First Sponsor Group Limited
Investor Presentation
27 July 2018

Redevelopment of Munthof, Amsterdam
Artist’s impression

Contents

Section 1 Key Message

Key Message

1. The Group achieved a net profit of S$12.1 million in 2Q2018, a 28.9% quarter on quarter growth.

2. The Board has approved an interim tax-exempt (one-tier) cash dividend of 1.0 Singapore cent per share for FY2018. Taking into account the dividends to be paid in respect of the bonus shares issued in April 2018, the expected interim dividend payment would be a 10% increase as compared to that of last year. Since its IPO in July 2014, the Group has steadily increased its total annual dividend pay out to shareholders in line with the good performance of the Group.

3. During the quarter, another mortgaged property in relation to the Case 2 defaulted loans was successfully auctioned off and the auction proceeds were duly received by the court. The recovery of Case 2 defaulted loans and its associated penalty interest income has been successful and will be completed soon. The cumulative interest income earned on Case 2 defaulted loans as at 30 June 2018 was RMB213.9 million.

4. Arising from the credit tightening in the PRC, the Group has seen a tremendous increase in property financing opportunities during the quarter. The PRC property financing loan book increased by 36% during the quarter to RMB1,609 million. The Group looks forward to the increase in profit contribution from this business segment and will continue to grow this business in a prudent manner.

Key Message

5. In Dongguan, the six residential blocks of the Star of East River project ("SoER") are almost fully sold. The SOHO component of the project comprising more than 2,300 units is expected to be launched for sale in the course of the year.

6. Encouraged by the continuous strong demand for residential units in Dongguan, the Group has once again teamed up with Vanke and other experienced local developers to submit a bid to acquire and develop land in the heart of Nancheng, Dongguan, for primarily residential purposes. The consortium has been awarded the contract for the project. The co-operation with Vanke is carried out via the SoER project vehicle, with the Group having an economic interest of over 20%.

7. The Group entered into a sale and purchase agreement in May 2018 and a supplemental agreement in July 2018 in relation to the disposal of certain parts of Chengdu Cityspring, including the 196-room M Hotel Chengdu, bare shell commercial spaces and basement carpark lots, for a total cash consideration of approximately RMB465.0 million (approximately S$97.4 million). The disposal is to be completed in tranches, with the last tranche expected to be completed in May 2019. To date, the Group has collected RMB145 million (S$30.4 million) cash from the sale and RMB295,000 (S$62,000) of liquidated damages.

Key Message

8. The Group's 31.4%-owned indirect associated company, Queens Bilderberg (Nederland) B.V., has completed the disposal of the Bilderberg Landgoed Lauswolt hotel in early July 2018. The 65-room five-star hotel in the northern part of the Netherlands was sold at an agreed commercial value of €6.9 million (S$10.8 million), which represents a premium of 186% over its allocated acquisition cost.

9. With the completion of the rights issue in April 2018, the Group has further strengthened its balance sheet and is ready to capitalise on good business opportunities in the Netherlands, Germany, PRC and other regions.

Section 2 Financial Highlights

2.1 Statement of Profit or Loss - Highlights

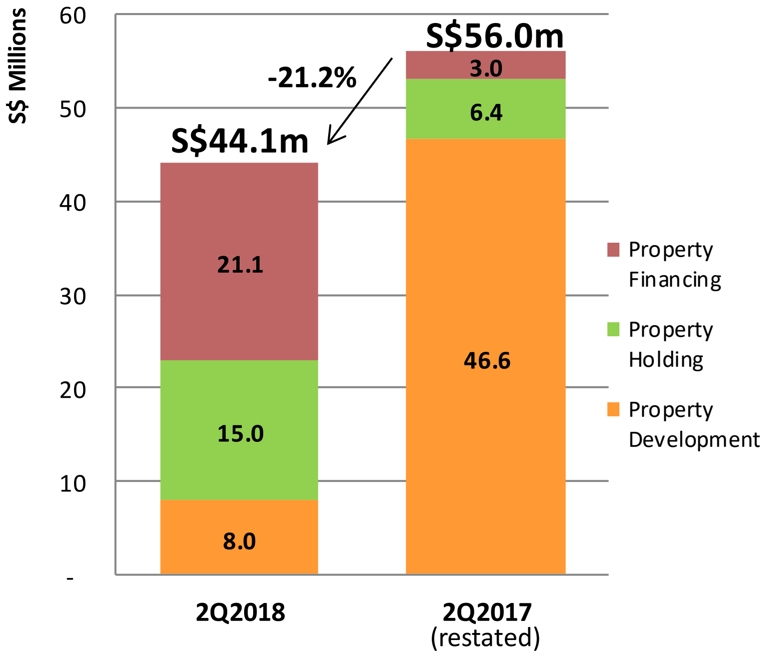
Statement of Profit or Loss - Highlights

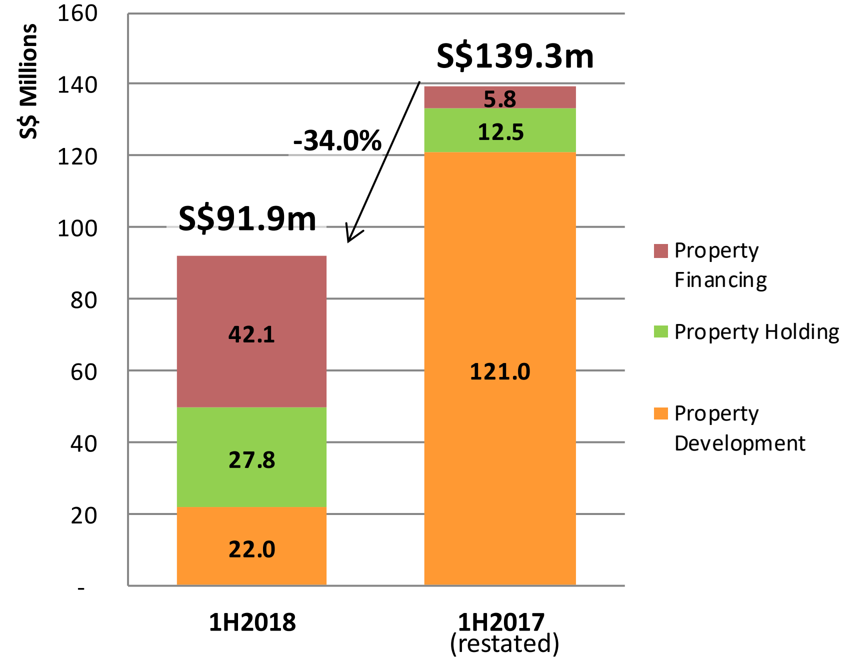
In S$'000	2Q2018	2Q2017 (restated)	Change %	1H2018	1H2017 (restated)	Change %
Revenue [1]	44,112	56,006	(21.2%)	91,916	139,291	(34.0%)
Gross profit [1]	27,878	24,446	14.0%	58,534	48,808	19.9%
Profit before tax	15,662	14,367	9.0%	37,556	33,622	11.7%
Attributable profit [2]	12,073	9,368	28.9%	29,195	23,603	23.7%
Basic EPS (cents) [3]	1.66	1.44	15.1%	4.30	3.64	18.2%
Diluted EPS (cents) [3]	1.57	1.44	9.0%	4.12	3.64	13.3%
Interest cover [4]	n.m [5]	101.4x	n.a.	n.m [5]	33.1x	n.a.

(1) Interest income from loans extended to its European associates and joint ventures is classified as part of the Group's property financing income and its associated financing costs are classified as 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) The prior period comparatives have been restated for the effect of the bonus shares.
(4) Interest cover = PBT (excluding accounting interest due to or from financial institutions) ÷ net accounting interest expense due to or from financial institutions.
(5) The Group has net interest income from financial institutions.

2.2 Statement of Profit or Loss – Revenue

Revenue





Property Development

The decrease in 2Q2018 was due mainly to there being no handover of residential units from the Millennium Waterfront project as compared to 319 residential units handed over in 2Q2017.

Property Holding

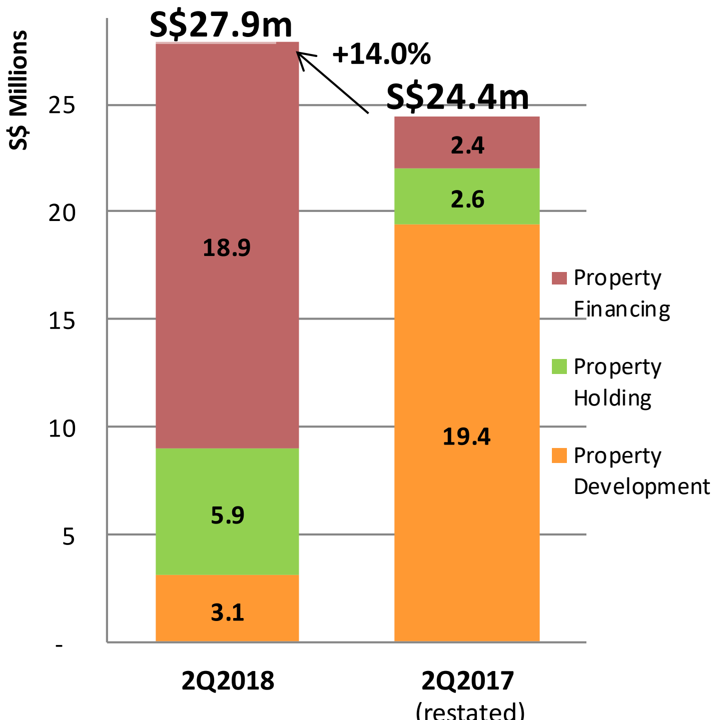
The increase in 2Q2018 was due largely to full quarter revenue contribution from the recently acquired Hilton Rotterdam hotel which was leased by the Group with effect from 1 February 2018 and higher revenue contributions from the Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels.

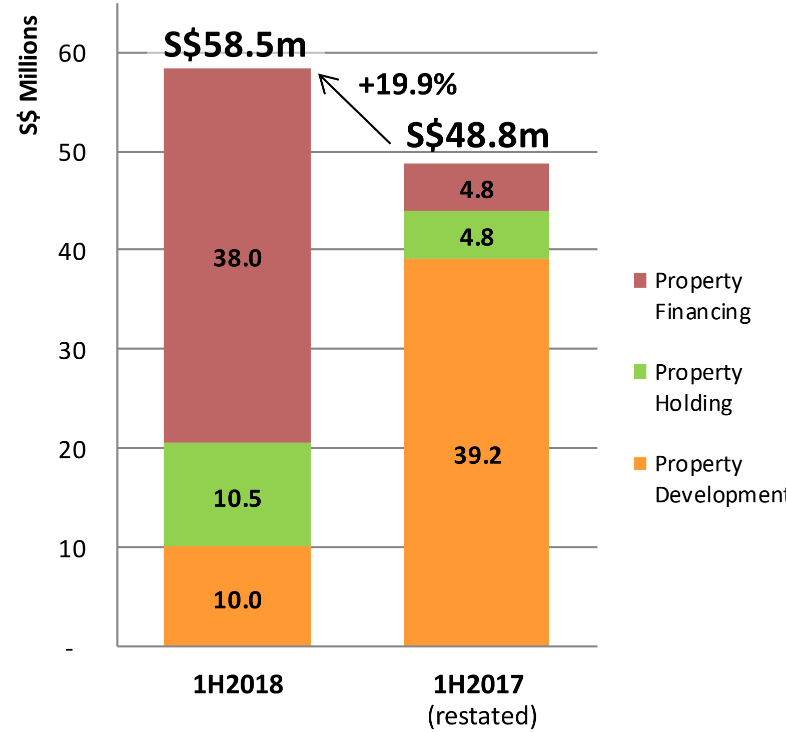
Property Financing

The increase in 2Q2018 was due to recognition of penalty interest income for Case 2 and a larger loan portfolio.

2.3 Statement of Profit or Loss – Gross Profit

Gross Profit





Property Development

The decrease in gross profit of S$16.3m in 2Q2018 was due mainly to there being no handover of residential units from the Millennium Waterfront project in 2Q2018 as compared to 319 residential units handed over in 2Q2017.

Property Holding

The increase was due mainly to the full quarter income contribution from the Hilton Rotterdam hotel which was leased by the Group with effect from 1 February 2018 and higher gross profit contributions from the Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels.

Property Financing

The increase in 2Q2018 was due to recognition of penalty interest income for Case 2 and a larger loan portfolio.

2.4 European Property Portfolio Performance

In S$'000	2Q2018	2Q2017	Change %	1H2018	1H2017	Change %
Dutch office income	**5,296**	**5,628**	**(5.9%)** (3)	**10,854**	**10,804**	**0.5%**
European hotel income	**13,474**	**1,539**	**775.5%**	**17,217**	**3,062**	**462.3%**
- Operating hotels(1)	10,472	(4) -	n.m.	11,372	-	n.m.
- Leased hotels(2)	3,002	(5) 1,539	95.1%	5,845	3,062	90.9%
Total	**18,770**	**7,167**	**161.9%**	**28,071**	**13,866**	**102.4%**

(1) Includes the Bilderberg Portfolio and Hilton Rotterdam hotel.

(2) Includes the Le Méridien Frankfurt hotel and Arena Towers Amsterdam (Holiday Inn/Holiday Inn Express).

(3) Due mainly to lower rent contribution from Mondriaan Tower arising from temporary vacancy, offset by income contribution from the Meerparc office property which was acquired in late 2017.

(4) Relates to the performance of the Bilderberg Portfolio and Hilton Rotterdam hotel which were acquired in August 2017 and January 2018 respectively.

(5) Due mainly to contribution from Le Méridien Frankfurt hotel which was acquired in January 2018.

Excluding Poortgebouw, Boompjes, Dreeftoren, Oliphant and Munthof, the Dutch office portfolio and European leased hotels (LFA: 122,349 sqm, occupancy of 89%) have a WALT of approximately 10.0 years.

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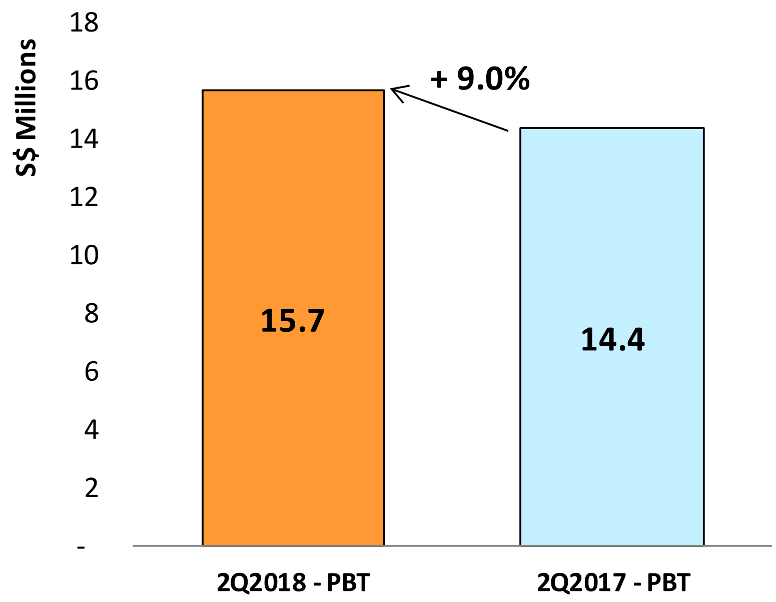
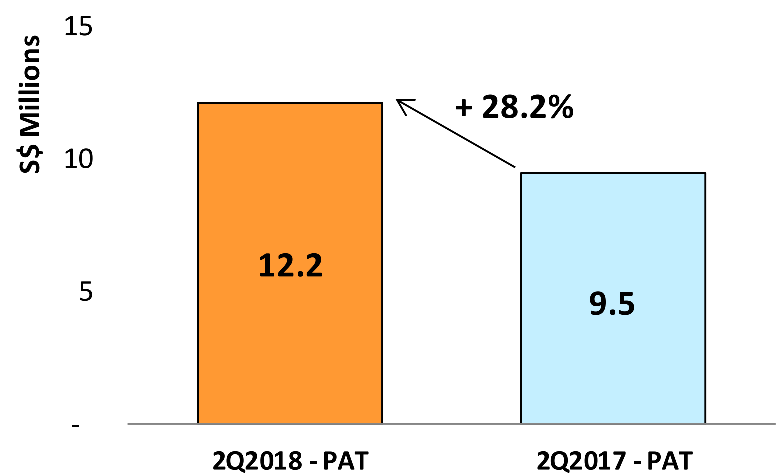
2.5 Statement of Profit or Loss – 2Q2018 vs 2Q2017





The increase in profit before tax was due mainly to:

- Higher gross profit contributions from the property financing and property holding business segments [S$19.8m increase]

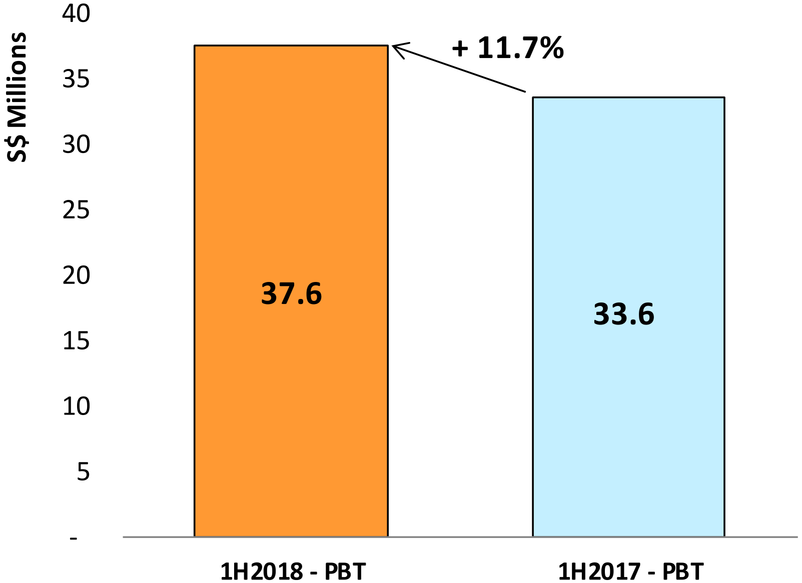
The increase was partially offset by:

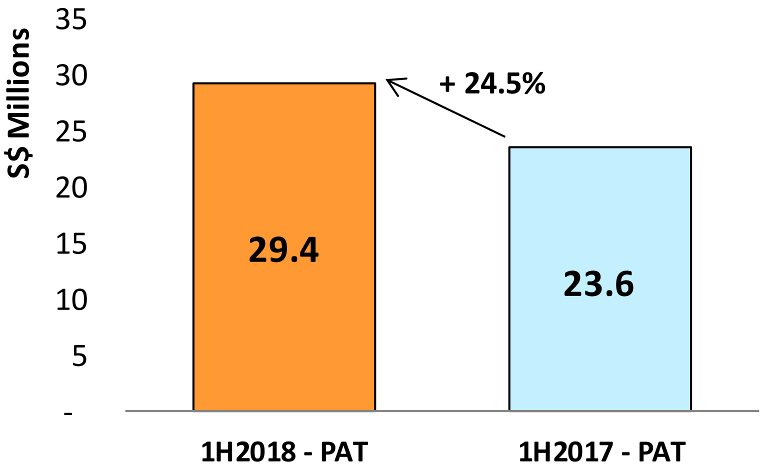
- Lower gross profit contribution from the property development business segment [S$16.3m decrease]

- Higher operating expenses incurred arising mainly from the operations of the Hilton Rotterdam hotel [S$2.4m increase]

The adjusted effective tax rate was 25.4% for 2Q2018.

2.6 Statement of Profit or Loss – 1H2018 vs 1H2017





The increase in profit before tax was due mainly to:

- Higher gross profit contribution from the property financing and property holding business segments [S$38.9m increase]
- Higher fair value gain (net) on cross-currency swaps net of foreign exchange loss [S$3.8m increase]

The increase was partially offset by:

- Lower gross profit contribution from the property development business segment [S$29.2m decrease]
- Lower share of results from associates and joint ventures [S$5.2m decrease]
- Higher administrative expenses incurred arising mainly from the operations of the Hilton Rotterdam hotel [S$3.2m increase]

The adjusted effective tax rate was 24.5% for 1H2018.

2.7 Statement of Financial Position – Highlights

Statement of Financial Position - Highlights			
In S$'000	**30-Jun-18**	**31-Mar-18**	**Change %**
Total assets	2,405,715	2,345,007	2.6%
Cash and structured deposits [(1)]	290,978	363,043	(19.9%)
Receipts in advance	262,556	199,001	31.9%
Total debt [(2)]	640,791	780,281	(17.9%)
Net asset value (NAV)[(3)]	1,285,797	1,112,277	15.6%
NAV per share (cents)	198.18	188.58	5.1%
Adjusted NAV per share (cents)[(4)]	161.48	n.m.	n.m.
Gearing ratio [(5)]	0.28x	0.38x	n.m.

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

(2) Comprises gross borrowings of S$651.0m and S$791.5m net of unamortised upfront fee of S$10.2m and S$11.2m for 30 June 2018 and 31 March 2018 respectively.

(3) NAV excludes non-controlling interests and includes perpetual convertible capital securities ("PCCS") of S$161.5m and translation reserve of S$59.7m (Mar 2018: S$52.0m).

(4) Represents NAV per share adjusted for full conversion of PCCS to ordinary shares.

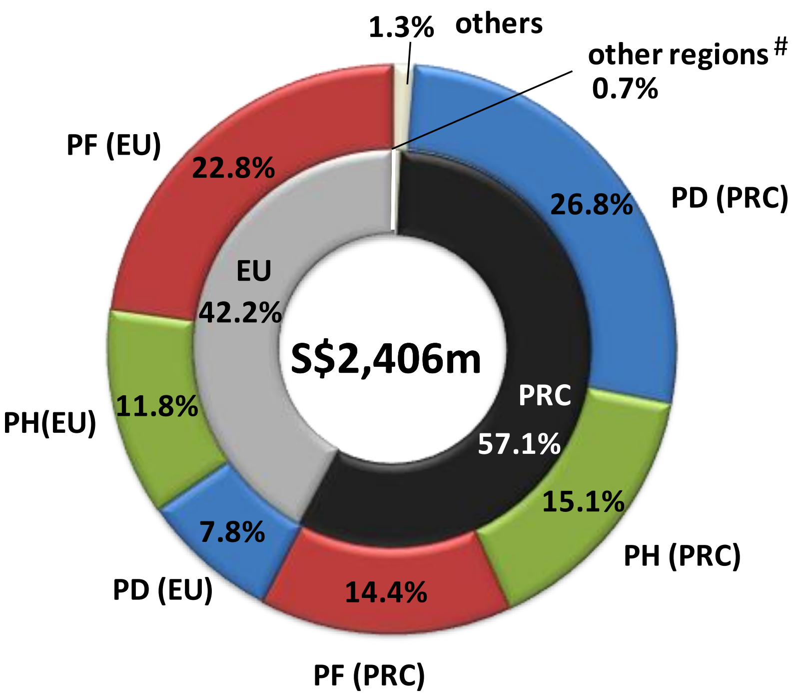
(5) Computed as net debt ÷ total equity including non-controlling interests.
Net debt = gross borrowings – cash and structured deposits.

2.8 Statement of Financial Position - Total Assets

Total Assets – by business and geographic segments

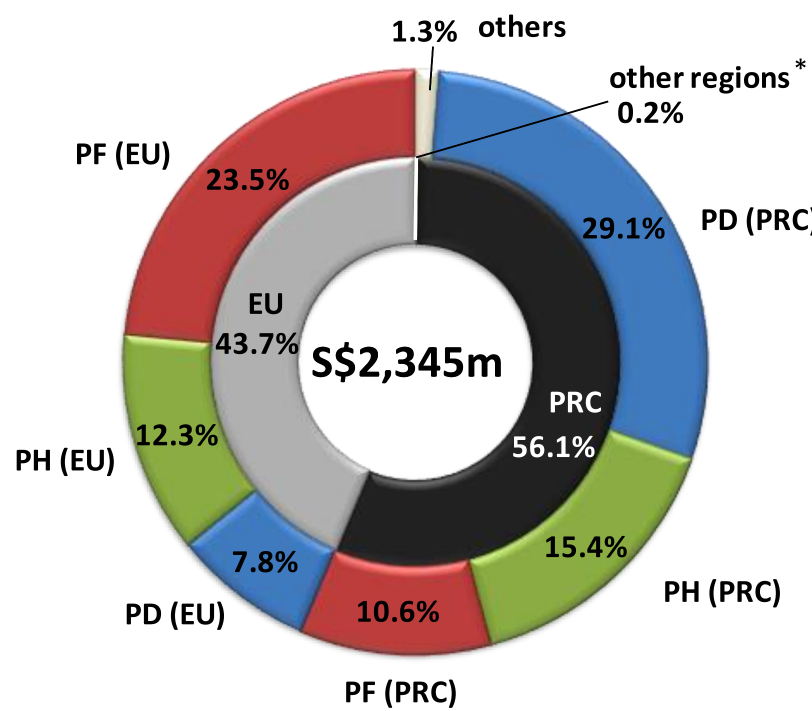
As at 30 June 2018

Total assets: S$2,406m



As at 31 March 2018

Total assets: S$2,345m

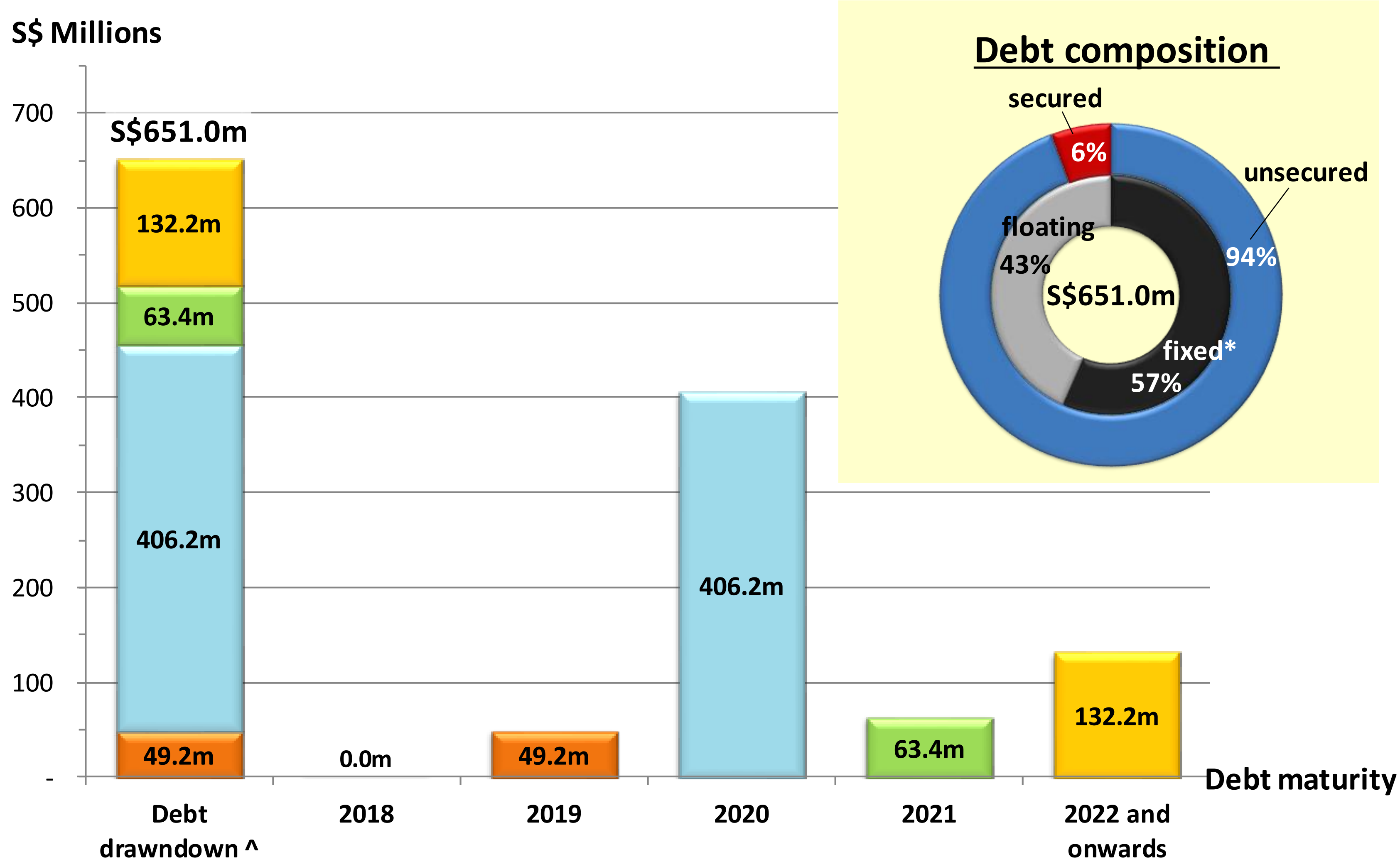


Includes S$12.3m cash held in Singapore/Hong Kong bank accounts.

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

* Includes S$4.5m cash held in Singapore/Hong Kong bank accounts.

2.9 Debt Maturity and Composition as at 30 June 2018



* Done via cross currency swaps

^ Available remaining headroom of S$316.4m comprises S$237.7m of committed and S$78.7m of uncommitted credit facilities

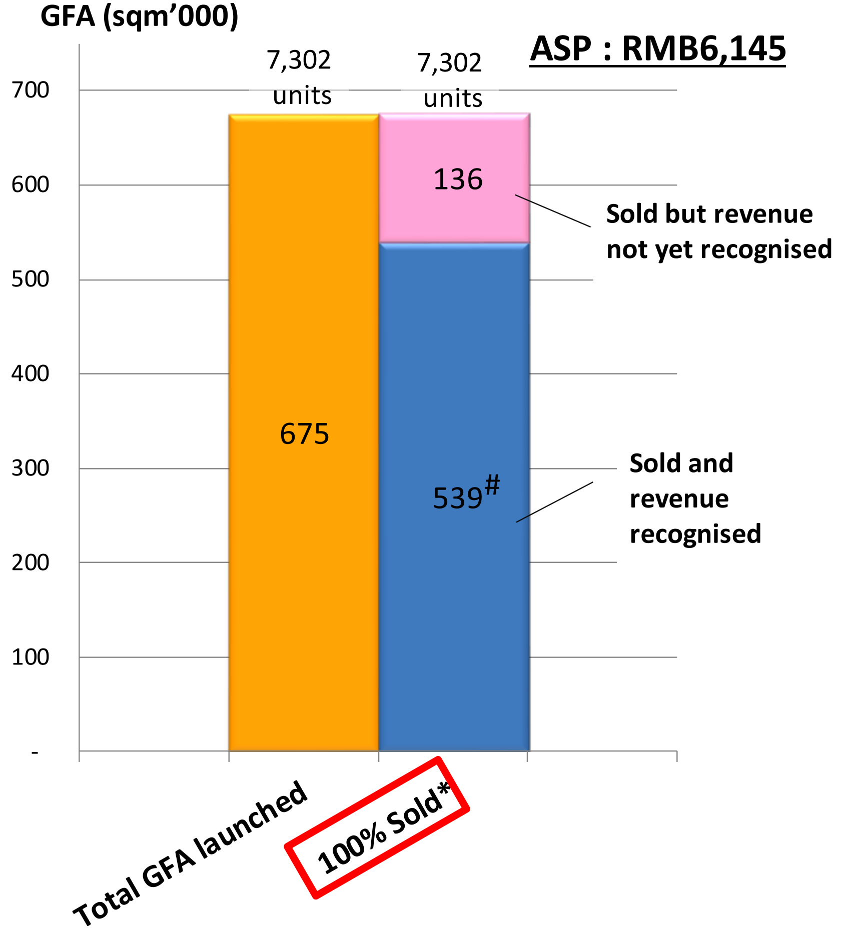
Section 3

Key Business Review 2Q2018 – Property Development

3.1 Property Development – Millennium Waterfront Project, Chengdu

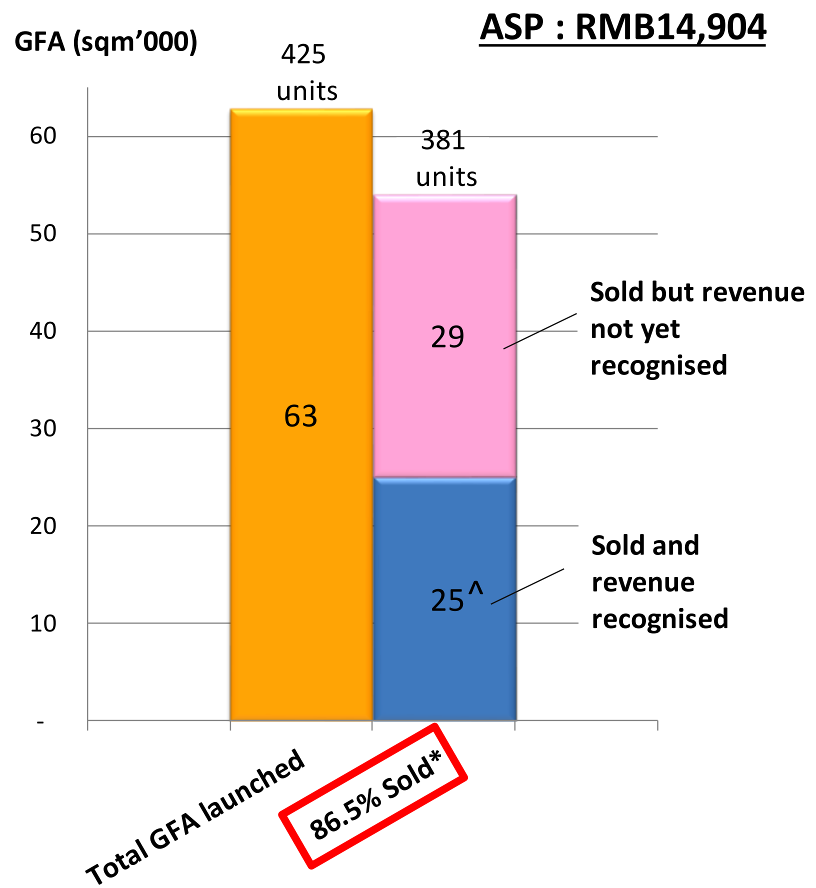
Pre-sale Performance as at 30 June 2018

Overall Residential



Commercial

(Plots A-D, excluding carparks)



\# Residential : recognised 5,850 units, 538,583 sqm GFA, S$665.9m gross sales value as at 30 June 2018.
^ Commercial : recognised 185 units, 24,543 sqm GFA, S$74.4m gross sales value as at 30 June 2018.
* Includes sales under option agreements or sale and purchase agreements, as the case may be.

3.1 Property Development – Millennium Waterfront Project, Chengdu

Plot A
- 2,000 residential units, 118 commercial units and 1,718 car park lots
- % of total saleable GFA launched for sale sold[3]:
  - Residential: 100.0%
  - Commercial: 81.6%
- Cumulative handover of 1,921 residential and 62 commercial units as at 30 June 2018

Plot D
- 1,274 residential units, 66 commercial units, 1,295 car park lots and two commercial blocks
- % of total saleable GFA launched for sale sold[3]:
  - Residential: 100.0%
  - Commercial: 95.3%
- Expected to commence handover of residential units from 4Q2018

Plot C
- 1,778 residential units, 91 commercial units and 1,508 car park lots
- % of total saleable GFA launched for sale sold[3]:
  - Residential: 100.0%
  - Commercial: 76.5%
- Cumulative handover of 1,771 residential and 47 commercial units as at 30 June 2018

Plot B
- 2,250 residential units, 96 commercial units, 1,905 car park lots and a three-storey commercial building
- % of total saleable GFA launched for sale sold[3]:
  - Residential: 100.0%
  - Commercial: 93.5%
- Cumulative handover of 2,158 residential and 76 commercial units as at 30 June 2018

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

Plots E&F
- Expected to comprise elderly care living quarters, a hospital and ancillary commercial facilities
- Construction will commence in the second half of 2018, with primary focus initially on Plot F

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 30 June 2018 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

Residential Blocks

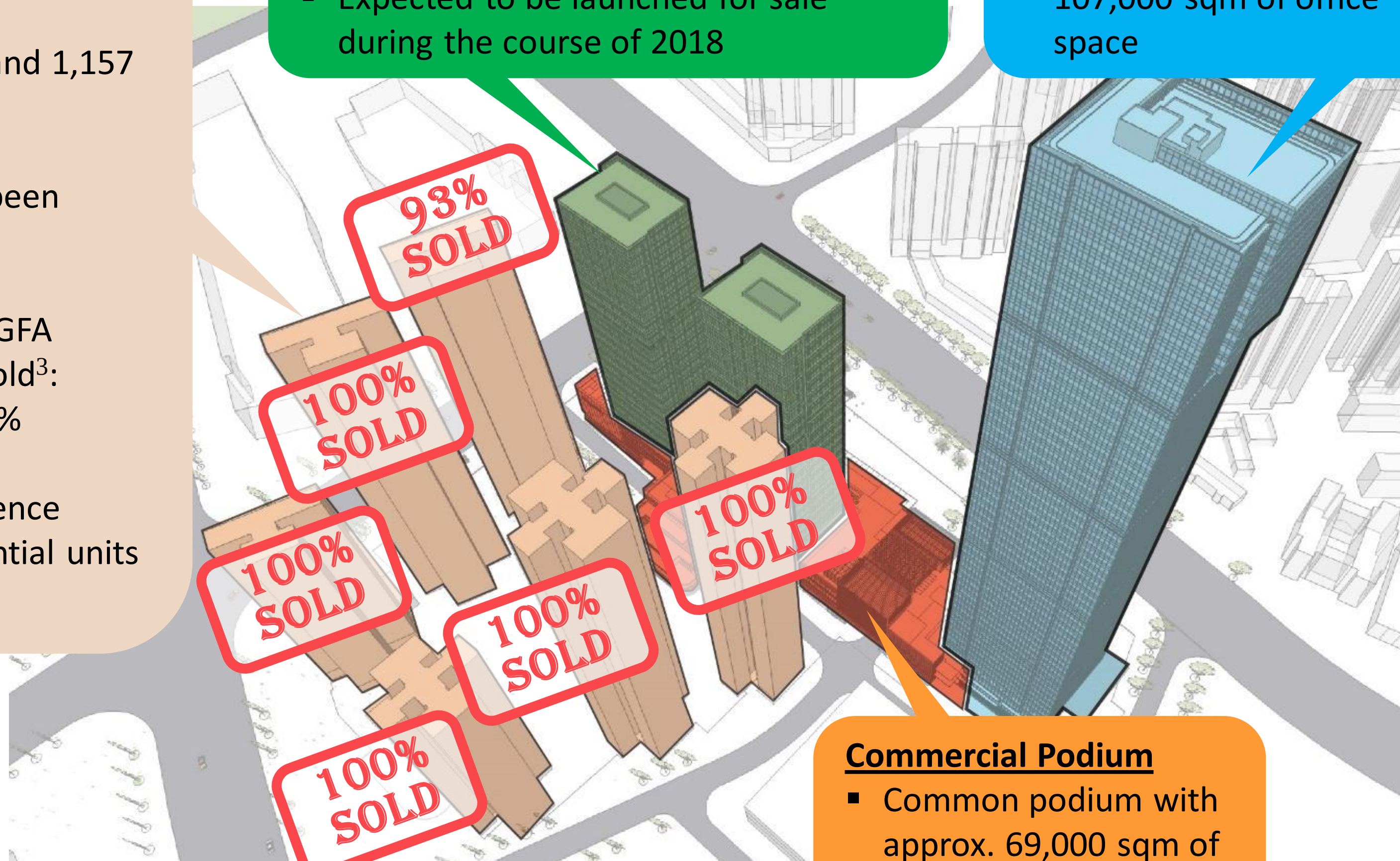
- Comprise six blocks of approx. 1,221 residential units, 2,011 sqm of commercial space and 1,157 car park lots
- All six blocks have been launched for sale.
- % of total saleable GFA launched for sale sold[3]:
  - Residential: 98.8%
- Expected to commence handover of residential units from 1Q2019

SOHO Blocks

- Comprise two blocks of approx. 2,332 SOHO units
- Expected to be launched for sale during the course of 2018

Office Block

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



Commercial Podium

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

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 30 June 2018 and includes sales under option agreements or sale and purchase agreements, as the case may be.

3.3 Property Development – New Development Project in Dongguan

- Encouraged by the continuous strong demand for residential units in Dongguan, the Group has once again teamed up with Vanke and other experienced local developers to submit a bid to acquire and develop land in the heart of Nancheng, Dongguan, for primarily residential purposes.

- The consortium has been awarded the contract for the project through a competitive land tender exercise in which there were a total of 9 bidders.

- The co-operation with Vanke is carried out via the SoER project vehicle, with the Group having an economic interest of over 20%.

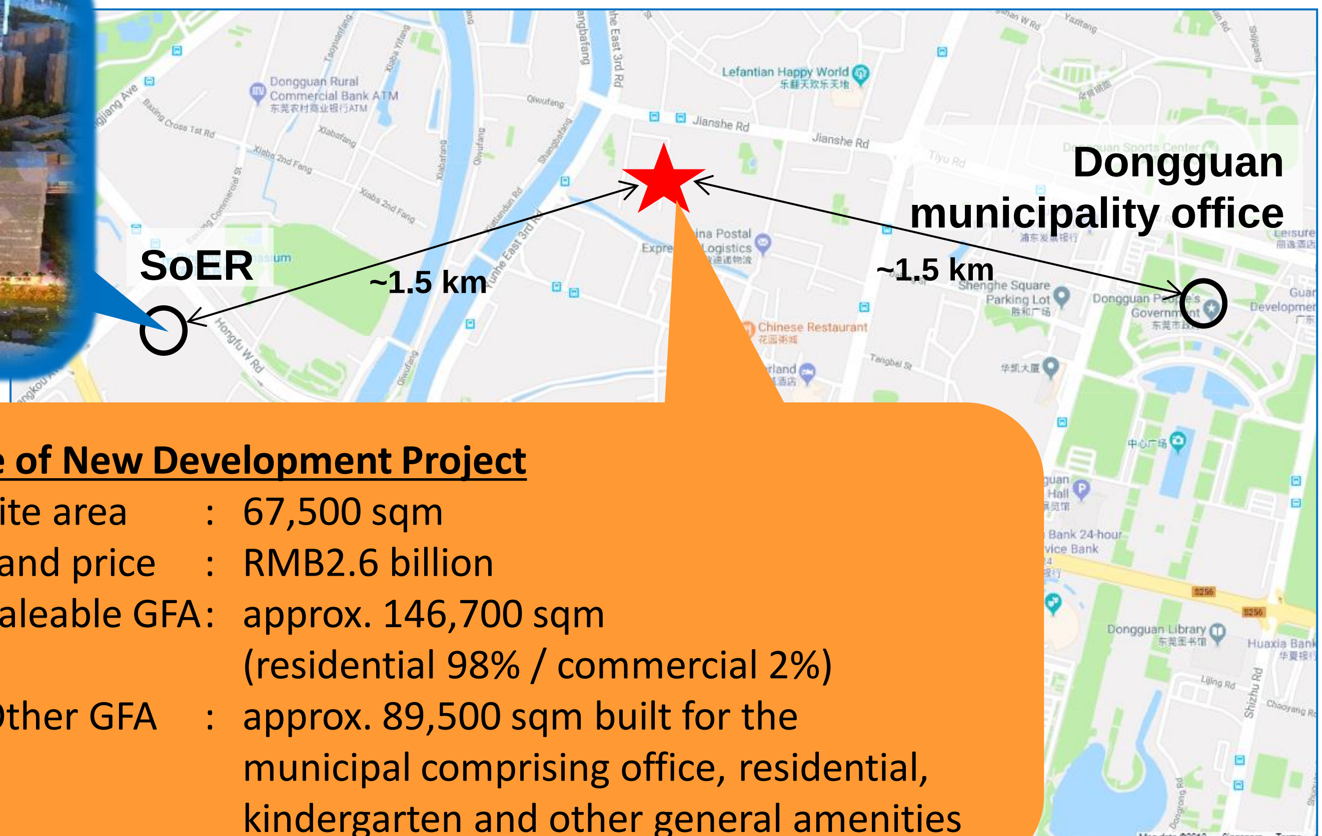
- The salient conditions attached to the project are as follows:

  1. Offices and residential apartments with ancillary facilities such as bus interchange and other general amenities are to be built for the Nancheng municipality, which constitute approximately 40% of the development project by GFA.

  2. The remaining 60% of the development project comprises mainly residential villas and apartments which are available for sale, except that 20% of the development for sale will have to be kept for a minimum holding period of 5 years.

3.3 Property Development – New Development Project in Dongguan

- The development is in a prime residential location in Dongguan. Nearby amenities include shopping malls, hotels, schools and healthcare facilities. The Dongguan municipality office and SoER project are both approximately 1.5 km away from the development.



<u>Site of New Development Project</u>

- Site area : 67,500 sqm
- Land price : RMB2.6 billion
- Saleable GFA : approx. 146,700 sqm (residential 98% / commercial 2%)
- Other GFA : approx. 89,500 sqm built for the municipal comprising office, residential, kindergarten and other general amenities

Dongguan, PRC

3.4 Property Development – Oliphant, Amsterdam Southeast

Oliphant Office Redevelopment

- The redevelopment of the Oliphant office property is progressing well and when completed, it is expected to have a more than 50% increase in lettable floor area from 14,109 sqm to approximately 21,400 sqm.

- The Group has entered into lease proposals with two tenants for the Oliphant Amsterdam office, which will be fully renovated by early 2019. The two tenants are expected to take up approximately 59% of the newly renovated office property on a long term lease basis. Once the two lease agreements are signed, the Group will set a new record in rental level for office properties in Amsterdam Southeast.

- The Group is in advanced discussions with other potential tenants and is hopeful that the property will be substantially leased before its completion.

Artist's impression

3.5 Property Development – Dreeftoren, Amsterdam Southeast

- **<u>Dreeftoren Residential Development</u>**
  The Group has reached an agreement with the municipal for the construction of a residential block to be developed next to the Dreeftoren office building which will also be substantially refurbished and upsized.

- **<u>Dreeftoren Office Redevelopment</u>**
  The Group will be undergoing an asset enhancement initiative to improve the quality of the office block and to increase its net lettable area by approximately 28% to 11,243 sqm.

- **The Group will be embarking on the next step to procure the building permits for the residential development and office redevelopment.**

* The artist's impressions for Dreeftoren residential and office towers are not drawn to scale.

Section 4 Key Business Review 2Q2018 – Property Holding

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

Crowne Plaza	2Q2018	2Q2017	Change	1H2018	1H2017	Change
Occupancy	50.5%	25.0%	25.5%	46.2%	24.4%	21.8%
ADR	RMB331	RMB304	8.8%	RMB339	RMB306	11.0%
RevPar	RMB167	RMB76	119.9%	RMB157	RMB74	110.5%

Holiday Inn Express	2Q2018	2Q2017	Change	1H2018	1H2017	Change
Occupancy	54.5%	40.0%	14.5%	55.7%	37.6%	18.1%
ADR	RMB253	RMB210	20.9%	RMB267	RMB204	30.7%
RevPar	RMB138	RMB84	64.7%	RMB149	RMB77	93.5%

- The Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels continue to gain market share along with increased ADR. RevPar for both hotels for 1H2018 is about twice that achieved in 1H2017.

4.2 Property Holding – Sale of Certain Parts of Chengdu Cityspring

The Group entered into a sale and purchase agreement in May 2018 and a supplemental agreement in July 2018 in relation to the disposal of certain parts of Chengdu Cityspring, including the 196-room M Hotel Chengdu, bare shell commercial spaces and basement carpark lots, for a total cash consideration of approximately RMB465.0 million (approx. S$97.4 million).

The disposal is to be completed in tranches, with the last tranche expected to be completed in May 2019.

First Instalment (RMB206.5m)
Replacement Deposit (RMB28.5m)

The Group has collected RMB145m cash from the sale. → Interim First Tranche Properties to be transferred

RMB90m expected to be received by 24 Nov 2018 → To transfer 20th to 29th floors of Block 9 (substantial portion of M Hotel Chengdu)

Second Instalment (RMB152.1m)
(utilise RMB15.1m of Replacement Deposit)

RMB137m expected to be received by 24 Nov 2018. Relevant parts of the Property to be transferred accordingly

Final Instalment (RMB106.4m)
(utilise RMB13.4m of Replacement Deposit)

RMB90m expected to be received by 27 May 2019. Relevant parts of the Property to be transferred accordingly

Reference is made to the announcements dated 30 May 2018 and 12 July 2018.

4.3 Property Holding – Dutch Operating Hotels

Bilderberg Portfolio	2Q2018	2Q2017	Change	1H2018	1H2017	Change
Occupancy	75.3%	72.1%	3.2%	64.7%	60.1%	4.6%
ADR	€ 106	€ 102	3.5%	€ 101	€ 97	4.1%
RevPar	€ 80	€ 74	8.1%	€ 66	€ 59	12.1%
TrevPar	€ 153	€ 148	3.5%	€ 130	€ 121	7.5%

Landgoed Lauswolt hotel,
Beetsterzwaag, the Netherlands

The disposal of the Bilderberg Landgoed Lauswolt hotel was completed in early July 2018. The 65-room five-star hotel in the northern part of the Netherlands was sold at an agreed commercial value of €6.9 million, which represents a premium of 186% over its allocated acquisition cost.

4.3 Property Holding – Dutch Operating Hotels

Hilton Rotterdam	2Q2018	2Q2017	Change	1H2018	1H2017	Change
Occupancy	84.4%	81.1%	3.3%	74.9%	74.7%	0.2%
ADR	€ 151	€ 136	11.2%	€ 143	€ 133	8.2%
RevPar	€ 127	€ 110	15.8%	€ 107	€ 99	8.6%

The Hilton Rotterdam hotel achieved RevPar growth of more than 15% quarter on quarter due mainly to an increase in room rates which translated to a higher flow through to EBITDA.

Section 5 Key Business Review 2Q2018 – Property Financing

5.1 Property Financing - Overview of Financial Performance

In S$'000	2Q2018	2Q2017	Change %	1H2018	1H2017	Change %
Secured PRC entrusted loans to 3rd parties						
- interest	2,525	787	220.8%	3,735	1,526	144.8%
- penalty interest	5,056	-	n.m.	12,729	104	n.m.
Unsecured loans to the Group's members	-	-	-	-	-	-
- FSMC Group	9,025	2,084	333.1%	16,999	4,022	322.7%
- Star of East River Project Co [(1)]	3,794	-	n.m.	7,554	-	n.m.
- Dongguan East Sun Limited [(1)]	386	-	n.m.	769	-	n.m.
Others	261	78	234.6%	334	138	142.0%
Total PF Revenue	**21,047**	**2,949**	**613.7%**	**42,120**	**5,790**	**627.5%**

(1) 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
2Q2018	12.0 (1)	27.3%	11.6 (1)	74.2%
2Q2017 (restated)	0.9	1.5%	1.2	8.6%
1H2018	25.1 (1)	27.3%	24.4	64.9%
1H2017 (restated)	1.8	1.3%	2.6	7.7%

	Average Third Party Loan Balance (2) for the quarter ended	Average Third Party Loan Balance for the year to date ended	Third Party Loan Balance (2) as at
30 June 2018	RMB1,335.7m (S$277.7m)	RMB1,260.5m (S$262.1m)	RMB1,609.0m (S$337.1m)
31 March 2018	RMB1,184.6m (S$246.6m)	RMB1,184.6m (S$246.6m)	RMB1,184.6m (S$246.6m)

(1) The Group has recognised RMB5.4m (S$1.1m) and RMB19.0m (S$4.0m) of penalty interest from the foreclosure actions for Loan 2.6 and Loan 2.7 respectively in 2Q2018. The cumulative penalty interest of RMB117.6m (S$24.4m) as at 30 June 2018 for the Case 1 defaulted loan has not been recognised. See further updates in Page 33.

(2) Includes the defaulted loan cases.

5.3 PRC Entrusted Loans - Current Loan Book

- Arising from the credit tightening in the PRC, the Group has seen a tremendous increase in property financing opportunities during the quarter. The PRC property financing loan book had increased by 36% during the quarter to RMB1,609 million as at 30 June 2018.

- The PRC entrusted loans to third parties are mainly secured on high quality real estate properties located in prime locations of Shanghai with loan to value ratio of around 50%.

- The Group looks forward to the increase in profit contribution from this business segment and will continue to grow this business in a prudent manner.

- Examples of collateralised properties in Shanghai:

Residential villa at the French Concession area (1,162 sqm)

Service apartments at The Bund (21,090 sqm)

5.4 Status of Problematic Loans – Case 1

Principal (RMB'm)	Court	Status	Applicable Interest rate p.a. (%)	Loan to Value ratio [a] (%)	Interest yet to be recognised (S$'m* net of VAT)	
					As of 30-6-2018	FY2018 Monthly
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: 88.3%)	24.4 [b]	0.9 [b]

(a) Adjusted LTVs include the cumulative unrecognised interest as of 30 June 2018.

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

- 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 22 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.

5.4 Status of Problematic Loans – Case 2

Case 2

- During the quarter, the Group received RMB105.2 million from Shanghai First Intermediate Court in relation to the full discharge of the loan principal and interest under Case 2.4. Separately, the mortgaged property for the remaining unsettled case under Case 2 defaulted loans had been successfully auctioned off and the auction proceeds of RMB46.1 million were duly received by the court.

- The recovery of Case 2 defaulted loans and its associated penalty interest income has been successful and will be completed soon. As at 30 June 2018, the Group had recovered more than 99% of its original Case 2 RMB470 million defaulted loans. The Group will continue to pursue the remaining RMB4.6 million loan principal and its associated interest.

- The cumulative interest income earned on Case 2 defaulted loans as at 30 June 2018 was RMB213.9 million.

Thank You

Disclaimer

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