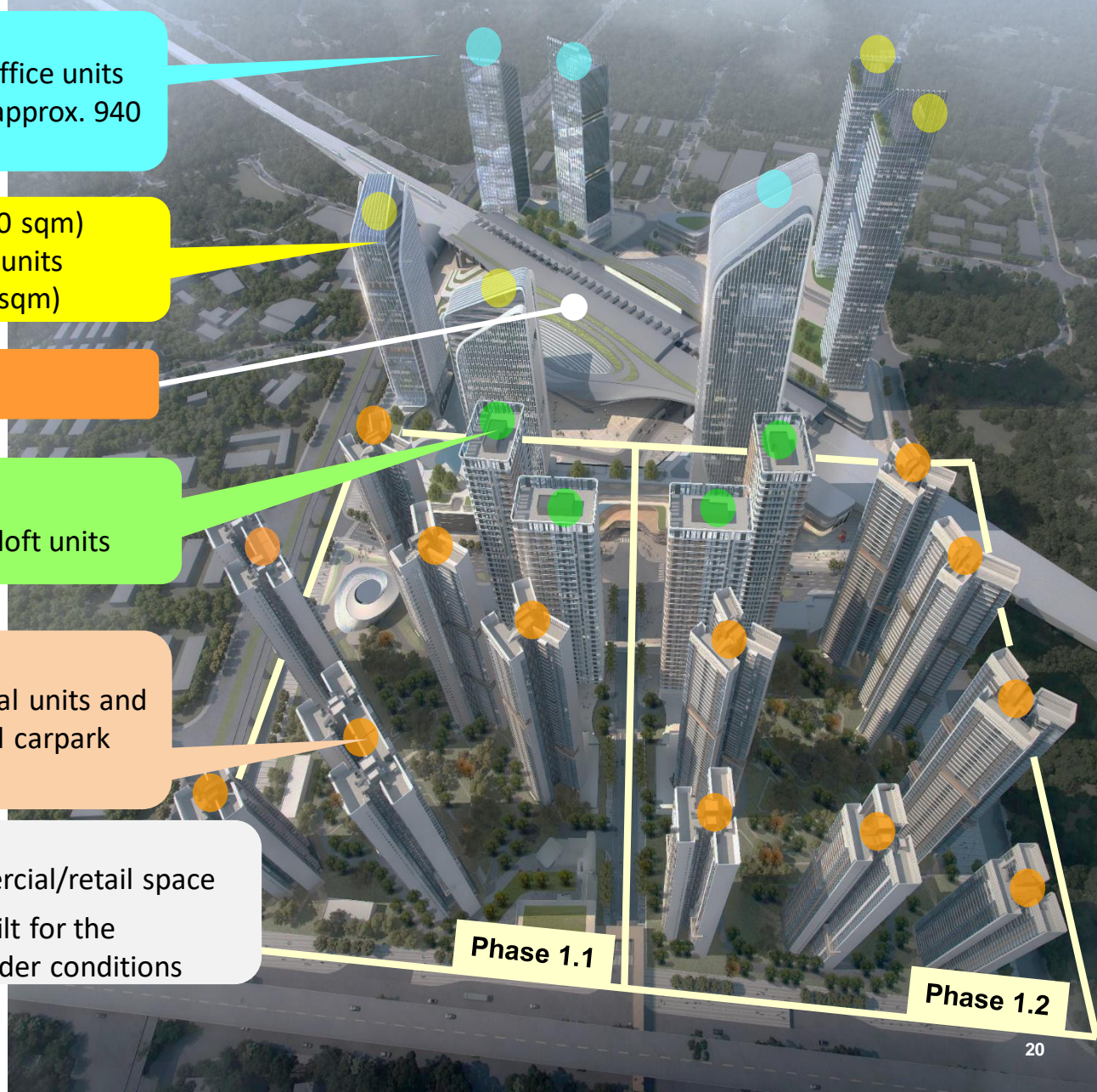
- Four blocks of approx. 3,100 SOHO loft units

13 Residential Blocks (299,500 sqm)

- 13 blocks of approx. 2,460 residential units and approx. 3,730 saleable underground carpark lots

Others:

- Approx. 21,100 sqm of commercial/retail space
- Approx. 300,000 sqm to be built for the authorities as per the land tender conditions



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

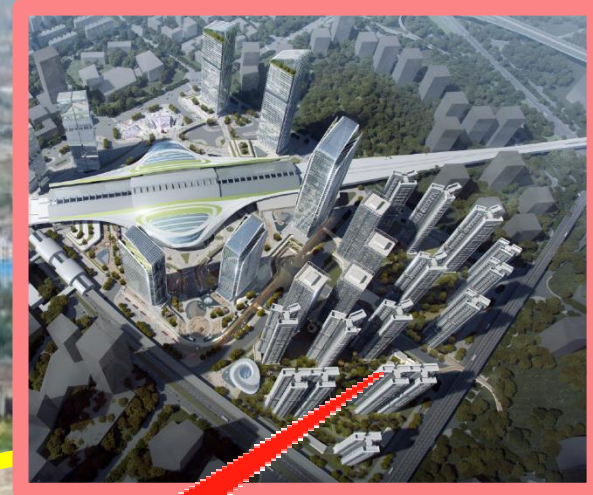


- The residential component is expected to be sold at an average price of above RMB35,000 psm. The project's effective residential land cost is approximately RMB15,200 psm ppr. The effective land cost for the commercial component is approximately RMB3,000 psm ppr.
- Pre-sale launch for the first four residential blocks (980 units) is expected to occur in August 2021, followed by two SOHO loft blocks (648 units) in September 2021 and two additional residential blocks (308 units) before the end of 2021.

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

- Construction work has been progressing well. Barring any unforeseen circumstances, Phase 1.2, which comprises seven residential and two SOHO loft blocks, is expected to launch for pre-sales in phases from 1Q2022.

Humen train station (in operation)



Phase 1.2

Phase 1.1

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

- The resettlement exercise for the existing inhabitants is on-going and the land is expected to be successfully re-zoned by the second half of 2022.

Current property's condition



Fenggang Project*

Site area : 33,800 sqm
Saleable GFA : approx. 162,300 sqm
(residential 97% / commercial 3%)

*subject to re-zoning approval

Ongoing Projects in Dongguan

- 1) Star of East River (completed)
- 2) Emerald of the Orient (completed)
- 3) The Pinnacle
- 4) Skyline Garden
- 5) Time Zone
- 6) Bolong Bay Garden



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

- The Group acquired a development land in Humen, Dongguan, via a joint venture with a wholly-owned subsidiary (“HK ListCo Subsidiary”) of a HKSE-listed property development company (“HK ListCo”) in April 2021. The project company commenced construction works in June 2021 to develop the 30,000 sqm land parcel into a predominantly residential project with a total saleable GFA of approximately 78,400 sqm (“Bolong Bay Garden”).
- In April 2021, the Group subscribed for aggregate principal amounts of approximately S\$84 million and S\$90 million of junior and senior convertible bonds with an annualised coupon rate of 15% and 12% respectively (“Convertible Bonds”). The subscription monies were used to finance the acquisition and conversion from industrial to residential use of the land parcel. Any surplus cash from the investment will be used (in order of priority) to (i) repay all amounts outstanding under the Convertible Bonds, (ii) repay joint venture partners for their capital investments towards Bolong Bay Garden (together with a fixed return), and (iii) distribute to HK ListCo Subsidiary and the Group in the proportion of 75.05% and 24.95% respectively.
- The Group’s land cost in the project is approximately RMB15,400 psm ppr.

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

- Barring any unforeseen circumstances, the pre-sale of Bolong Bay Garden is expected to commence in 4Q2021/1Q2022.



3.6 Property Development – Le Papillon Phase 3, Guangzhou (95%-owned)

- The 95%-owned Le Papillon Phase 3 project, to be developed into 20 residential blocks of 1,539 apartment units (166,000 sqm) in Panyu, Guangzhou, was successfully acquired in May 2021. The Group targets to launch its first residential pre-sale in 4Q2021 or 1Q2022. The Group's land cost in the project is approximately RMB8,000 psm ppr.



Artist's impression

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

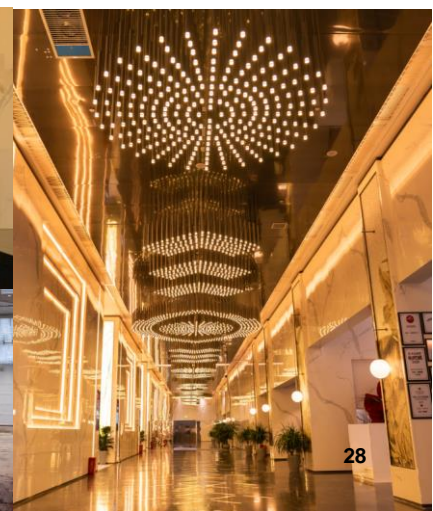
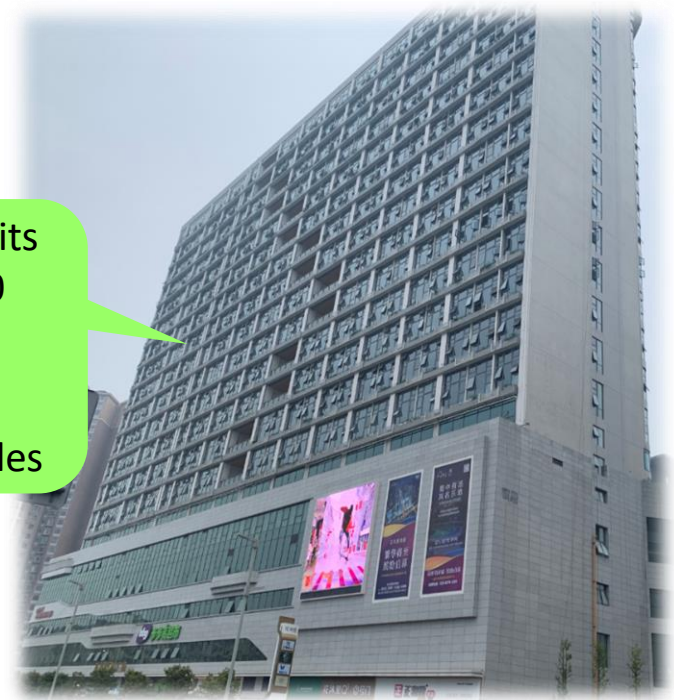
- On 28 July 2021, the Group entered into a joint venture pursuant to which it will subscribe for a 36% equity stake in a project company that owns and will redevelop two adjacent plots of mixed-use development land in Humen, Dongguan, valuing the development land at RMB963.6 million prior to the payment of a land conversion premium of approximately RMB680 million, including stamp duty. This marks the Group's fourth property development acquisition in the Greater Bay Area this year.
- The site is situated at a prime location, highly accessible via two metro lines (under planning) and is approximately 800 metres away from the Humen East hi-speed train station which connects to Shenzhen and Guangzhou. It is also approximately 1.7 km away from the Humen municipal office, and well supported by amenities such as hospitals, schools, commercial retail and malls.
- The project will have a saleable GFA of approximately 110,000 sqm which comprises approximately 82,000 sqm (75%) of residential GFA and 28,000 sqm (25%) of commercial GFA. The all-in land cost amounts to approximately RMB15,000 psm ppr.
- Construction and pre-sale are expected to commence in 4Q2021 and 3Q2022 respectively.

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

➤ Development of Plot F has been successfully completed with 85% of the SOHO loft units sold handed over in 1H2021.

- Comprises 15 floors of 807 SOHO loft units (49,400 sqm) and 4 floors of over 25,000 sqm of saleable retail space
- % SOHO GFA sold: 94.0% out of the 14 floors of SOHO loft units launched for sales

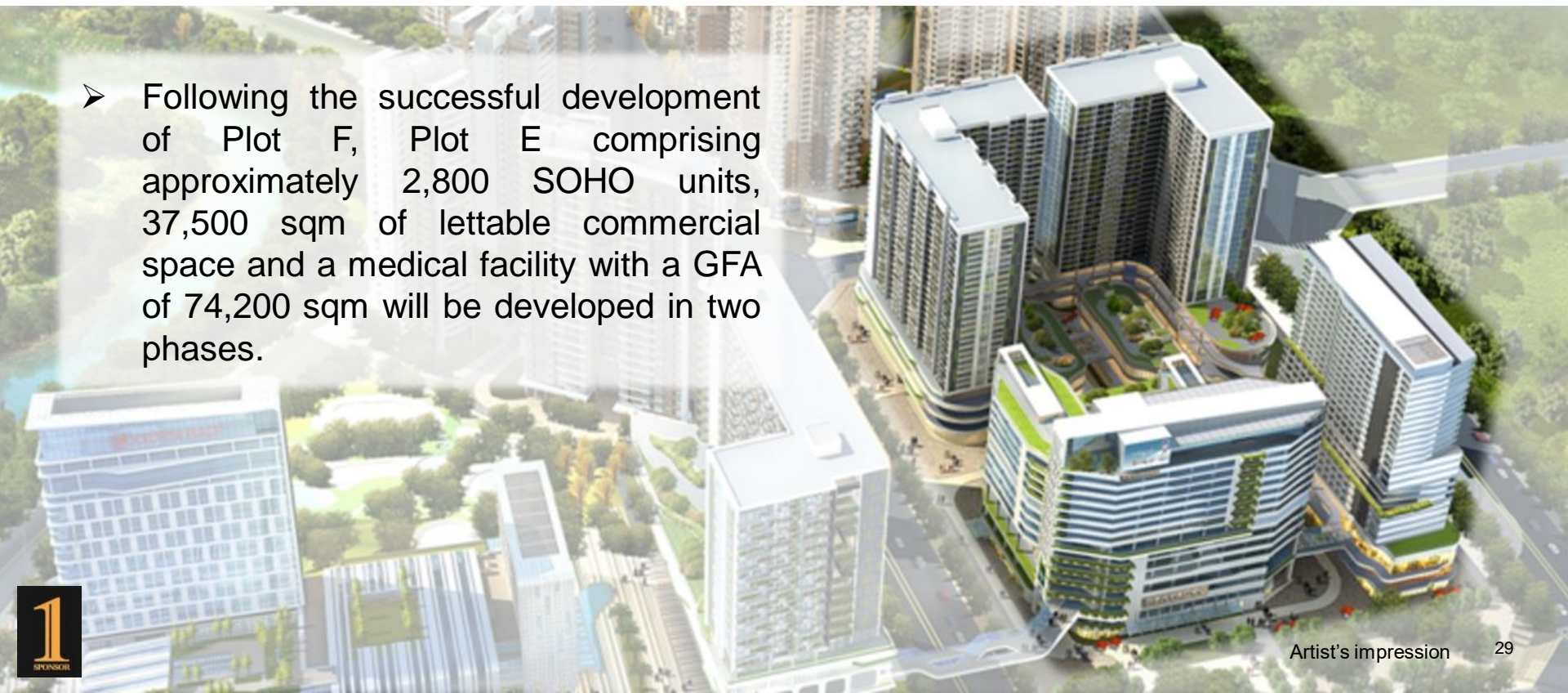
➤ Levels 1 to 5 are currently 88% leased. Various leased units have commenced operations since January 2021.



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

- In October 2020, the Company stated that it was approached by an independent third party with regard to the Group's interests in the Chengdu Millennium Waterfront project, including Plot E, the last development plot of the project, and that discussions were on-going. In February 2021, the Company further stated that it was in concurrent discussions with other third parties which have expressed similar interest. The Company wishes to update that all discussions have been terminated and no transaction has materialised from such discussions.

- Following the successful development of Plot F, Plot E comprising approximately 2,800 SOHO units, 37,500 sqm of lettable commercial space and a medical facility with a GFA of 74,200 sqm will be developed in two phases.



3.9 Property Development – The Terraced Tower, Rotterdam (33%-owned)



- The development of the Group's 33%-owned Terraced Tower project in Rotterdam, which marks the Group's first residential development project in the Netherlands and involved the transformation of an aged office building into a new landmark residential building with 344 apartments supported by commercial and retail amenities, has been completed.
- Handover of the fully sold out project to purchasers started on 1 July 2021.

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

- The irrevocable building permit to redevelop and increase the net lettable floor area of the Dreeftoren office property to 15,600 sqm of office space (currently 8,722 sqm) and 1,600 sqm of commercial space (currently nil), and to develop a new 312-unit (lettable floor area of 20,300 sqm) residential tower adjacent to the office building was obtained in March 2020. To further enhance value, the Group is currently exploring the feasibility of reducing the number of underground levels in the parking garage from two to one.
- The Group intends to commence the redevelopment in 4Q2021 and is currently in the process of relocating existing tenants in the building, organizing the construction site and securing a construction contract within the budgeted cost.



The Group's 3 properties at Amsterdam Southeast

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



- The Group has a 39.9% equity stake in the trust (“Developer Trust”) that has undertaken to develop the CTC Project. Developer Trust is entitled to a development fee which shall, subject to certain deductions, comprise, among other things, the gross proceeds in respect of the sale of the 241 residential apartment units which form part of the CTC Project.
- The freehold property sits in Sydney's core CBD and is located on Pitt Street next to the prime retail district.
- Application for Stage 2 development approval was submitted in March 2021 and such approval is expected to be obtained in 4Q2021/1Q2022.
- The Stage 2 development approval is expected to be granted subject to, among other things, the purchase by Developer Trust of a specified amount of heritage floor space. In the meantime, Developer Trust has purchased 7,002 sqm of heritage floor space which, based on its estimates, will substantially fulfil such condition. Developer Trust will purchase additional heritage floor space, if required, to satisfy such condition.
- Subject to certain certifications by the professional consultants in relation to the development works and co-operation from the various key parties involved in this complex development, construction is expected to commence in 3Q2022 and complete in 1H2026 while the pre-sale launch of the residential apartment units is expected to be in 2Q2022.
- The Group will be providing construction financing to the Developer Trust as part of its property financing business.

Section 4

Business Updates 1H2021 – Property Holding

4.1 Property Holding – European Property Portfolio Operating Performance

In S\$'000	1H2021	1H2020	Change %
Dutch office income	16,286	14,793	10.1% ⁽¹⁾
European hotel income	(5,253)	(1,163)	351.7%
- Operating hotels	(8,627)	(7,062)	22.2% ⁽²⁾
- Leased hotels ⁽³⁾	3,374	5,899	(42.8%) ⁽³⁾
Total	11,033	13,630	(19.1%)

- (1) Due mainly to the higher income contribution from the Oliphant Amsterdam and Mondriaan Tower Amsterdam, coupled with the appreciation of € against S\$.
- (2) Includes the Bilderberg Hotel Portfolio, Hilton Rotterdam hotel, Bilderberg Bellevue Hotel Dresden, Hampton by Hilton Utrecht Centraal Station, Crowne Plaza Utrecht Centraal Station and with effect from 31 January 2021, Le Méridien Frankfurt. The decrease was due mainly to the negative impact of the Covid-19 pandemic on operating hotel performance. In addition, hotel performance will be materially and adversely impacted if the Group's European operating hotels are not eligible for the government subsidies or the government subsidies are no longer available in the future.
- (3) Includes the Holiday Inn/Holiday Inn Express at Arena Towers Amsterdam. The decrease was due mainly to the termination of the Le Méridien Frankfurt lease with effect from 31 January 2021. With the termination of the Le Méridien Frankfurt lease, the operating numbers of the hotel are now classified under "operating hotels".

Excluding Dreeftoren Amsterdam and Meerparc Amsterdam, the Dutch office portfolio and European leased hotels (LFA: 114,409 sqm, 94% occupancy) have a WALT of approximately 7.6 years.

4.2 Property Holding – Dutch Bilderberg Hotel Portfolio (33%-owned)



<i>Bilderberg Hotel Portfolio</i> ⁽¹⁾	1H2021	1H2020	Change
Occupancy	22.3%	28.6%	(6.3%)
ADR	€ 97.8	€ 93.5	4.6%
RevPAR	€ 21.8	€ 26.7	(18.4%)
TRevPAR	€ 39.5	€ 53.4	(26.0%)

(1) Comprises 11 owned hotels

- Most of the Dutch Covid-19 restrictions were initially lifted in late June 2021 ahead of the summer break. Demand for regional hotels has shown early signs of recovery following the gradual re-opening while demand for city hotels continues to be lacklustre. Portfolio occupancy dropped to 22.3% for 1H2021 (1H2020: 28.2%).
- With the upcoming summer holidays, the performance of regional hotels is expected to improve based on the performance during the same period last year. Nevertheless, the recent re-implementation of restrictions in July 2021 due to a surge in the number of Covid-19 cases may dampen demand.
- After considering the subsidies from the Dutch government of €3.1m, Bilderberg reported a 1H2021 LBITDA of €3.8m (1H2020: LBITDA of €3.5m) as compared to an LBITDA of €2.5m in 1Q2021 (1Q2020: LBITDA of €1.2m).

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



Hilton Rotterdam, the Netherlands

- Performance of business hotels continues to be negatively impacted by the pandemic with the hotel recording a low occupancy of 19.7% in 1H2021 (1H2020: 32.4%). While the hotel shows improving results in May and June 2021 following a gradual relaxation of restrictions, the outlook for the hotel remains uncertain following the recent re-implementation of restrictions in July 2021.
- After considering the government subsidy of €1.2m, the hotel recorded an LBITDA for 1H2021 of €0.2m (1H2020: LBITDA €0.1m) as compared to an LBITDA of €0.4m in 1Q2021 (1Q2020: EBITDA breakeven).



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

- The operations of Crowne Plaza hotel remain substantially suspended since mid-September 2020 to reduce overheads. Although the Hampton by Hilton hotel recorded an overall lower occupancy of 17.2% for 1H2021 (1H2020: 29.4%), it recorded an occupancy of 39.3% in June 2021 due mainly to the gradual relaxation of restrictions. However, the outlook for the hotel remains uncertain following the recent re-implementation of restrictions in July 2021.
- The hotel is mitigating the impact of reduced occupancy levels through pro-active cost control. After considering the Dutch government subsidy of €0.7m, the hotel recorded an LBITDA of €0.1m (1H2020: LBITDA of €0.3m) as compared to an LBITDA of €0.6m in 1Q2021 (1Q2020: EBITDA of €0.2m).

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



Le Méridien Frankfurt, Germany

- International business travellers have reduced significantly in Frankfurt as a result of the outbreak of the Covid-19 pandemic. This has resulted in a further decrease in occupancy to 15.3% in 1H2021 (1H2020: 27.5%).
- After considering €0.9m of government aid, the hotel recorded a 1H2021 LBITDA of €0.9m as compared to an LBITDA of €0.5m in 1Q2021.



Bilderberg Bellevue Hotel Dresden, Germany

- Although the hotel recorded an overall lower occupancy of 13.3% for 1H2021 (1H2020: 17.8%), June 2021 recorded an occupancy of 41.6% which indicated signs of recovery following the eased leisure travel restrictions.
- The hotel recorded an LBITDA of €0.5m for 1H2021 (1H2020: LBITDA of €0.7m) including the German payroll support package of €0.7m as compared to an LBITDA of €0.4m in 1Q2021 (1Q2020: LBITDA of €0.3m).

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



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

- Performance of the Wenjiang hotels continues on a good recovery trajectory as it achieved a GOP level in 1H2021 that is just slightly below the pre-Covid-19 level in 1H2019.
- Revenue increased twofold, bolstered by strong demand for rooms and F&B. The hotels recorded an EBITDA of RMB8.3m in 1H2021, a significant turnaround from an LBITDA of RMB3.9m in 1H2020.

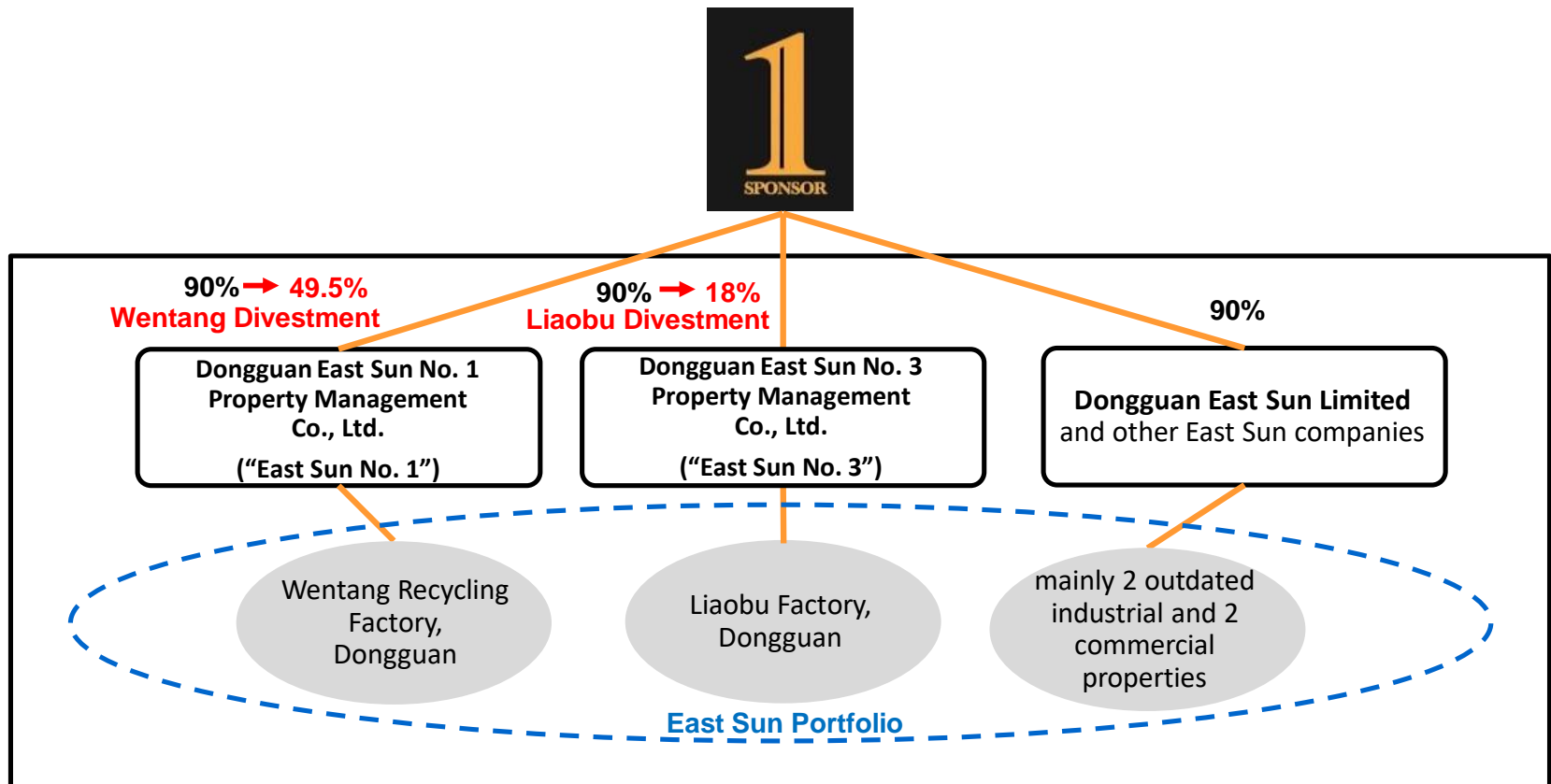
4.6 Property Holding – Arena Towers, Amsterdam (100%-owned)

- In May 2021, TVHG Budget Amsterdam II B.V. (“TVHG”), the tenant of the two hotels at the Arena Towers in Amsterdam Southeast, commenced preliminary relief proceedings against the Group’s wholly-owned subsidiary, FS NL Property 2 B.V., to, inter alia, suspend TVHG’s obligation to pay 45% of the rent for a period commencing retrospectively from April 2020 up to March 2021 and thereafter, such percentage of the rent equal to 50% of the percentage turnover decrease until such time that the Covid-19 restrictions are lifted or the hotels’ turnover returns to pre-Covid-19 levels. On 1 June 2021, TVHG amended the claim for suspension of 45% of the rent to 43.4%. The court hearing was held on 2 June 2021.
- On 9 June 2021, the Amsterdam preliminary relief judge issued a favourable ruling, rejecting all of TVHG’s claims.
- While the timeline for appeal against the ruling issued by the preliminary relief judge has expired, there is no assurance that TVHG will not pursue further legal action to seek a rent discount.



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

In March 2017, the Group acquired, at a consideration of RMB234.0 million, a 90% equity interest in Dongguan East Sun Limited (“East Sun”) which owns primarily six outdated commercial and industrial properties in Dongguan (“East Sun Portfolio”).



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

Wentang Divestment

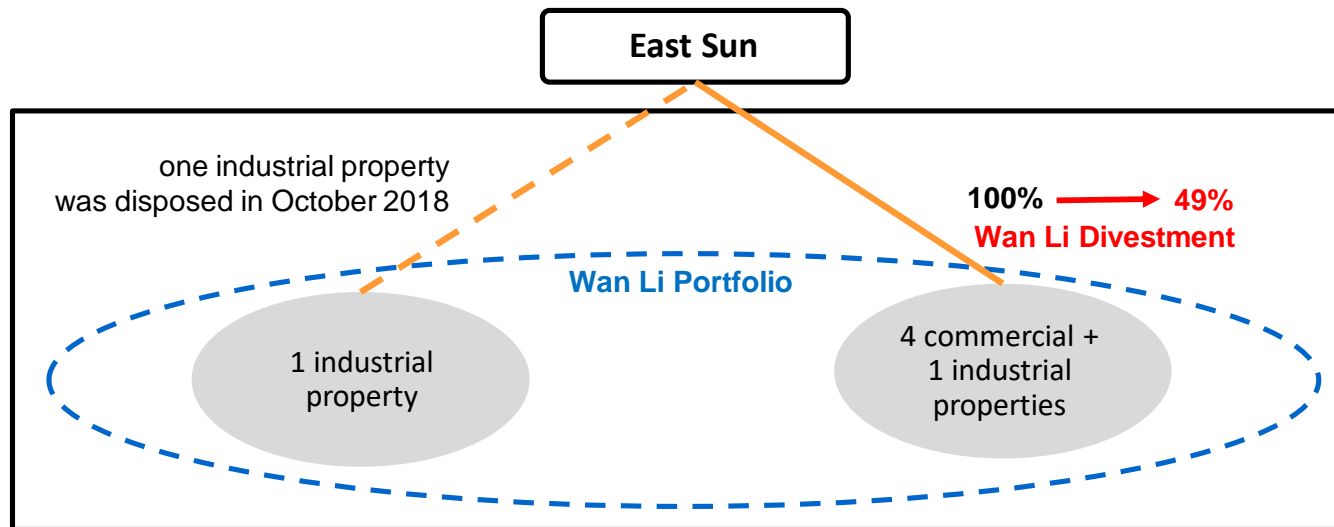
- In May 2021, the Group signed an agreement to divest an effective 40.5% equity interest in East Sun No. 1, which owns the Wentang Recycling Factory in Dongguan, valuing the property at RMB128.5 million, which represents a premium of approximately 219% over its allocated cost of RMB40.3 million.
- The Wentang Recycling Factory was demolished to make way for higher density industrial buildings to be constructed in due course. Thereafter, upon acquiring additional industrial land of approximately 167,000 sqm for redevelopment, East Sun No. 1 will have a quota to re-zone up to approximately 85,000 sqm of another site in Dongcheng, Dongguan to residential or mixed-use which will further create value for its shareholders.

Liaobu Divestment

- In June 2021, the Group signed an agreement to divest an effective 72% equity interest in East Sun No. 3, which owns the Liaobu Factory in Dongguan, valuing the property at RMB140.0 million, which represents a premium of nearly 128% over its allocated cost of RMB61.4 million. In addition, the Group has a put option which entitles it to sell its remaining 18% equity interest in East Sun No. 3 to the buyer at the same price within one year from the completion of the first divestment.

To-date, the Group has collected deposits amounting to an aggregate of RMB58.5 million in respect of the Wentang Divestment and Liaobu Divestment. Completion of each of the Wentang Divestment and Liaobu Divestment is expected to be in December 2021 and April 2022 respectively.

4.8 Property Holding – Update on Wan Li Property Portfolio (90%-owned)



- In January 2018, East Sun acquired, at a consideration of RMB206.0 million, the entire equity interests in Dongguan Wan Li Group Limited (“Wan Li”) and its subsidiary which owns four outdated commercial and two industrial properties (“Wan Li Portfolio”) in Dongguan.
- In October 2018, one of the industrial properties in the Wan Li Portfolio was disposed at RMB128.0 million, a 166% premium over its allocated cost of RMB48.0 million.
- In January 2020, East Sun signed an agreement to divest a 51% controlling equity interest in Wan Li (“Wan Li Divestment”) valuing the remaining Wan Li Portfolio at RMB320.0 million, which represents a premium of approximately 100% over its allocated cost. The Wan Li Divestment was completed on 30 June 2021 and generated a net gain of S\$9.1 million to the Group.
- The two divestments have allowed the East Sun consortium to recoup its entire cost of investment of RMB206.0 million and to realise an approximately RMB82.0 million cash profit or approximately 40% return on its investment cost. In addition, the East Sun Group continues to retain a residual 49% equity interest in the remaining five properties.

Section 5

Business Updates 1H2021 – Property Financing

5.1 Property Financing - Overview of Financial Performance

In S\$'000	1H2021	1H2020	Change %
Secured PRC PF debts	36,006	25,798	39.6%
PF loans to the Group's members			
- European associates and JV	17,851	34,048 ⁽¹⁾	(47.6%)
- Australian associate	-	3,403 ⁽²⁾	n.m.
Secured non-PRC PF loan	680	479	42.0%
Others	-	1,205	n.m.
Total	54,537	64,933	(16.0%)
Share of interest income from secured Australian PF loan ⁽³⁾	- ⁽³⁾	573	n.m.

(1) Includes one-off loan restructuring income of S\$15.5m.

(2) Relates to the establishment fee earned in respect of the future debt funding of the redevelopment of the City Tattersalls Club project in Sydney in which the Group has a 39.9% equity interest.

(3) Repaid on 8 November 2020. Income recognised through share of joint venture's profit.

5.2 Property Financing – PRC Loan Book

	Average PRC PF loan book ⁽¹⁾ for half year ended	PRC PF loan book ⁽¹⁾ as at
30 June 2021	RMB2,753.0m (S\$565.2m)	RMB3,378.2m (S\$703.0m)
31 December 2020	RMB2,248.6m (S\$449.0m)	RMB2,095.3m (S\$424.1m)

(1) includes the defaulted loans amounting to RMB330m in aggregate

- In connection with the economic difficulties resulting from the Covid-19 pandemic, the Group granted a short term deferral of interest payments to a borrower of a RMB580 million loan, secured on a Guangzhou city hotel with a 44% LTV. The borrower was allowed to defer 50% of the monthly interest payments for a few months in 2020 by one year. The borrower has fully repaid the deferred interests for the relevant periods.
- In November 2020, the Group commenced legal action against a borrower group in the Shanghai court to recover an aggregate loan principal of RMB330 million and associated interest under two cross collateralised loans with an average LTV of 53%. In March 2021, the Group entered into a settlement agreement with the borrower group, which formed the basis of a ruling issued by the Shanghai court on 30 March 2021. The principal terms of the court ruling include, among others, a repayment schedule for the loan principal and interest, including default interest. However, the borrower group failed to fully comply with the fourth instalment payment which was due on 30 June 2021. On 12 July 2021, the Group filed a court application to inter alia seek the auction sale of the mortgaged assets in accordance with the court ruling.

5.3 Property Financing – European Loan Book

- Owing to a slight recovery in the performance of the Dutch Bilderberg hotel portfolio which is 95% owned by FSMC, the 33%-owned FSMC group was able to meet its interest payments for 2Q2021. However, it has elected to continue deferring interest payments for 1Q2021 on the loans extended by the Group in accordance with the terms of the loan agreement. The Group does not expect any recoverability issue for the deferred interests and loan principals given its significant influence over FSMC.

Thank You

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