First Sponsor Group Limited
Investor Presentation
10 February 2021

Sales Office - Skyline Garden, Dongguan

Contents

Section 1 Key Message

Key Message

1. For 4Q2020, the Group's net profit was S$6.9 million, a 92.7% decline from 4Q2019. After adjusting for the effect of (i) the S$53.3 million one-off gain in 4Q2019 arising from the disposal of the Oliphant Amsterdam office by the Group to FSMC, its 33%-owned associated company, (ii) non-cash fair value adjustments and impairment charges, (iii) foreign exchange differences and fair value changes on derivative assets/liabilities, and (iv) change in headline corporate tax rate in the Netherlands, the adjusted net profit for 4Q2020 was S$34.8 million, a 45.5% decrease from the adjusted 4Q2019 net profit. On a full year basis, the adjusted net profit amounted to S$118.6 million, which is a 14.8% decrease from the adjusted FY2019 net profit.

2. On 23 October 2020, the Board announced a second interim tax-exempt (one-tier) cash dividend ("Second Interim Dividend") of 2.0 Singapore cents per share for FY2020, in lieu of a final dividend, bringing the total dividend declared for FY2020 to 3.1 Singapore cents per share, 14.8% higher than the FY2019 full year dividend. The record date for the Second Interim Dividend is at 5.00 p.m. on 18 February 2021, with payment expected to be made on or around 26 February 2021.

Key Message

3. The underlying demand for properties, especially residential properties, in Dongguan continues to be strong. All the 830 units of the first four residential apartment blocks in Skyline Garden and 168 units of the last two residential apartment blocks of The Pinnacle were sold on the first day of their sales launch on 31 December 2020 and 1 January 2021 respectively. Buying interest for the last residential apartment block of the Skyline Garden which is expected to be launched in 2Q2021 is likely to be similarly strong. The Group is hence optimistic about the mega 1 million sqm GFA Humen transit-oriented development ("Humen TOD") project acquired in late June 2020. Its first sales launch is expected to be in 2H2021. Other than the Group's recent entry into Fenggang, Dongguan in January 2021 and Panyu, Guangzhou in February 2021, the Group is actively pursuing further opportunities in the Greater Bay Area ("GBA") region to capitalise on the positive outlook of the GBA development plan.

Key Message

4. Well-known healthcare group, Siemens Healthineers Nederland B.V., has signed a 15-year lease of approximately 2,500 sqm of commercial space at the Group's Berg and Bosch property in Bilthoven, the Netherlands. The entry of the established healthcare group marks a significant milestone for the property which is occupied mainly by tenants in the healthcare industry.

5. Overall occupancy of the Group's European operating hotels decreased significantly in 4Q2020 from a strong 3Q2020 due to both a drop in leisure demand post the summer holidays as well as a further lockdown due to the resurgence of Covid-19 cases resulting in the tightening of measures by the various governments to control the pandemic situation. The Group's European operating hotels achieved an overall EBITDA of €1.1 million for 4Q2020 (€4.1 million for 4Q2019) and EBITDA loss of €1.1 million for FY2020 (profit of €17.8 million for FY2019). The EBITDA for FY2020 included an estimated €8.4 million in government subsidies. The Group expects the performance of its European operating hotel portfolio to remain weak and uncertain. 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.

Key Message

6. The outbreak of the Covid-19 pandemic has severely disrupted global economic activities. The Group's hospitality property holding business was hit hard due to the implementation of various measures including temporary lockdowns, entry restrictions and border closures, to stem the spread of the highly contagious virus. The lacklustre performance of the hospitality sector is expected to continue in the near future, which will have a negative impact on the Group's profitability. On a more positive note, the sales of the Group's various Dongguan property development projects have to-date been very strong. While there will be a time lag between project sales and accounting profit recognition, the sales proceeds collected will bolster the Group's immediate overall financial position, thereby enhancing corporate resilience. As the rollout of the vaccinations to the worldwide population gathers momentum, business activities across all sectors are expected to pick up. The Group will review its business strategy on an ongoing basis to ensure that it remains relevant in the post Covid-19 new normal.

7. The Group is backed by a strong balance sheet, substantial unutilised committed credit facilities and potential equity infusion from the exercise of outstanding warrants. Notwithstanding this, the Group remains ready to further tap into the debt and equity capital markets to further strengthen itself to capitalise on any new business opportunities when they arise.

Section 2 Financial Updates 4Q2020

2.1 Statement of Profit or Loss - Highlights

Statement of Profit or Loss - Highlights

In S$'000	4Q2020	4Q2019	Change %	FY2020	FY2019	Change %
Revenue	39,733	149,793	(73.5%)	203,936	319,164	(36.1%)
Gross profit	36,502	74,228	(50.8%)	171,906	189,035	(9.1%)
Profit before tax	13,063	95,035	(86.3%)	125,612	194,199	(35.3%)
Attributable profit (1)	6,923	94,910	(92.7%)	103,174	167,088	(38.3%)
Adjusted net profit (2)	*34,848*	*63,916*	*(45.5%)*	*118,617*	*139,250*	*(14.8%)*
Basic EPS (cents)	0.76	11.75	(93.5%)	11.97	21.64	(44.7%)
Diluted EPS (cents)	0.52	8.62	(94.0%)	8.87	17.12	(48.2%)
Interest cover (3)	5.8x	113.7x	n.a.	16.6x	67.6x	n.a.

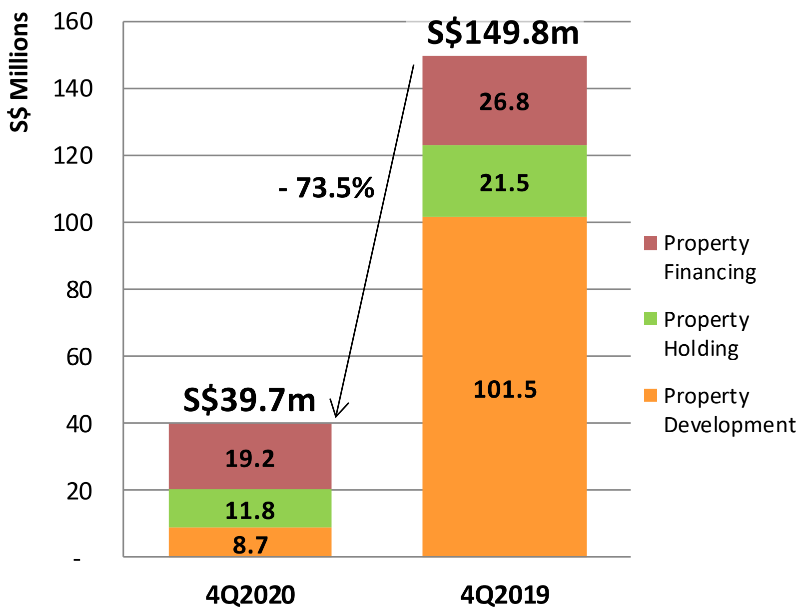
(1) "Attributable profit" refers to profit attributable to equity holders of the Company.

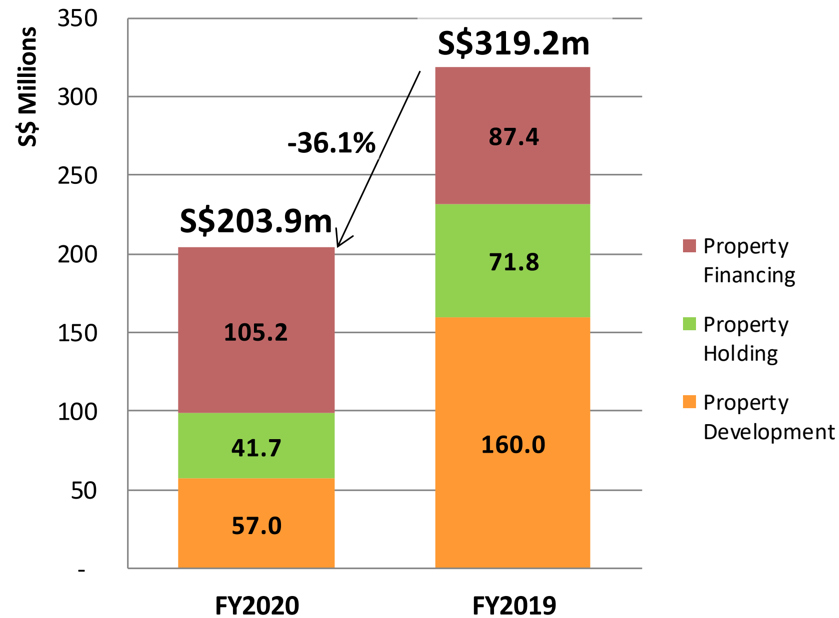
(2) Adjustments made to exclude one-off gain arising from disposal of Oliphant Amsterdam office in 4Q2019, non-cash fair value adjustments and impairment charges, foreign exchange differences and fair value changes on derivative assets/liabilities, and the effect of change in Dutch headline tax rate.

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

2.2 Statement of Profit or Loss – Revenue

Revenue





Property Development

The decrease was mainly because revenue from the development sale of Plot A to D of the Millennium Waterfront Project has been largely recognised and 4Q2020 revenue relates largely to the sale of 607 carpark lots at Plot D (4Q2019: 864 residential units, 1 commercial unit, 16 carpark lots).

Property Holding

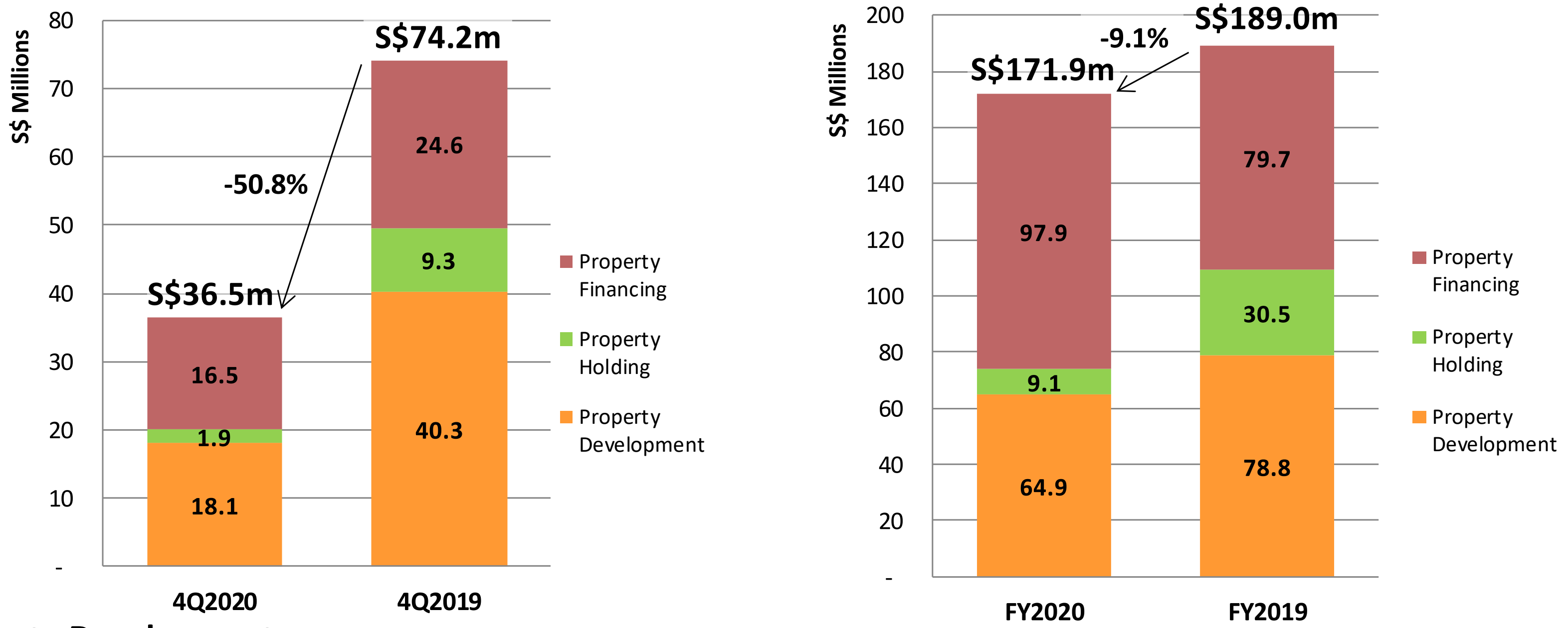
The decrease was due mainly to lower European hotel revenue resulting from the impact of the Covid-19 pandemic.

Property Financing

The decrease was due mainly to the absence of one-off penalty interest income (S$4.0m) from Case 1 defaulted loan that was recognised in 4Q2019 and the suspension of interest recognition in connection with a RMB330 million defaulted loan in 4Q2020.

2.3 Statement of Profit or Loss – Gross Profit

Gross Profit



Property Development

The decrease was due mainly because profit from the development sale of Plot A to D of the Millennium Waterfront Project has been largely recognised and 4Q2020 profit relates largely to the sale of 607 carpark lots at Plot D (4Q2019: 864 residential units, 1 commercial unit, 16 carpark lots), partially mitigated by the reversal of cost provision that is no longer required.

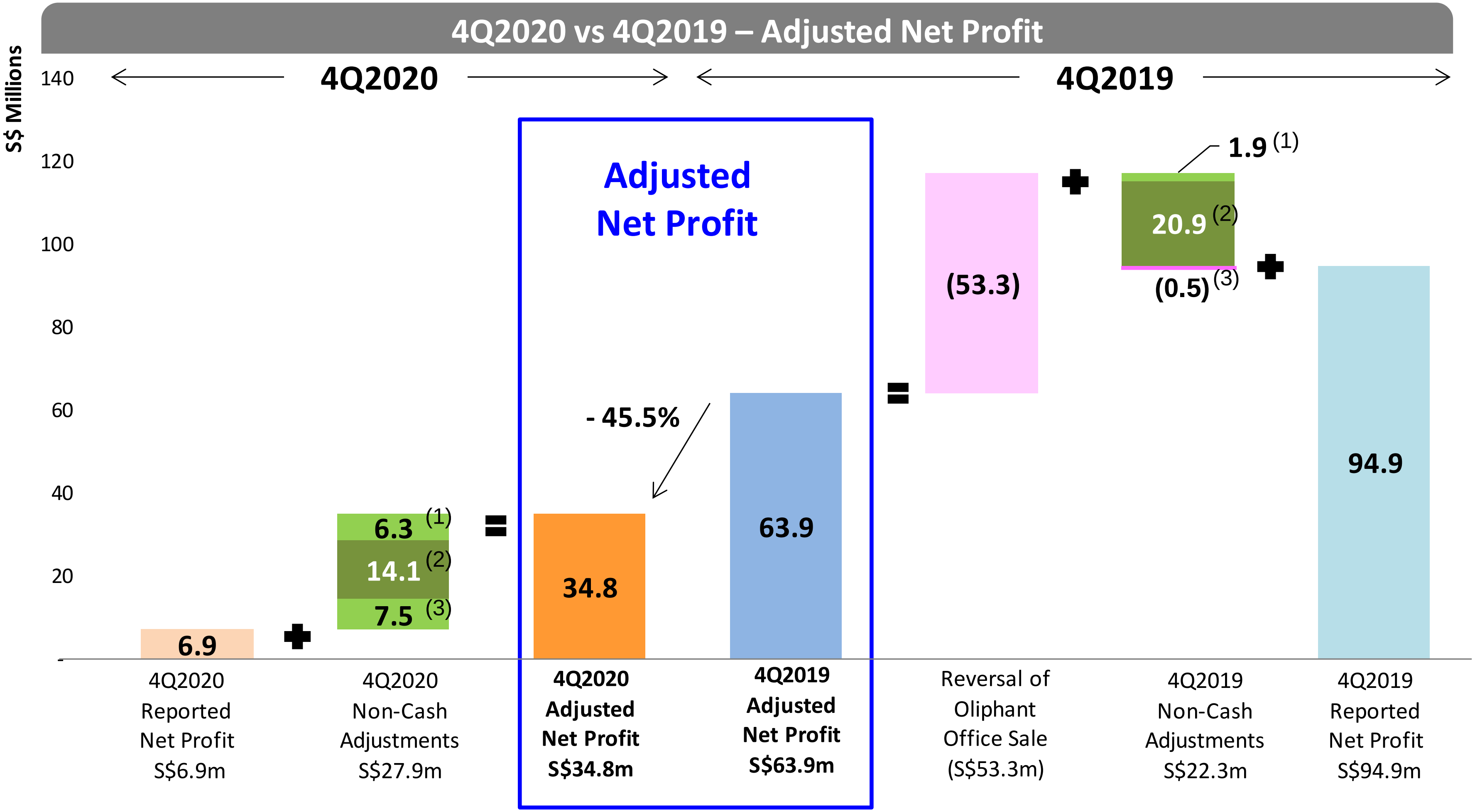
Property Holding

The decrease was due mainly to lower European hotel profit resulting from the impact of the Covid-19 pandemic that was partially offset by government subsidies.

Property Financing

The decrease was due mainly to the absence of one-off penalty interest income (S$4.0m) from Case 1 defaulted loan that was recognised in 4Q2019 and the suspension of interest recognition in connection with a RMB330 million defaulted loan in 4Q2020,

2.4 Statement of Profit or Loss – Adjusted Net Profit (4Q2020 vs 4Q2019)



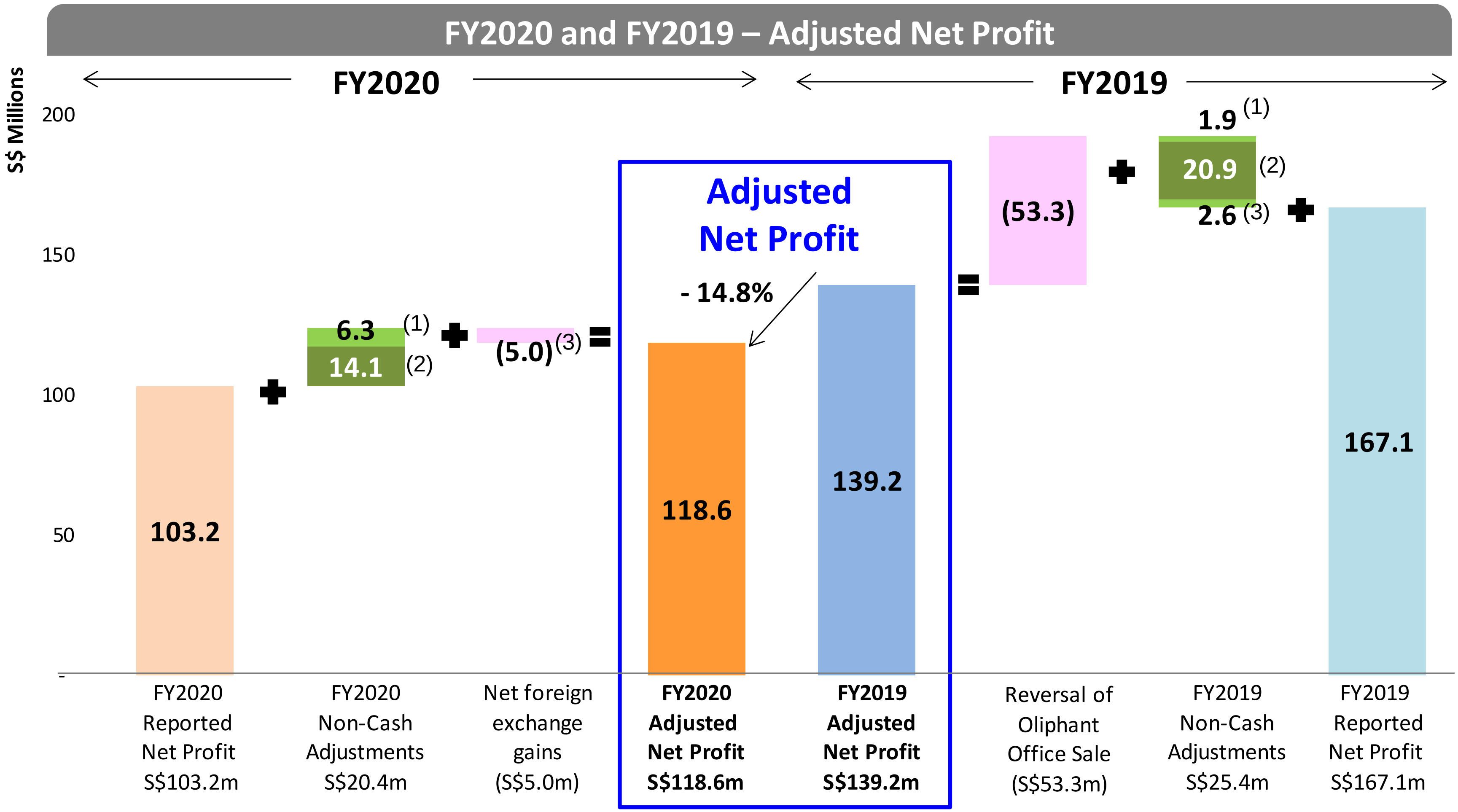
Adjustments for:

(1) Impact of higher deferred tax liabilities in relation to the Group's Dutch associated companies and investment properties arising from the change in headline corporate tax rate in the Netherlands (Please refer to slide 33 for further details)

(2) Net non-cash fair value loss/impairment charge (Please refer to slide 33 for further details)

(3) Net fair value loss on financial derivatives (net of foreign exchange gain)

2.5 Statement of Profit or Loss – Adjusted Net Profit (FY2020 vs FY2019)



Adjustments for:

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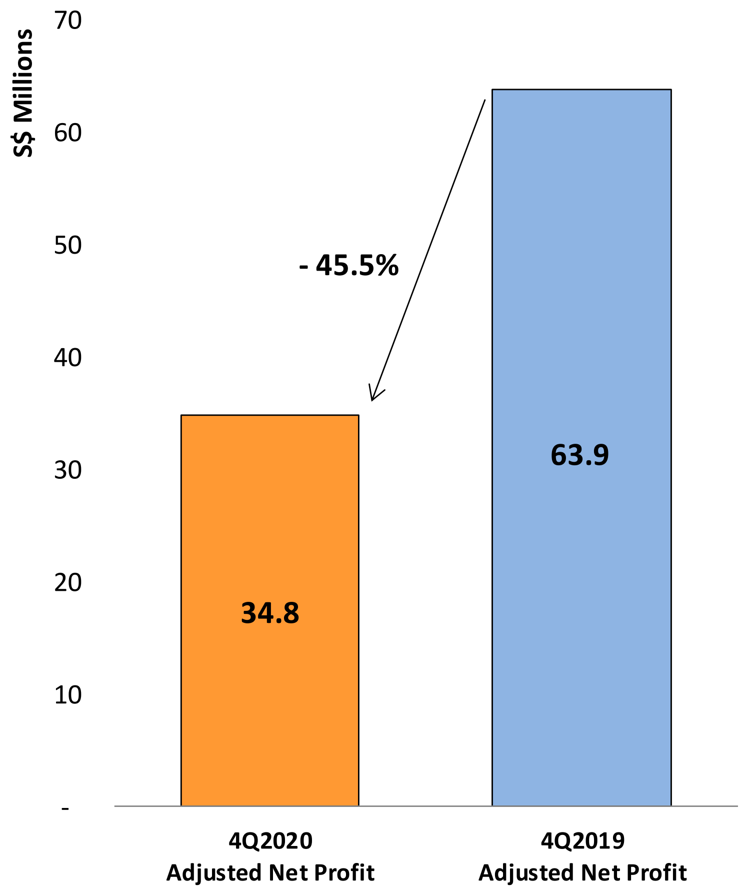
(2) Net non-cash fair value loss/impairment charge (Please refer to slide 33 for further details)

(3) Net fair value loss on financial derivatives (net of foreign exchange gain)

2.6 Statement of Profit or Loss – Adjusted Net Profit Variance 4Q2020 vs 4Q2019



The decrease in adjusted net profit was due mainly to:

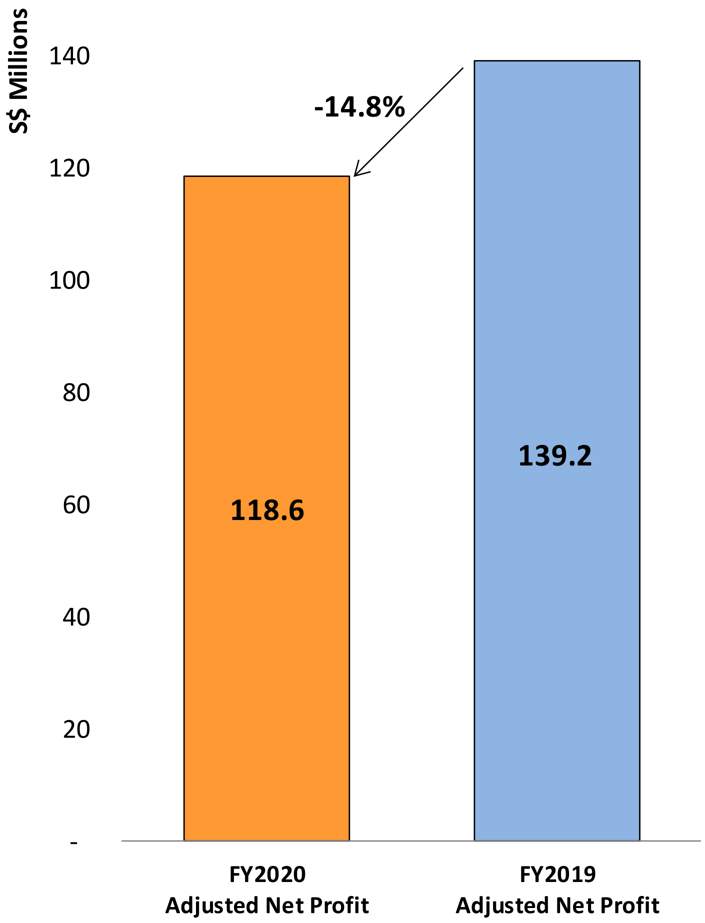
- Lower gross profit contribution from the property development, property financing and property holding business segments [S$37.7m decrease]
- Lower share of after-tax profits from associates and joint ventures due mainly to a lower profit from handover of the Star of East River in 4Q2019 [S$21.8m decrease]

The decrease was partially offset by:

- Higher fair value gain arising from receipt of non-refundable deposit for the proposed divestment of 51% equity stake in the Dongguan Wan Li Group [S$9.0m increase]
- Reduction in selling and administrative expenses due mainly to reduced scale of activity in the Group's hospitality operations and higher one-off selling expenses incurred in 4Q2019 for The Pinnacle [S$3.3m increase]
- Absence of tenant outplacement costs [S$1.3m increase]
- Lower tax expenses [S$8.0m increase]

The adjusted effective tax rate was 23.6% for 4Q2020.

2.7 Statement of Profit or Loss – Adjusted Net Profit Variance FY2020 vs FY2019



The decrease in adjusted net profit was due mainly to:

- Lower gross profit contribution from the property development and property holding business segments [S$35.3m decrease]
- Lower share of after-tax profits from associates and joint ventures due mainly to a lower profit from handover of the Star of East River and poorer trading performance of Dutch Bilderberg hotels [S$47.4m decrease]

The decrease was partially offset by:

- Higher gross profit contribution from the property financing business segment [S$18.2m increase]
- Reduction in selling and administrative expenses due mainly to reduced payroll cost, reduced scale of activity in the Group's hospitality operations and higher one-off selling expenses incurred for The Pinnacle [S$13.3m increase]
- Higher fair value gain arising from receipt of non-refundable deposit for the proposed divestment of 51% equity stake in the Dongguan Wan Li Group [S$9.0m increase]
- Absence of tenant outplacement costs [S$1.3m increase]
- Lower tax expenses [S$17.5m increase]

The adjusted effective tax rate was 25.0% for FY2020.

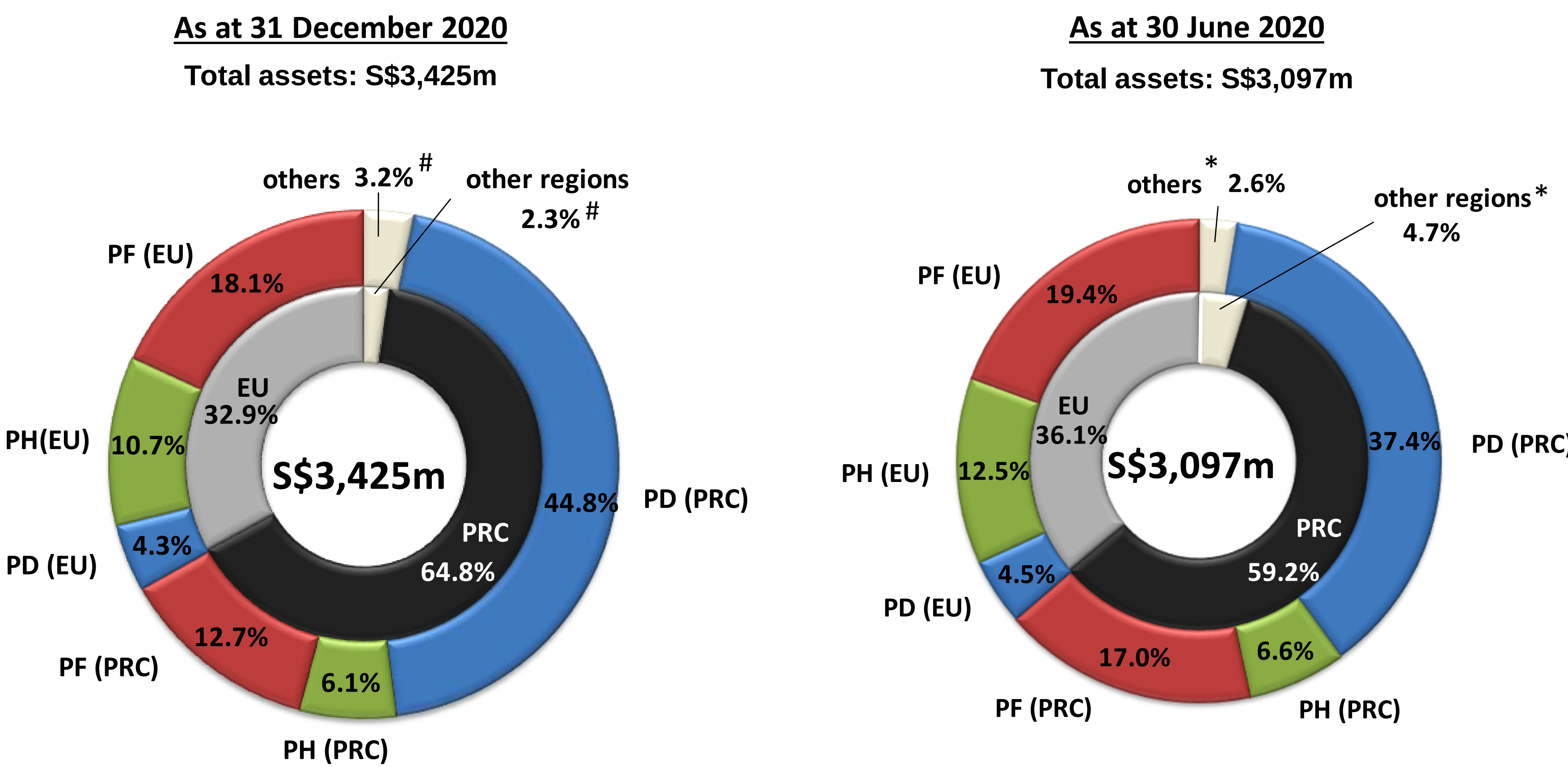
2.8 Statement of Financial Position – Highlights

Statement of Financial Position - Highlights			
In S$'000	**31-Dec-20**	**30-Sep-20**	**Change %**
Total assets	3,424,582	3,283,635	4.3%
Cash and structured deposits (1)	476,304	425,883	11.8%
Total debt (2)	739,572	635,156	16.4%
Net asset value (NAV) (3)	1,671,147	1,695,959	(1.5%)
NAV per share (cents)	183.05	185.77	(1.5%)
Adjusted NAV per share (cents) (4)	162.75	164.22	(0.9%)
Gearing ratio (5)	0.16x	0.12x	n.a.

(1) Relates to principal-guaranteed structured deposits placed with financial institutions classified as other investments (current).
(2) Comprises gross borrowings of S$747.6m net of unamortised upfront fee of S$8.0m and S$642.1m net of unamortised upfront fee of S$7.0m as at 31 December 2020 and 30 September 2020 respectively.
(3) NAV includes translation gain of S$19.3m (Sep 2020: translation gain of S$28.6m), and excludes non-controlling interests.
(4) Represents NAV per share adjusted for the full conversion of Series-2 PCCS and exercise of all warrants to ordinary shares.
(5) Computed as net debt ÷ total equity including non-controlling interests.
Net debt = gross borrowings – cash and structured deposits.

2.9 Statement of Financial Position - Total Assets

Total Assets – by business and geographic segments

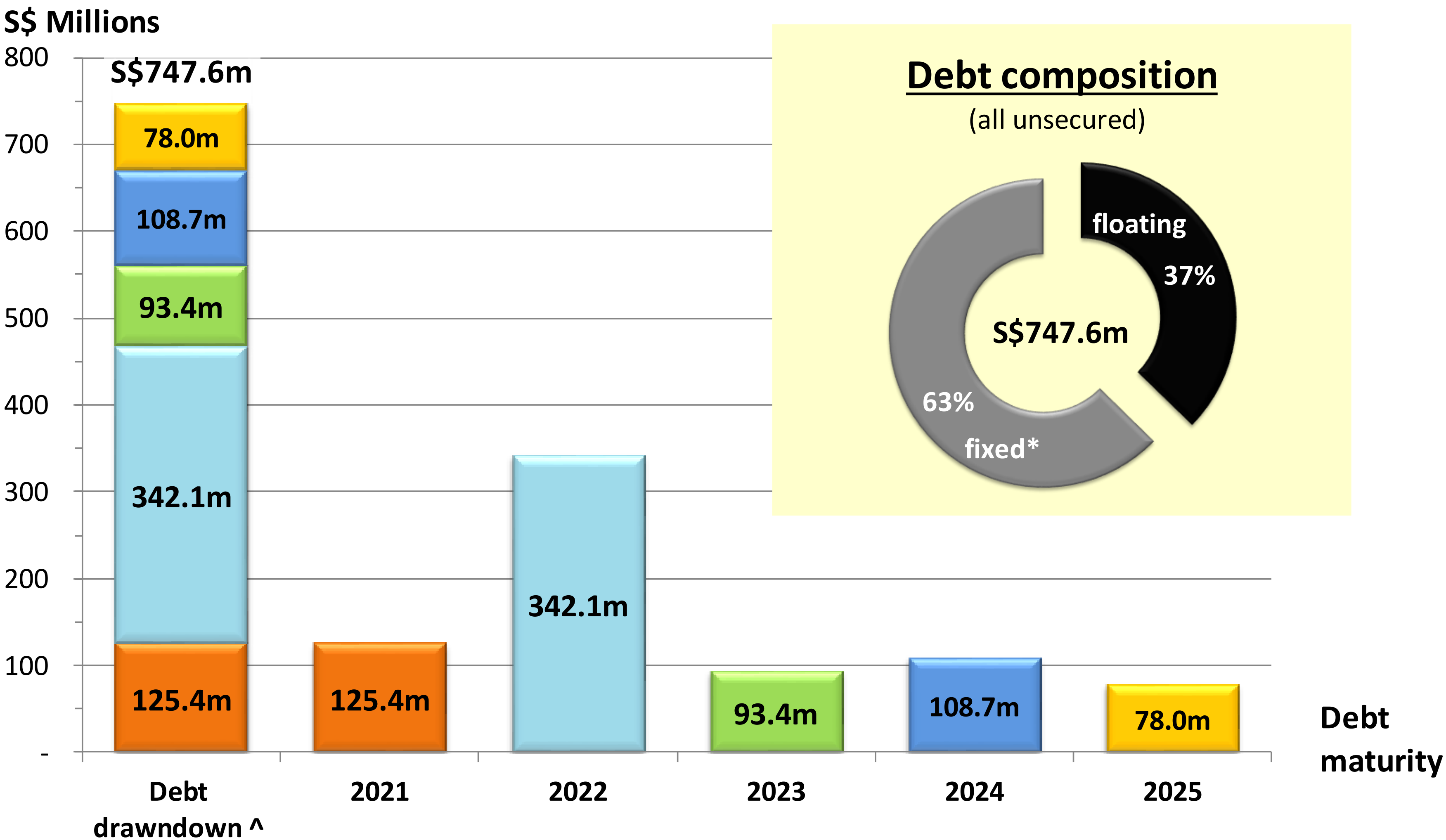


Comprises 0.6% of PD in Australia

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

* Comprises 0.6% of PD in Australia

2.10 Debt Maturity and Composition as at 31 December 2020



* Mainly via cross currency swaps and medium term notes.

^ Remaining headroom of S$382.7m of committed credit facilities.

Section 3 Business Updates 4Q2020 – Property Development

3.1 Property Development – Star of East River Project, Dongguan

SOHO Blocks

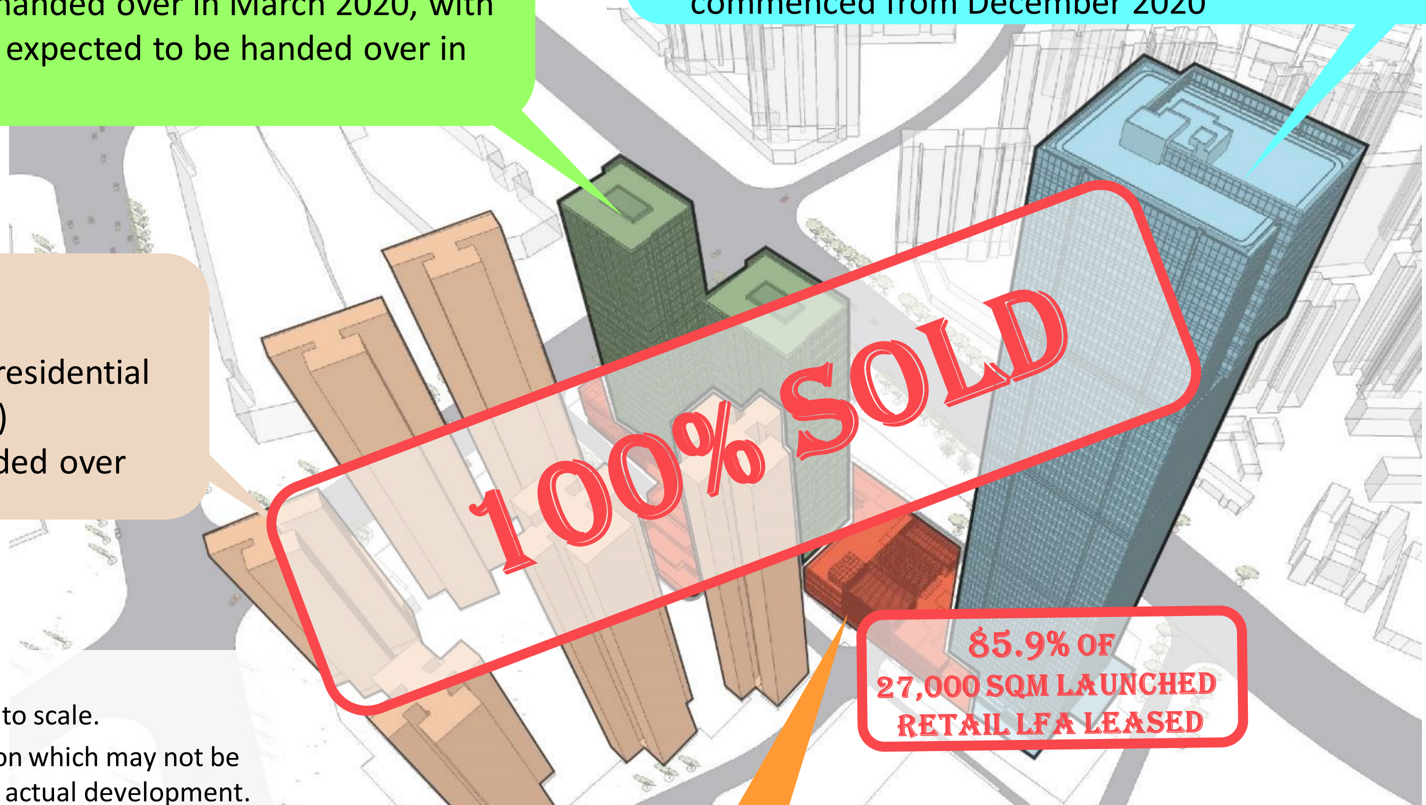
- Two blocks of 2,328 SOHO units (75,000 sqm) were 100% sold[3]
- One block was handed over in March 2020, with the other block expected to be handed over in 1Q2021

Office Block

- 250m high office tower block with 778 office units (102,000 sqm)
- All units were fully sold, and first time handover has commenced from December 2020

Residential Blocks

- Six blocks of 1,221 residential units (132,000 sqm)
- 100% sold and handed over



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 2020 and includes sales under option agreements or sale and purchase agreements, as the case may be.

Commercial Podium

- approx. 30,100 sqm lettable floor area ("LFA") of retail mall, of which approx. 27,000 sqm has commenced operations since September 2019.
- Due to the impact of the Covid-19 pandemic, several tenants have made requests for concessions in relation to their rental obligations under the lease contracts.

3.2 Property Development – Emerald of the Orient, Dongguan

Others

To be built for the municipal as per the land tender conditions

Saleable High-rise Residential Apartments

- All 854 saleable residential units (95,572 sqm) were fully sold, and first time handover has commenced from December 2020

Units with 5-year Holding Period

- 222 units (24,672 sqm) to be kept for a minimum holding period of 5 years as per land tender conditions of which 192 units have been reserved by interested buyers
- The average selling price (“ASP”) for the reserved units is RMB33,900 psm, a premium of RMB2,600 over the saleable units

Saleable Residential Villa Cluster

All 137 saleable villas (19,807 sqm) were fully sold, and have since started to hand over from December 2020

Villas with 5-year Holding Period

- 31 villas (4,452 sqm) to be kept for a minimum holding period of 5 years as per land tender conditions of which 25 villas have been reserved by interested buyers
- ASP for the reserved villas is RMB47,500 psm, a premium of RMB8,400 over the saleable villas

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 2020 and includes sales under option agreements or sale and purchase agreements, as the case may be.

3.3 Property Development – The Pinnacle, Dongguan

Residential Blocks

- The last two blocks comprising 168 units were fully sold[3] on the date of their sales launch on 1 January 2021
- As such, all eight blocks of 606 units (63,600 sqm) were 100% sold[3] to-date

- The project is expected to be handed over in phases from 2021.

SOHO Cluster

- Comprises 226 SOHO units (8,900 sqm)
- Expected to be launched for pre-sale in 2Q2021

Ground Level Retail:

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

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. Sales rate to-date, includes sales under option agreements or sale and purchase agreements, as the case may be.

3.4 Property Development – Skyline Garden, Dongguan

Residential Blocks

- Five blocks of 1,194 units (132,400 sqm)
- All 830 units units (94,600 sqm) of the first four blocks were sold[3] on the first day of their sales launch on 31 December 2020.

➢ Buying interest for the last residential apartment block which is expected to be launched in 2Q2021 is likely to be similarly strong.

SOHO Blocks

- Seven blocks of 784 SOHO units (71,200 sqm) and 4,400 sqm of commercial space
- All SOHO units and commercial space are to be kept for a minimum holding period of 2 years as per land tender conditions

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 2020 and includes sales under option agreements or sale and purchase agreements, as the case may be.

3.5 Property Development – Humen TOD Project, Dongguan

Three Office Towers (188,800 sqm)

- A grade-A tower with approx. 340 office units (75,500 sqm) and 2 towers with approx. 940 office units (113,300 sqm)

Four SOHO cum Hotel Blocks (207,600 sqm)

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

Shopping Mall (100,000 sqm)

Four Loft SOHO Blocks (210,000 sqm)

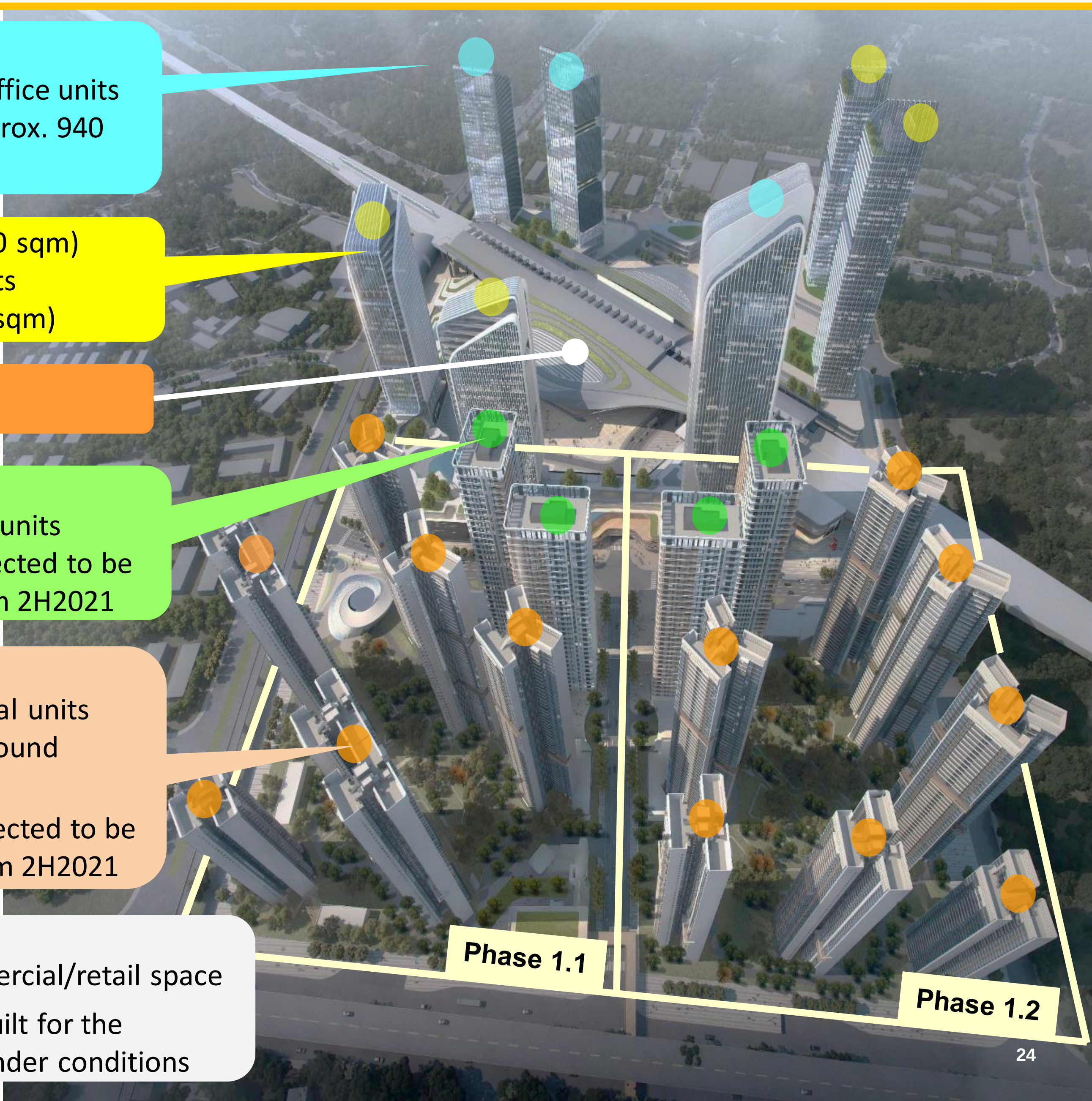
- 4 blocks of approx. 3,100 loft SOHO units
- 2 of the blocks in Phase 1.1 are expected to be launched for pre-sales in stages from 2H2021

13 Residential Blocks (299,500 sqm)

- 13 blocks of approx. 2,460 residential units and approx. 3,730 saleable underground carpark lots
- 6 of the blocks in Phase 1.1 are expected to be launched for pre-sales in stages from 2H2021

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



3.5 Property Development – Humen TOD Project, Dongguan

- The Humen TOD project is planned to be developed over 4 phases.

- Phase 1 development, which is further divided into 2 sub-phases, has started. Phase 1 development comprises, amongst others, approximately 299,500 sqm or 100% of the residential GFA and approximately 210,000 sqm or more than 50% of the SOHO GFA.

- The project land cost is approximately RMB14,760 psm ppr and RMB2,960 psm ppr for the residential (29%) and commercial (71%) components respectively, excluding RMB2.3 billion development cost for auxiliary facilities to be returned to the local municipal and Dongguan Railway Bureau or their designated parties.

Phase 1.1 comprises approx. 162,000 sqm of residential GFA, 57,700 sqm of SOHO GFA and 11,800 of commercial and ancillary GFA. Pre-sale launches will commence from 2H2021.

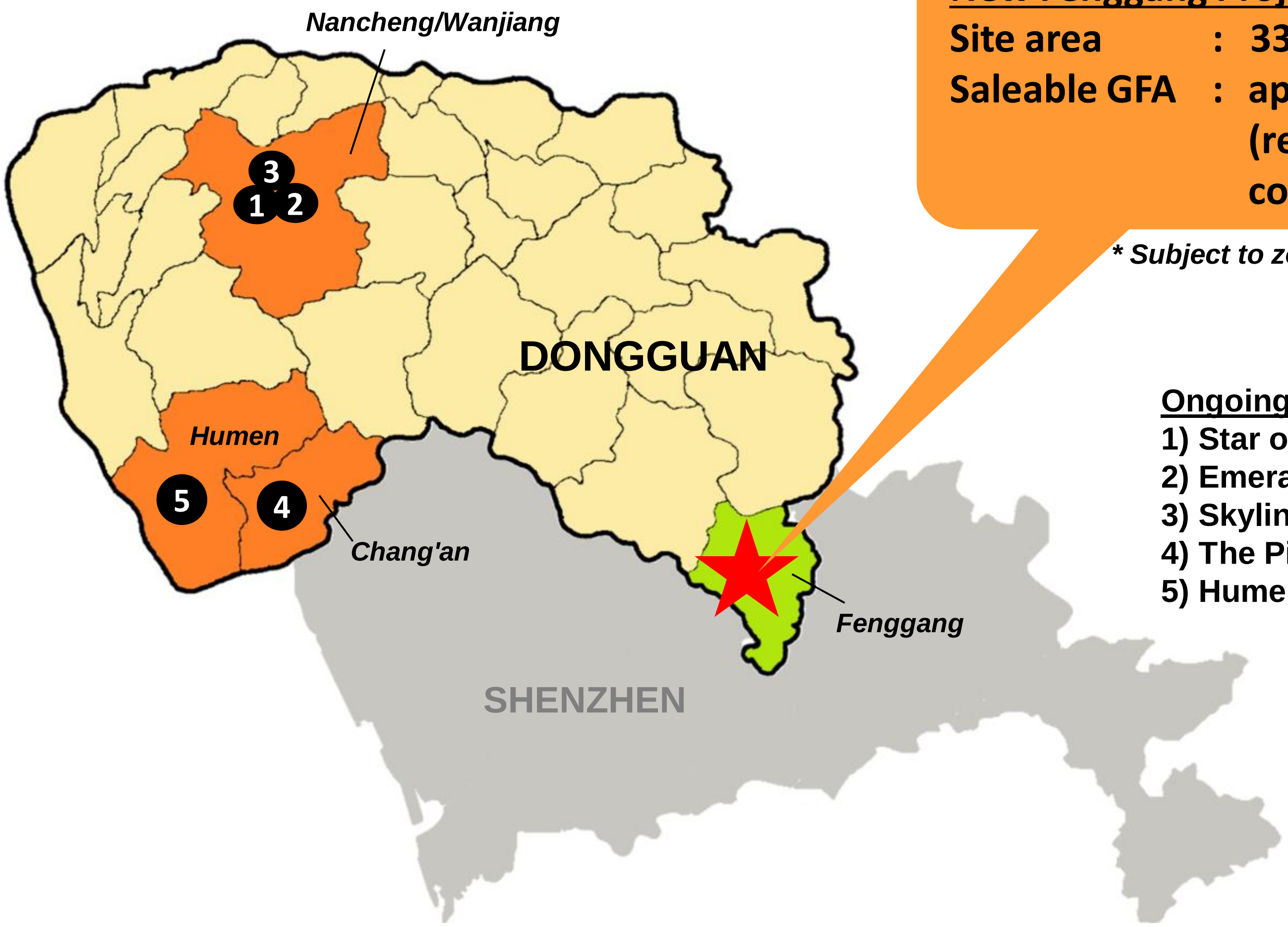
3.6 Property Development – New Fenggang Project, Dongguan

- The Group has further expanded its property development footprint in Dongguan. In January 2021, the Group signed a cooperation agreement in relation to, among others, the acquisition by the Group of an 18% equity stake in a local holding company ("HoldCo") and the provision by the Group of an interest free secured property financing loan of RMB500 million to HoldCo.

- HoldCo has a 93% equity interest but a 100% economic interest in a real estate developer which has the rights to redevelop a plot of land in Fenggang, Dongguan with a site area of about 33,800 sqm.

- Subject to the successful resettlement of existing inhabitants on the land and the obtaining of the re-zoning approval, the land can be redeveloped into a predominantly residential project with saleable residential GFA of approximately 157,500 sqm (97%) and saleable commercial GFA of approximately 4,800 sqm (3%).

3.6 Property Development – New Fenggang Project, Dongguan



New Fenggang Project

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

** Subject to zoning and other approvals*

Ongoing Projects in Dongguan

1) Star of East River (completed)
2) Emerald of the Orient
3) Skyline Garden
4) The Pinnacle
5) Humen TOD project

- The Group is actively pursuing further opportunities in the Greater Bay Area (“GBA”) region to capitalise on the positive outlook of the GBA development plan.

3.7 Property Development – New Panyu Project, Guangzhou

- The Group entered into a conditional sale and purchase agreement in February 2021 to acquire the entire issued share capital of a Hong Kong-incorporated company which wholly owns a largely residential property development company in Panyu, Guangzhou (“Panyu ProjectCo”). The Group’s effective equity interest in Panyu ProjectCo will be 95% as the acquisition will be made through a subsidiary which will be 95%-owned by the Group as at completion.
- The transaction is conditional upon, among other things, the seller group obtaining the necessary shareholders’ approvals. The condition in relation to such shareholders’ approvals is expected to be satisfied given that the majority shareholders of the seller group have provided irrevocable undertakings to vote in favour of the transaction.
- Panyu ProjectCo has developed Phase 1 and Phase 2 of the Le Papillon project which have been substantially sold. Construction works for Phase 3, the last phase of the project, have commenced but are currently on hold.
- The Group will continue with (i) the Phase 3 development after the finalisation of some design modifications; and (ii) the sale of the remaining units in Phase 1 and Phase 2.
- Phase 3 has a land area of approximately 95,771 sqm with a saleable GFA of 162,959 sqm of which residential GFA is approximately 159,925 sqm (98%) and commercial GFA is approximately 3,034 sqm (2%). The effective land consideration is approximately RMB1,460 million or RMB9,000 psm ppr.

3.7 Property Development – New Panyu Project, Guangzhou

- The pre-sale of the project is expected to be launched in 4Q2021.

- Panyu is located in the geographic centre of the Greater Bay Area. It is well-known as a sea transportation hub and is one of the four largest railway passenger transportation hubs in China.

The project site is situated close to the city centre and is easily accessible to several schools, medical facilities, places-of-interest and intercity train services (under construction).

3.8 Property Development – Millennium Waterfront, Chengdu

- The Plot F development is expected to be completed and handed over around March 2021.

  - Comprises 15 floors of 807 SOHO loft units (49,350 sqm), 5 floors of over 25,000 sqm of saleable retail space
  - % SOHO GFA sold[1]: 80.3%

[1] *As at 31 December 2020 and includes sales under option agreements or sale and purchase agreements, as the case may be.*

- Subsequent to the bulk sale of the 2,856 carpark lots at Plots A, B and C in 2Q2020 and 3Q2020, the Group has sold 393 carpark lots at Plot D and 3 carpark lots at Plot B in 4Q2020 in a similar bulk sale to the same buyer.

Plot F, Millennium Waterfront

3.8 Property Development – Millennium Waterfront, Chengdu

- In October 2020, the Company stated that it was approached by an independent third party with regard to its interests in the Chengdu Millennium Waterfront project, including Plot E, the last development plot of the project.

- To-date, no definitive agreement has been reached with such independent third party and discussions are ongoing. The Company is in concurrent discussions with other third parties which have expressed similar interest. There is no assurance that such discussions will result in a definitive agreement or transaction. The Company will make further announcements as appropriate when there are any material updates or developments on this matter.

Section 4 Business Updates 4Q2020 – Property Holding

4.1 Property Holding – FY2020 Non-Cash Fair Value Adjustments/Impairment Charges

In S$'000	Asset level Fair Value Gain/(Impairment)	Share %	Impact to the Group's Net Profit
European Office Portfolio [1]	**15,191**		**3,758**
- Berg & Bosch Bilthoven	5,550	33%	1,373
- Mondriaan Tower Amsterdam	4,291	33%	1,062
- Zuiderhof I Amsterdam	3,925	33%	971
- Munthof Amsterdam	809	33%	200
- Oliphant Amsterdam	616	33%	152
European Hotel Portfolio	**(43,354)**		**(16,630)**
- Le Méridien Frankfurt [1]	(8,324)	50%	(3,503)
- Arena Towers Amsterdam [1]	(4,311)	100%	(3,233)
- Bilderberg Dutch hotels [2]	(20,187)	31.35%	(4,945)
- Bilderberg Dresden hotel [2]	(4,247)	94.9%	(3,393)
- Hilton Rotterdam [2]	(6,285)	33%	(1,556)
Effect of change in headline Dutch corporate income tax rate [3]	**(17,869)**	various	**(6,333)**
PRC East Sun Portfolio	**(1,859)**	90%	**(1,255)**
Total	**(47,891)**		**(20,460)**

[1] Investment properties [2] Operating hotels [3] relates to the reinstatement of the earlier announced reduced 21.7% tax rate back to 25% for the periods from 2021 onwards

- While the Group's European hotel portfolio has suffered fair value losses and impairment charges, this has been partially mitigated by the fair value gains on the European office portfolio.
- The PRC East Sun portfolio recorded a net fair value loss as a result of the voluntary complete removal of outdated industrial buildings at one of its key properties. The removal was done so that the property can qualify for a recent government urbanisation initiative.

SPONSOR

4.2 Property Holding – European Property Portfolio Operating Performance

In S$'000	4Q2020	4Q2019	Change %	FY2020	FY2019	Change %
Dutch office income	**7,239**	**7,040**	**2.8%** (1)	**30,040**	**24,224**	**24.0%**
European hotel income	**3,957**	**9,061**	**(56.3%)**	**9,413**	**38,617**	**(75.6%)**
- Operating hotels	1,707	6,206	(72.5%) (2)	(1,752)	27,237	n.m.
- Leased hotels	2,250	2,855	(21.2%) (3)	11,165	11,380	(1.9%)
Total	**11,196**	**16,101**	**(30.5%)**	**39,453**	**62,841**	**(37.2%)**

(1) Due mainly to the higher income contribution from the Oliphant Amsterdam and appreciation of € against S$ offset by one-off service charge settlements for the Berg & Bosch Bilthoven and Meerparc Amsterdam office properties.

(2) Includes the Bilderberg Hotel Portfolio, Hilton Rotterdam hotel, Bilderberg Bellevue Hotel Dresden and Hampton by Hilton Utrecht Centraal Station. The decrease was due mainly to the negative impact of the Covid-19 pandemic on operating hotel performance.

(3) Includes the Le Méridien Frankfurt hotel and Arena Towers Amsterdam (Holiday Inn/Holiday Inn Express). The decrease was due mainly to lower variable rental income from the Le Méridien Frankfurt hotel arising from poor trading performance.

Excluding Dreeftoren Amsterdam and Meerparc Amsterdam, the Dutch office portfolio and European leased hotels (LFA: 133,280 sqm, 93% occupancy) have a WALT of approximately 8.8 years.

4.3 Property Holding – Chengdu Wenjiang hotels and Bilderberg Bellevue Hotel Dresden

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

- While the hotels recorded lower overall revenues for the quarter, stringent cost saving initiatives have resulted in a 47% increase in EBITDA to RMB6.6m (4Q2019: RMB4.5m). Despite the Covid-19 backdrop, the hotels recorded a respectable EBITDA of RMB7.9m for FY2020 (FY2019: RMB10.0m) mainly contributed by the strong 4Q2020 performance.

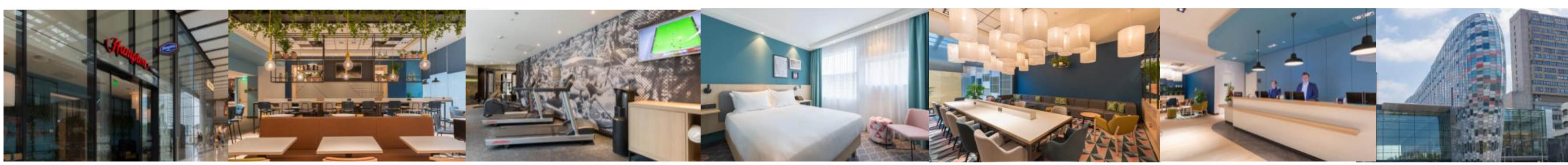
Bilderberg Bellevue Hotel Dresden, Germany

- EBITDA for 4Q2020 decreased to €0.1m (4Q2019: €0.4m) due mainly to a drop in occupancy to 29.5% (4Q2019: 66%) as a result of the Covid-19 related lockdown tightening measures in 4Q2020 offset by a receipt of a government subsidy of €0.3m.
- Despite the Covid-19 backdrop, the hotel managed to minimise EBITDA loss for FY2020 to €0.3m (FY2019: profit €2.0m) arising mainly from the strong leisure demand during the summer holidays and the subsidies received from the German government of €0.9m.

4.4 Property Holding – Hilton Rotterdam and Utrecht Centraal Station Hotels

Hilton Rotterdam, the Netherlands

- EBITDA loss for 4Q2020 was €0.4m (4Q2019: profit €0.9m) due to a significant reduction in room occupancy of 13.4% (4Q2019: 70.3%) as a result of the Covid-19 related lockdown tightening measures.
- After considering the Dutch government subsidy of €1.1m, the hotel finished FY2020 with an EBITDA loss of €1.0m (FY2019: profit €3.7m).



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

- Similar to most city hotels, the weak demand for the Hampton by Hilton was exacerbated by the tightening of Covid-19 related measures. The operations of Crowne Plaza hotel, which commenced on 2 June 2020, were substantially suspended in mid-September 2020 to reduce overheads.
- After considering the Dutch government subsidy of €0.4m, the hotels recorded a EBITDA loss of €0.1m in 4Q2020 and a EBITDA loss of €0.5m for FY2020, although the Hampton by Hilton managed to achieve a nominal EBITDA profit for FY2020.

4.5 Property Holding – Dutch Bilderberg Hotel Portfolio

Dutch Bilderberg Hotel Portfolio (1)	4Q2020	4Q2019 (restated)	Change	FY 2020	FY 2019 (restated)	Change
Occupancy	22.9%	69.2%	(46.2%)	35.5%	70.3%	(34.8%)
ADR	€ 91	€ 101	(9.2%)	€ 95	€ 102	(6.6%)
RevPAR	€ 21	€ 70	(69.9%)	€ 34	€ 72	(52.8%)
TRevPAR	€ 49	€ 139	(65.0%)	€ 68	€ 138	(50.4%)

(1) Comprises 11 owned hotels. The prior year comparatives have been restated to conform with such presentation.

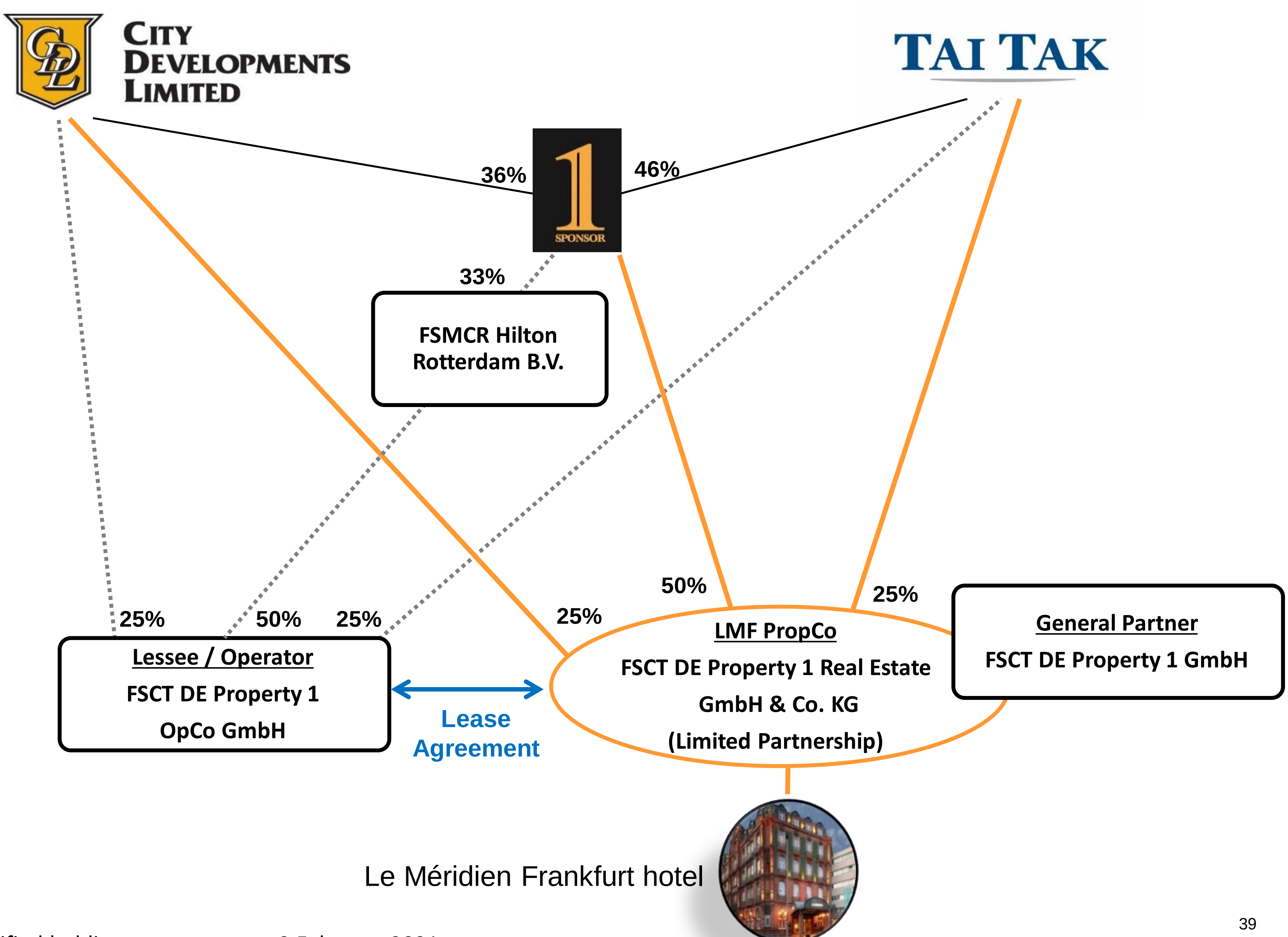
- Demand for city hotels remains low. Comparatively, regional hotels performed marginally better as they are better supported by occasional weekend leisure business. Regional hotels were able to keep their occupancy level for the quarter at 32.4% (4Q2019: 68.8%) while city hotels dropped to 9.4% (4Q2019: 69.9%).
- Subsidies from the Dutch government of €6.0m, coupled with various cost management initiatives have allowed the hotel portfolio to achieve a 4Q2020 EBITDA profit of €1.5m (4Q2019: €2.4m) and a small overall FY2020 EBITDA profit of €0.7m (FY2019: €11.2m) against the difficult Covid-19 backdrop.

4.6 Property Holding – Le Méridien Frankfurt

- The owner and lessor of the Le Méridien Frankfurt hotel (“LMF PropCo”) has reached an amicable agreement with the lessee, mhp Parkhotel GmbH, to terminate the lease with effect from 31 January 2021.

- LMF PropCo subsequently entered into a new lease agreement with a new lessee entity, FSCT DE Property 1 OpCo GmbH. The hotel, which continues to operate under the name “Le Méridien Frankfurt”, will be managed by Event which is also the hotel manager of the Group’s 12 Bilderberg hotels in the Netherlands and Germany.

4.6 Property Holding – LMF PropCo / Lessee Holding Structure [1]



[1] Simplified holding structure as at 9 February 2021

4.7 Property Holding – Berg and Bosch, Bilthoven, the Netherlands

- Well known healthcare group, Siemens Healthineers Nederland B.V., has signed a 15-year lease of approximately 2,500 sqm of commercial space at the Group’s Berg and Bosch property in Bilthoven, the Netherlands.
- The entry of the established healthcare group marks a significant milestone for the property which is occupied mainly by tenants in the healthcare industry.

4.8 Property Holding – Update on Sale of Certain Parts of Chengdu Cityspring

- As of 31 December 2020, the outstanding purchase consideration amounted to RMB44.3 million which is less than 10% of the total purchase consideration. After taking into consideration the RMB23.2 million liquidated damages collected to-date, the Group agreed to provide secured entrusted loans to the buyer for the purpose of funding the outstanding purchase consideration.
- The loans have tenures of up to 3 years with interest rates of up to 8%, secured on certain SOHO and retail units as well as carpark lots of the Chengdu Cityspring project with an overall 60% LTV. The loans are expected to be disbursed by 2Q2021 which will allow the buyer to complete its obligations under the sale and purchase agreement.

Total Purchase Consideration RMB470.9m

Liquidated Damages

1. **RMB23.2m collected to date**
2. **Ongoing liquidated damages to be paid based on 1% per month of outstanding amount**

RMB426.6m (90%) collected to-date

Outstanding Purchase Consideration of RMB44.3m

Transfer of property titles of a total consideration of RMB402.3m

Deposit of RMB38.8m

For details of this transaction, please refer to the announcements dated 30-May-18,12-Jul-18, 25-Sep-18, 23-Nov-18, 28-Jan-19, 22-May-19, 26-Aug-19, *18-May-2020 and 23-Jun-2020.*

4.9 Property Holding – Dongguan East Sun/Wanli Property Portfolio

- In March 2017, the Group acquired a 90% equity interest in Dongguan East Sun Limited ("East Sun"), which owns a number of outdated commercial and industrial properties in Dongguan ("East Sun Portfolio"), for RMB260 million. In January 2018, East Sun acquired the entire equity interests in Dongguan Wan Li Group Limited and its subsidiary, which owns four outdated commercial and two industrial properties ("Wanli Portfolio") in Dongguan, for RMB206 million.
- In October 2018, one of the industrial properties in the Wanli 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 Dongguan Wan Li Group Limited valuing the remaining Wanli Portfolio at RMB320 million which is approximately 100% premium over its allocated cost. A RMB50 million non-refundable deposit has been received and the remaining consideration is expected to be paid by late 2021 / early 2022. The new investor will take the lead in the re-zoning exercise for the Wanli Portfolio.
- The positive outlook of the Dongguan property market augurs well for some of these properties in the East Sun Portfolio and Wanli Portfolio which are located in certain districts with good redevelopment potential. East Sun is applying to re-zone an industrial property in the East Sun Portfolio to residential use. In relation to another industrial property owned by East Sun, it is in the process of setting up a JV with an owner of an adjacent property and a prospective tenant to jointly develop the 2 properties into a higher density modern industrial complex. East Sun has completed the demolition of the existing outdated building structure on its site in preparation of the re-zoning application. Thereafter, the JV will have a quota to re-zone another industrial property in the same district in Dongguan to residential use.

Section 5 Business Updates 4Q2020 – Property Financing

5.1 Property Financing - Overview of Financial Performance

In S$'000	4Q2020	4Q2019	Change %	FY2020	FY2019	Change %
Secured PRC PF loans	10,069	16,794	(40.0%)	47,423	48,297	(1.8%)
PF loans to the Group's members						
- European associates and JV [1]	8,897	10,001	(11.0%)	52,075 [2]	35,866	45.2%
- Star of East River Project Co [3]	-	-	n.m.	-	3,073	n.m.
- Australian associate [1]	33	-	n.m.	3,515 [4]	-	n.m.
Unsecured PF loan	266	-	n.m.	991	-	n.m.
Others	-	-	n.m.	1,205	190	n.m.
Total	**19,265**	**26,795**	**(28.1%)**	**105,209**	**87,426**	**20.3%**
Share of interest income from secured Australian PF loan [1],[5]	135 [5]	295	(54.2%)	1,018	1,187	(14.2%)

(1) Relates to non-PRC PF businesses.
(2) Includes one-off loan restructuring income of S$15.8m.
(3) Repaid in March 2019.
(4) Mainly relates to the establishment fee earned in respect of the future debt funding of the redevelopment of the City Tattersalls Club in Sydney in which the Group has a 39.9% equity interest.
(5) Repaid on 8 November 2020. Income recognised through share of joint venture's profit.

5.2 Property Financing – PRC Loan Book

	Average PRC PF loan book for the quarter ended	Average PRC PF loan book for the year to date ended	PRC PF loan book as at
31 December 2020 (1)	RMB2,201.9m (S$439.7m)	RMB2,439.5m (S$487.2m)	RMB2,095.3m (S$424.1m)
30 September 2020	RMB2,295.3m (S$455.4m)	RMB2,519.3m (S$499.8m)	RMB2,295.3m (S$462.5m)

(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 with a RMB580 million loan and another borrower group with two cross collateralized loans amounting to RMB330 million.
- The RMB580 million loan is 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 from 2Q2020 on the condition that the borrower contributes additional equity to a bank account jointly controlled by the borrower and the Group. The deferred interest will be due from April 2021.
- Subsequent to 31 December 2020, the Group has just disbursed a RMB900 million secured loan in relation to a development land in Tangxia, Dongguan in February 2021. The Group will seek to grow its PRC loan portfolio prudently.

5.3 Property Financing – PRC Loan in default

- The borrower group with two cross collateralised loans amounting to RMB330 million has been in arrears for a month's interest for 8 consecutive months since March 2020.

- In November 2020, the Group commenced legal action in the Shanghai court to recover the outstanding loan principal and interest.

- The loans are secured on, among others, a residential villa and a 5-floor retail mall in Shanghai with a combined LTV of 53.4%.

- In view of the positive outcome of the legal actions in respect of the 2 previous loans defaulted in December 2015 and January 2016, the Group is optimistic about the recovery exercise of the RMB330 million defaulted loans.

- The Group has not recognised any interest income from the defaulted loans since November 2020. No provision has been made on the outstanding loan principal as of 31 December 2020.

5.4 Property Financing – European Loan Book

- For the European PF loans, despite the difficult hospitality operating conditions, the 33%-owned FSMC group, which owns 95% of the Dutch Bilderberg hotel portfolio, has been able to fully service the interest on the loan owed to the Group in FY2020. However, FSMC may exercise its right to defer interest payment during FY2021 if the hospitality trading remains weak due to the second lockdown in Europe and the traditionally weak winter season.

Thank You

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