



First Sponsor Group Limited

Investor Presentation

26 October 2016



Crowne Plaza Chengdu Wenjiang and
Holiday Inn Express Chengdu Wenjiang Hotspring

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Section 1

Key Message

Key Message

- 1. For 3Q2016, the Group achieved a 11.5% and 13.1% growth in revenue and net profit respectively, the eighth straight quarterly profit growth since IPO in spite of the current uncertain global economic conditions.**
- 2. This profit growth is mainly supported by the handover of additional residential units in Plot C of the Millennium Waterfront project. In addition, the Millennium Waterfront project has achieved its best quarter for the year so far with 373 residential units sold*, a 12% increase as compared to the previous quarter.**
- 3. Capitalising on this strong buying sentiment, the Group increased selling price by a few percentage points during September 2016 and made two further rounds of price increase in early October 2016. Pre-sales* have continued to be encouraging with 352 residential units sold during the first 3 weeks of October 2016. The Group is cautious of the current buying interest and will try to launch Plot D, the last and best residential plot in the Millennium Waterfront project, for sale as soon as possible to ride on this exceptional market demand.**

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



Key Message

4. **The joint venture with Vanke and Regent Land in relation to the Star of East River project has been set up on 12 October 2016. With Vanke taking over control of the project, the development plan and hence construction time line will be reviewed and modified where necessary. As such, construction is likely to only commence in 2017. In connection with the above transaction, the Group will receive approximately RMB1.2 billion of net proceeds of which the majority has been collected to-date.**

5. **On 27 September 2016, the Group has successfully acquired two commercial properties (known as the Dreeftoren and Blue Wings) located in Amsterdam Southeast for €12.15 million via a court auction relating to a bank foreclosure exercise. What is of particular interest is the Dreeftoren, which is strategically located next to the Arena Towers, possesses redevelopment potential and will also further strengthen the property holding portfolio of the Group in due course.**

Key Message

6. **Through the 33% owned FSMC, the Group is working towards signing a sales and purchase agreement with an established consortium of investors for the Boompjes redevelopment project in Rotterdam, thereby securing sales and forward funding way before the commencement of the project construction.**
7. **With regard to the property financing business segment, in spite of further positive development on the loan recovery process of the defaulted loans amounting to RMB640 million, the Group will continue to adopt a conservative approach of not recognising penalty interest income from these defaulted loans. The Group remains optimistic of the recovery of the loan principal sums and associated penalty interest in view of the positive court rulings and low loan to value ratios.**
8. **The Group continues to be on a disciplined quest for investment opportunities in the Netherlands, PRC and other regions. In this connection, the Group may tap on the debt and equity capital markets to fund its expansion plan.**

Section 2 **Financial Highlights**

2.1 Statement of Profit or Loss - Highlights

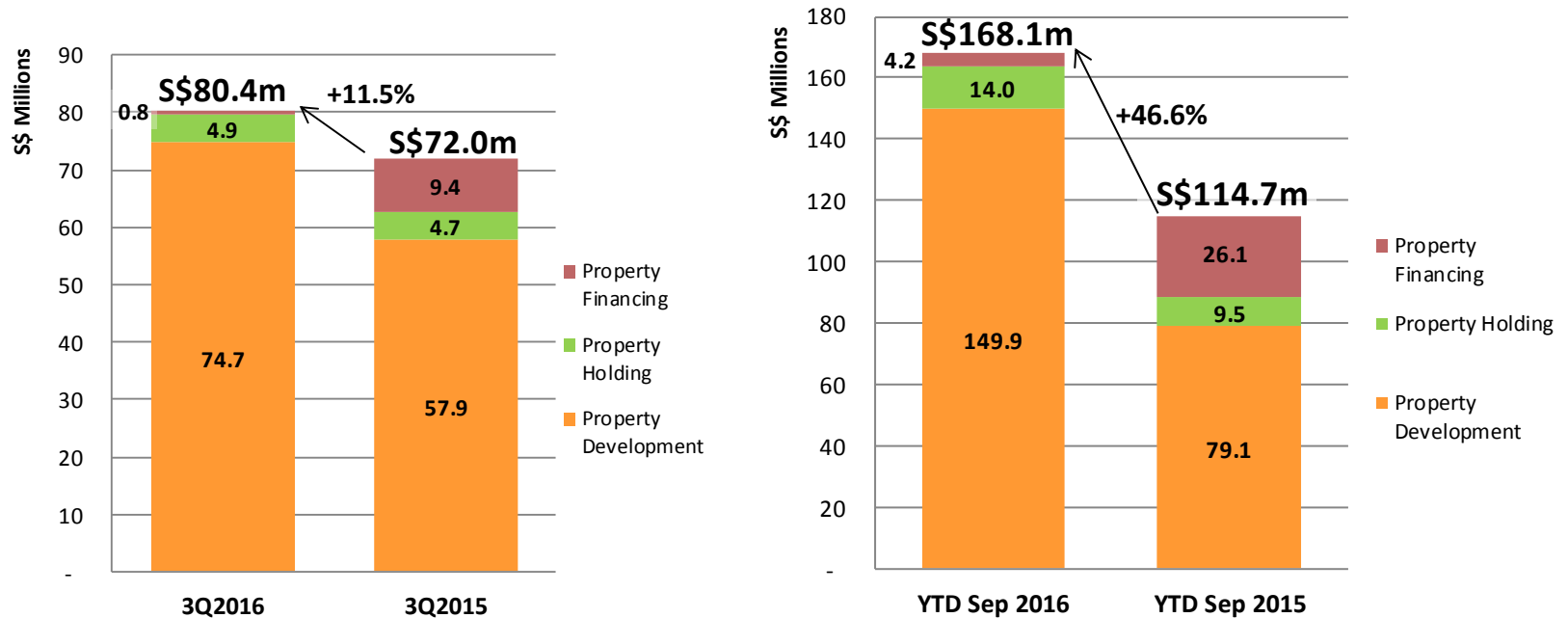
Statement of Profit or Loss - Highlights						
In S\$'000	3Q2016	3Q2015	Change %	YTD Sep 2016	YTD Sep 2015	Change %
Revenue	80,350	72,038	11.5%	168,119	114,666	46.6%
Gross profit	22,855	26,987	(15.3%)	51,258	53,444	(4.1%)
Profit before tax	23,584	22,629	4.2%	52,575	50,033	5.1%
Attributable profit ⁽¹⁾	19,333	17,094	13.1%	40,174	35,448	13.3%
Basic EPS (cents)	3.28	2.90	13.1%	6.81	6.01	13.3%
Interest cover ⁽²⁾	18.0x	40.6x	(22.6)x	13.8x	41.5x	(27.7)x

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

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

2.2 Statement of Profit or Loss – Revenue

Revenue



Property Development

The increase in 3Q2016 is due mainly to the significantly higher number of residential units from the Millennium Waterfront project being handed over in 3Q2016 (731 units) as compared to 3Q2015 (514 units).

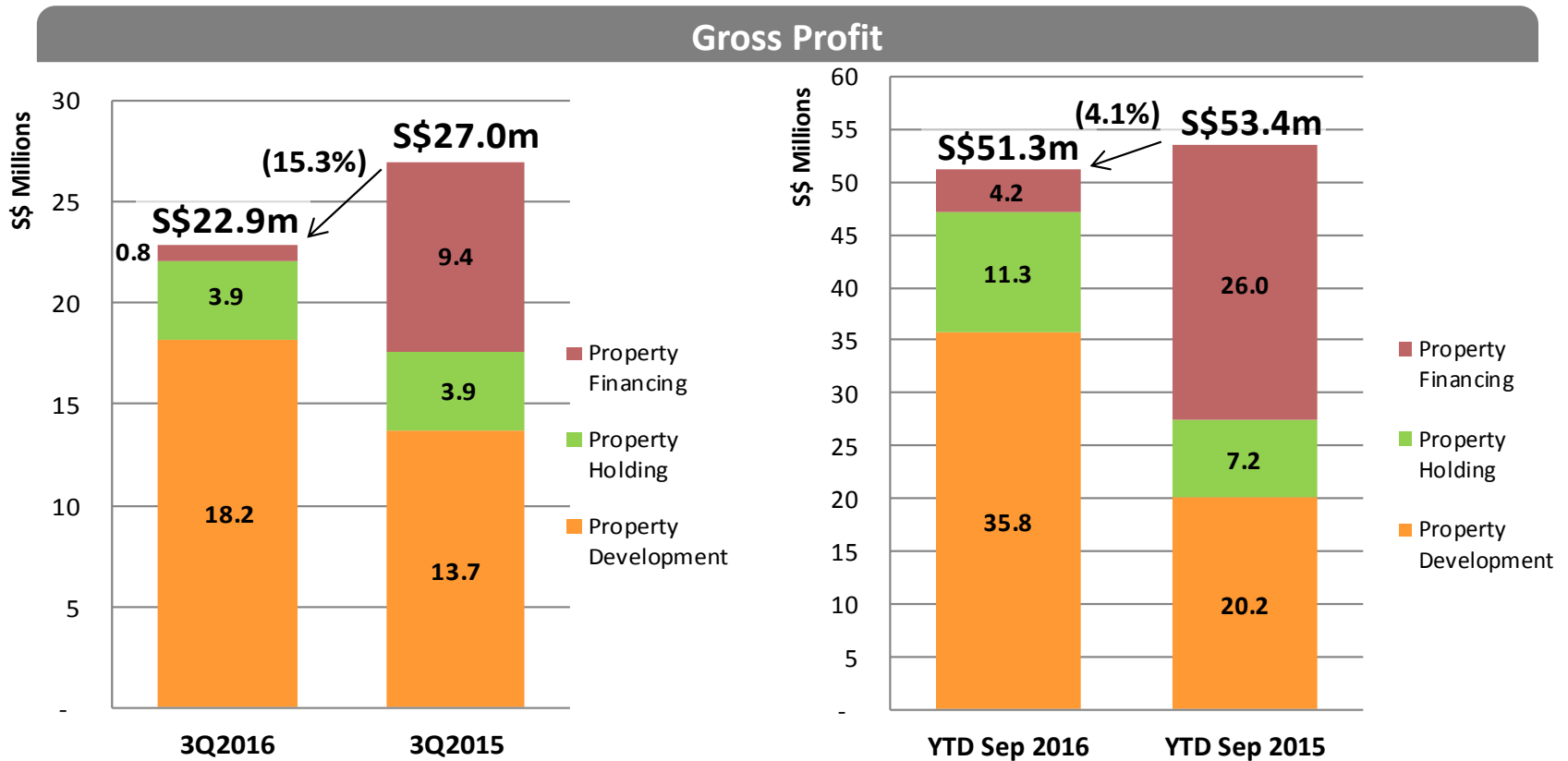
Property Holding

The slight increase in 3Q2016 is due mainly to service income from the FSMC Group.

Property Financing

The decrease in 3Q2016 is largely due to no interest income recognised on the loans that defaulted in December 2015 and January 2016 (refer to Case 1 and Case 2 in sections 5.2 and 5.3 respectively). Excluding the defaulted loans, the average loan balance in 3Q2016 is RMB90 million as compared to RMB996 million in 3Q2015.

2.3 Statement of Profit or Loss – Gross Profit



Property Development

Increase in gross profit of S\$4.5m in 3Q2016 is due mainly to the significantly higher number of residential units from the Millennium Waterfront project handed over in 3Q2016 as compared to 3Q2015.

Property Holding

Both Zuiderhof I and the Arena Towers that constituted the bulk of this business segment are fairly stable.

Property Financing

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

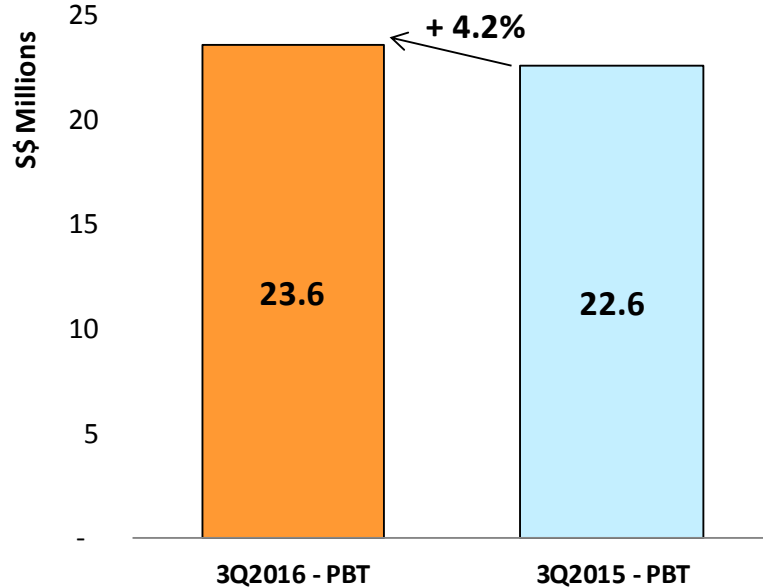
2.4 Income Contribution from the Dutch Operations

In S\$'000	3Q2016	YTD Sep 2016	
Revenue	3,461	10,318	Income generated from Zuiderhof I and Arena Towers
Cost of sales	(242)	(507)	
Gross profit	3,219	9,811	
Administrative expenses	(312)	(623)	Income generated from the FSMC operations
Share of FSMC's gain on disposal of non-core properties	(25) ⁽¹⁾	6,511	
Share of results of FSMC	211	694	
Interest income earned from FSMC	2,090	7,221	
Total	5,183	23,614	
Recurrent income	5,208	17,103	
Non-recurrent income	(25) ⁽¹⁾	6,511	
Total	5,183	23,614	

(1) Loss of S\$24k in 3Q2016 relates to exchange rate difference.

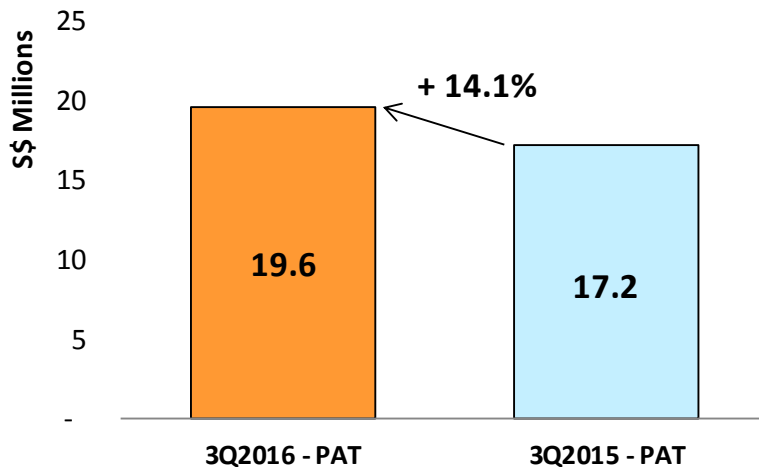
Excluding Boompjes and Terminal Noord properties which are currently under redevelopment, the Dutch leasing properties (LFA: 122,225 sqm, occupancy of 80% and WALT of approximately 7.8 years) have a net property income in excess of S\$26m (approximately €17m) per annum.

2.5 Statement of Profit or Loss – 3Q2016 vs 3Q2015



The increase in profit before tax is due mainly to:

- Higher gross profit contribution from the property development business segment [S\$4.5m increase]
- Lower administrative and selling expenses [S\$1.5m decrease]
- Lower fair value loss on cross-currency swap [S\$3.3m decrease]

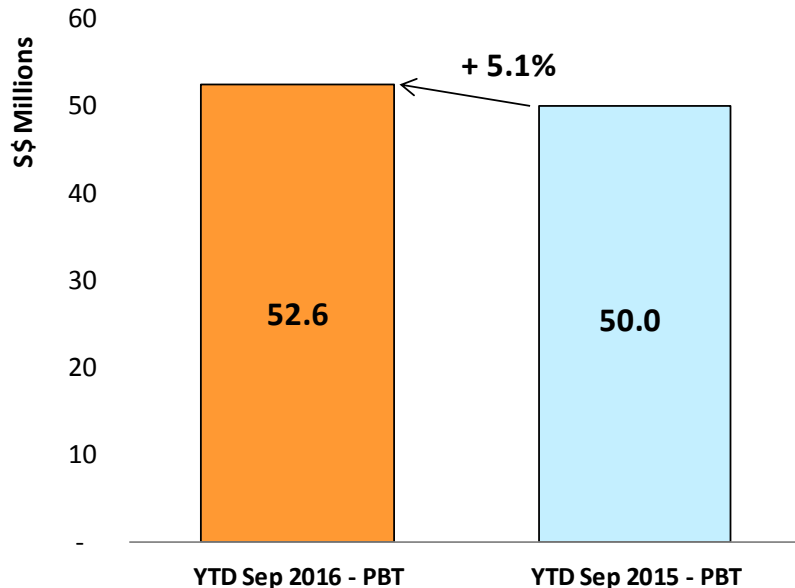


The increase is partially offset by:

- Lower gross profit contribution from the property financing business [S\$8.6m decrease]

The adjusted effective tax rate is 22.1% for 3Q2016.

2.6 Statement of Profit or Loss – YTD Sep 2016 vs YTD Sep 2015

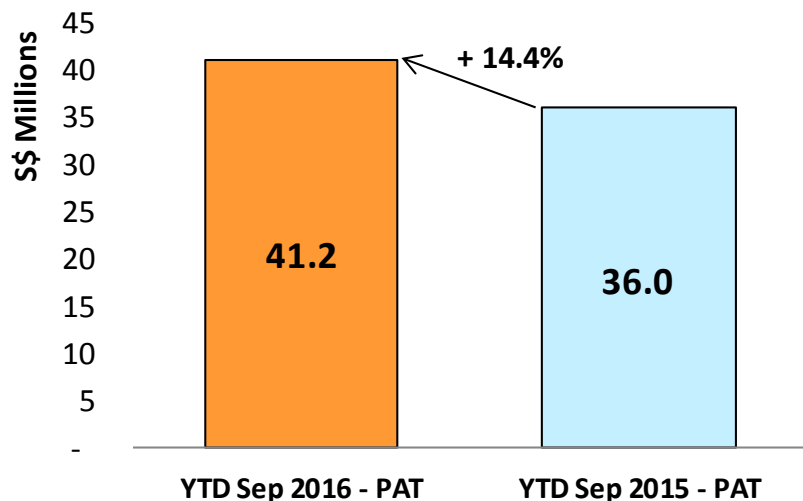


The increase in profit before tax is due mainly to:

- Higher gross profit contribution from the property development business segment [S\$15.6m increase]
- Higher profit from associates [S\$7.2m increase]
- Higher fair value gain on cross-currency swap [S\$6.4m increase]
- Higher finance income due mainly to loans to FSMC [S\$7.2m increase]

The increase is partially offset by:

- Lower gross profit contribution from the property financing business [S\$21.8m decrease]
- Higher administrative expenses due mainly to legal fee provision [S\$2.8m increase]
- Lower Zhongtang investment return [S\$3.7m decrease]
- Lower net foreign exchange gain [S\$3.4m decrease]
- Lower finance income from Wenjiang government loan [S\$2.9m decrease]



The adjusted effective tax rate is 25.0% for YTD Sep 2016.

2.7 Statement of Financial Position - Highlights

Statement of Financial Position - Highlights			
In S\$'000	30-Sep-16	30-Jun-16	Change %
Total assets	1,637,509	1,618,245	1.2%
Total cash	130,045	132,159	(1.6%)
Receipts in advance	121,671	168,486	(27.8%)
Total debt	379,496 ⁽¹⁾	388,942 ⁽²⁾	(2.4%)
Net asset value (NAV)⁽³⁾	934,095	919,078	1.6%
NAV per share (cents)	158.37	155.82	1.6%
Gearing ratio⁽⁴⁾	0.27x	0.29x	(0.02)x

(1) Comprises gross borrowings of S\$385.4m net of unamortised upfront fee of S\$5.9m.

(2) Comprises gross borrowings of S\$393.8m net of unamortised upfront fee of S\$4.9m.

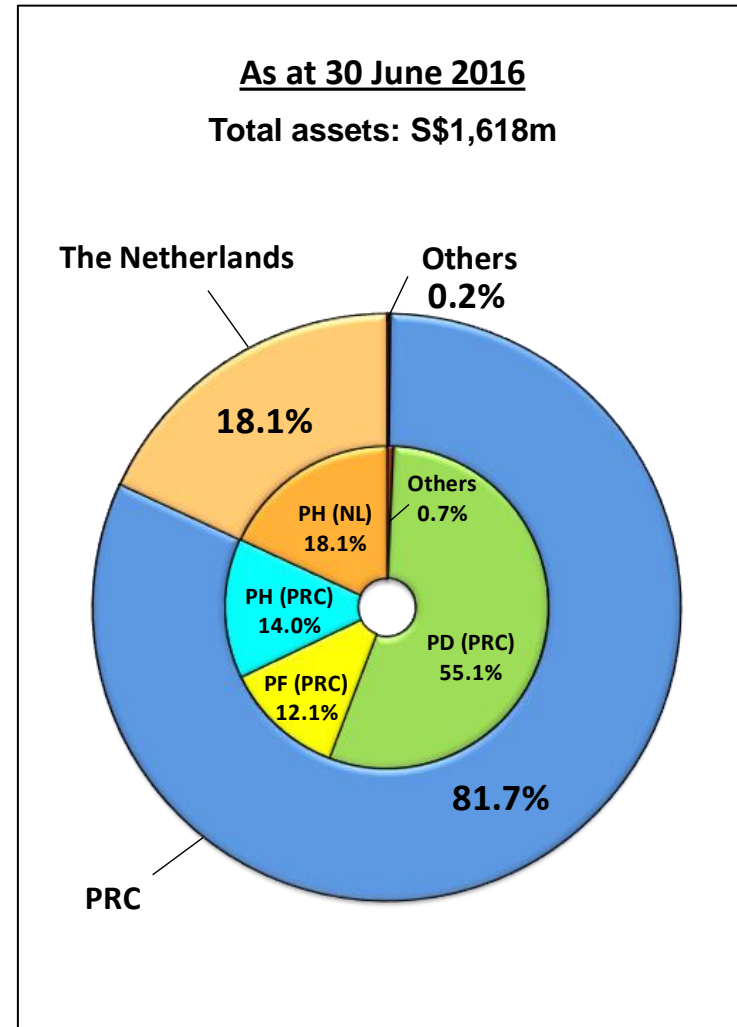
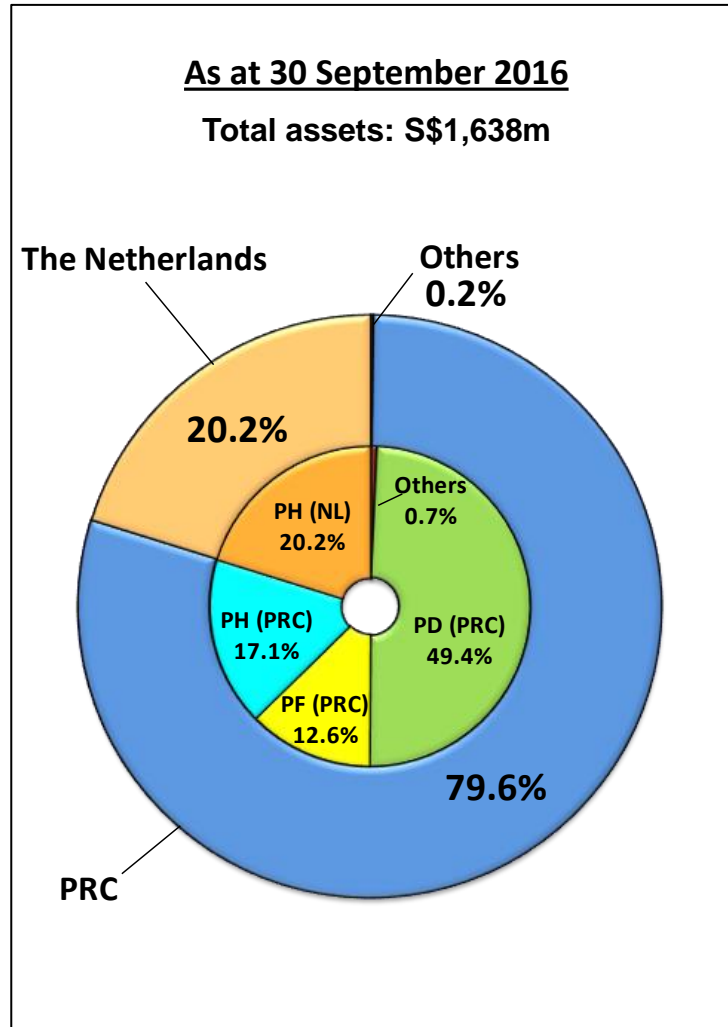
(3) NAV excludes non-controlling interests and includes translation reserve of S\$36.3m.

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

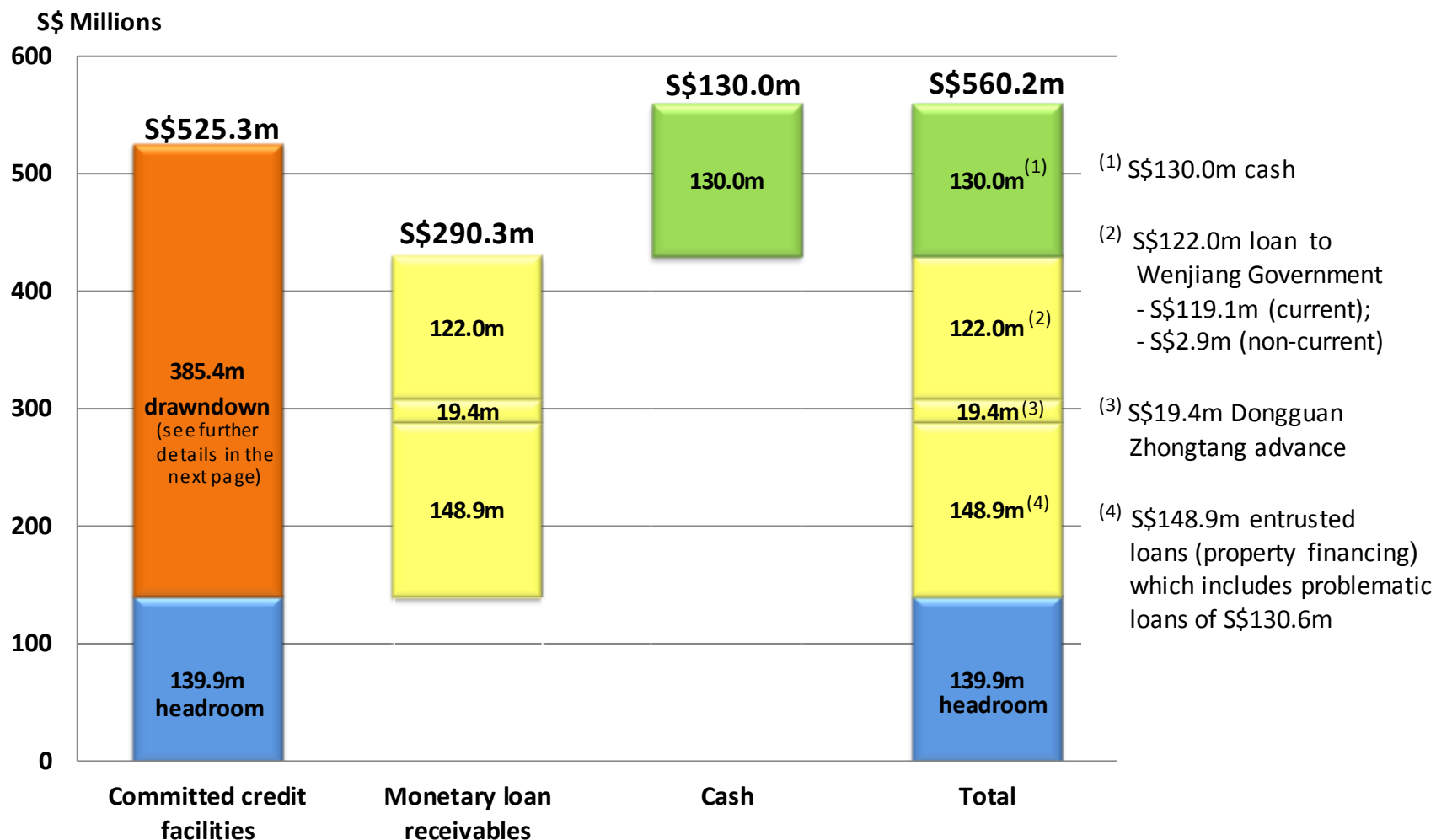
Net debt = gross borrowings + derivative liability – cash and cash equivalents

2.8 Statement of Financial Position - Total Assets

Total Assets – by business and geographic segments

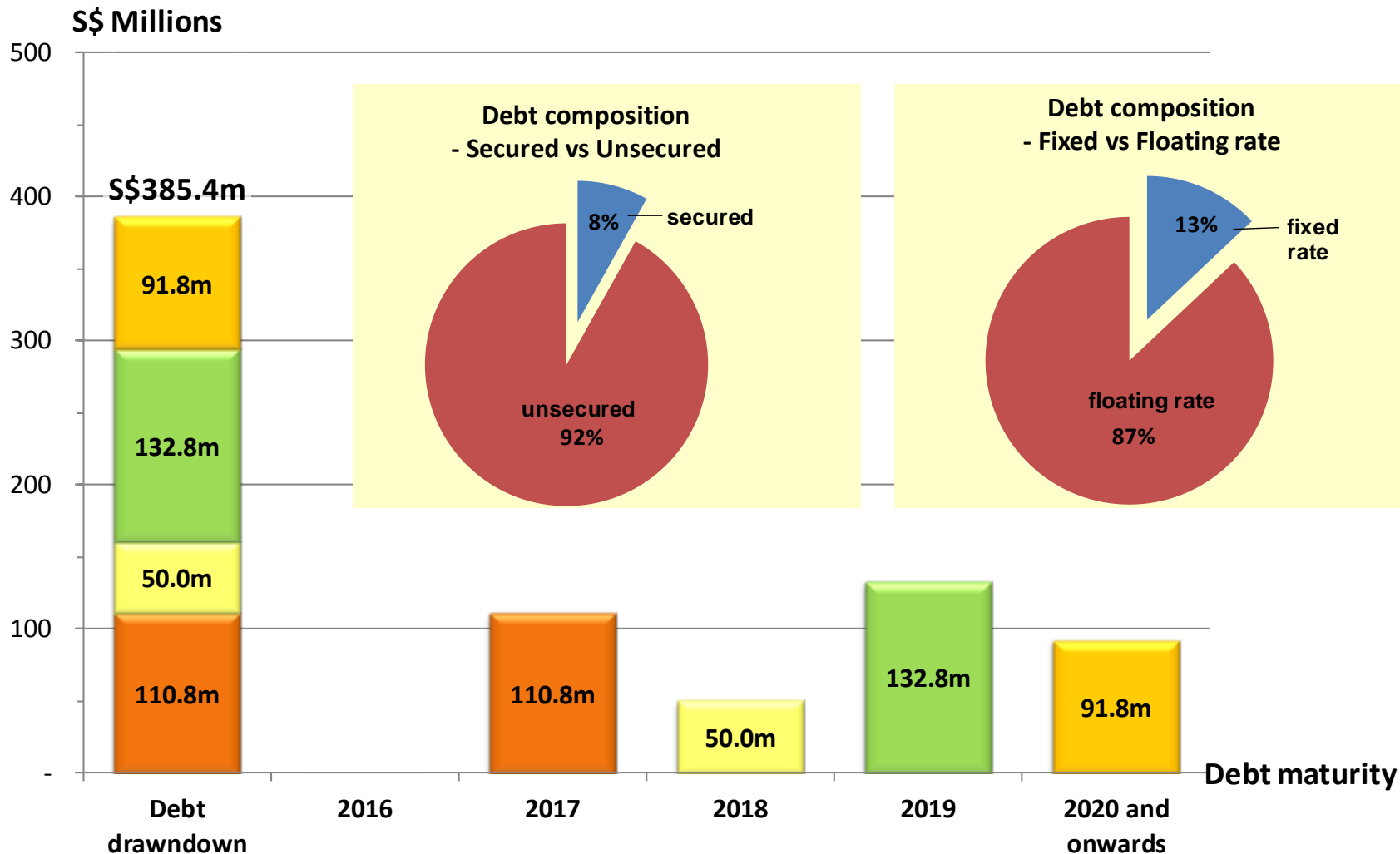


2.9 Liquidity Management as at 30 September 2016



- Healthy balance sheet backed by S\$560.2m of cash, monetary loan receivables, and unutilised committed credit facilities as at 30 September 2016. The Group also has a S\$1 billion Multicurrency Debt Issuance Programme to tap on for any future funding needs.

2.10 Debt Maturity and Composition as at 30 September 2016



The Group has increased its committed credit facilities by approximately S\$50.0 million in 3Q2016 and is at an advance stage of securing additional new credit facilities with various financial institutions.

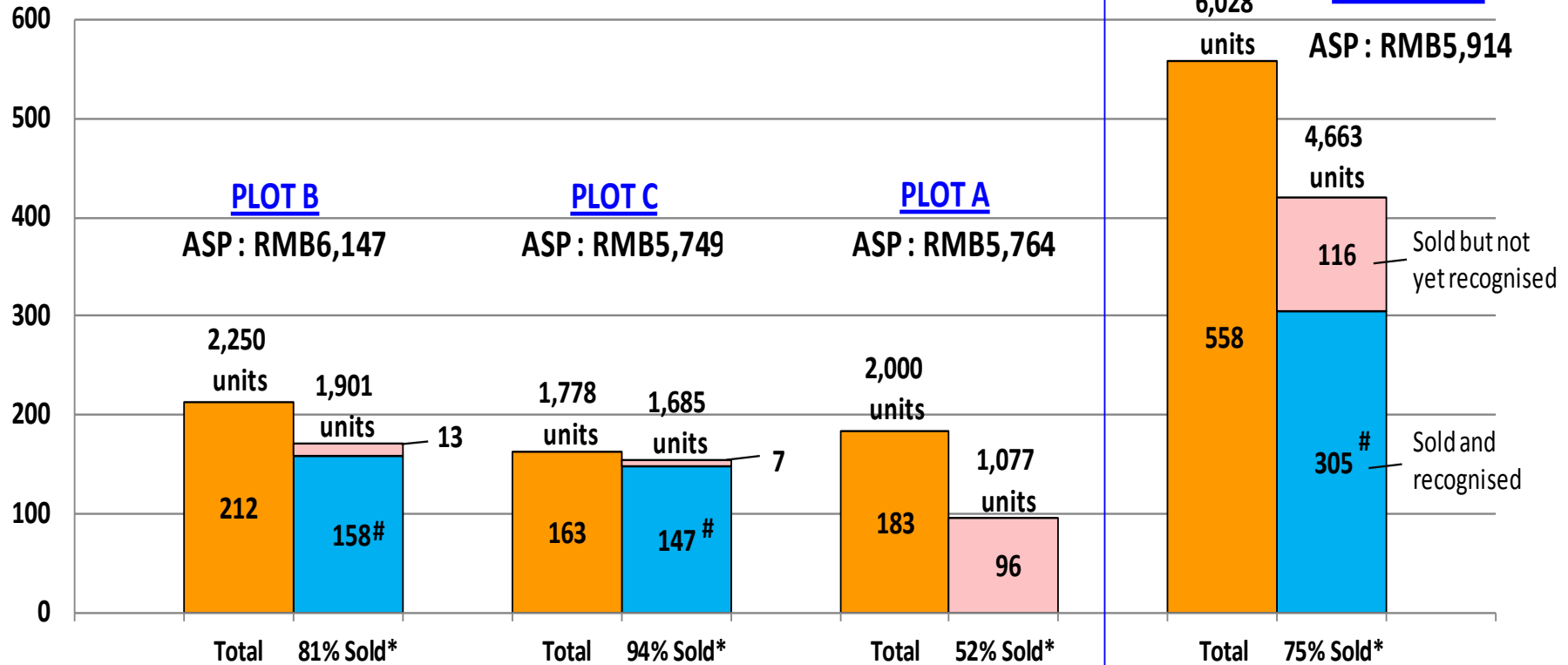
Section 3

Key Business Review 3Q2016 – Property Development

3.1 Property Development – Millennium Waterfront Project, Chengdu

Plots A, B and C Residential Pre-sale Performance as at 30 September 2016

GFA (sq m'000)



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

** All the residential units in Plot A, B and C have been launched for sale.

1,762 Plot B residential units (GFA: 157,503 sqm) with a gross sales value of S\$202.1m have been cumulatively recognised as at 30 September 2016.

1,619 Plot C residential units (GFA: 147,068 sqm) with a gross sales value of S\$177.4m have been cumulatively recognised as at 30 September 2016.



3.1 Property Development – Millennium Waterfront Project, Chengdu

- Handover of residential units for 5 new blocks in Plot C during 3Q2016.
- Construction work has commenced in 3Q2016 for Plot D with pre-sales to commence as soon as possible to capitalise on the current strong market sentiments.
- Expected to commence handover of Plot A residential units in FY2017.



Plot A residential blocks expected to commence its handover in 2017



Plot D artist's impression

3.1 Property Development – Millennium Waterfront Project, Chengdu

Plot A

- 2,000 residential units and 118 commercial units
- Pre-sales of residential units commenced in March 2015
- % of total saleable GFA launched for sale sold³ :
 - Residential: 52%
 - Commercial: 41%

Plot C

- 1,778 residential units, 91 commercial units and 1,508 basement car park lots
- % of total saleable GFA launched for sale sold³ :
 - Residential: 94%
 - Commercial: 35%
- Pre-sales of residential units commenced in January 2014
- Cumulative handover of 1,619 residential and 11 commercial units as at 30 September 2016

Plot D

- Construction work has commenced in 3Q2016
- Expected to comprise 1,274 residential units, 78 commercial units and 1,274 underground carpark lots
- Pre-sales of residential units to commence asap in 4Q2016

Plot B

- 2,250 residential, 96 commercial units, 1,905 basement car park lots and a three-storey commercial building
- % of total saleable GFA launched for sale sold³ :
 - Residential: 81%
 - Commercial: 66%
- Pre-sales of residential units commenced in November 2012
- Cumulative handover of 1,762 residential and 59 commercial units as at 30 September 2016

Plot E

Plot F

Plot G

- Construction of the hotel component of the Millennium Waterfront project is currently ongoing as planned with a targeted hotel commencement date of early FY2017

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 September 2016 and includes sales under option agreements or sale and purchase agreements, as the case may be.

3.2 Property Development – Star of East River Project, Dongguan

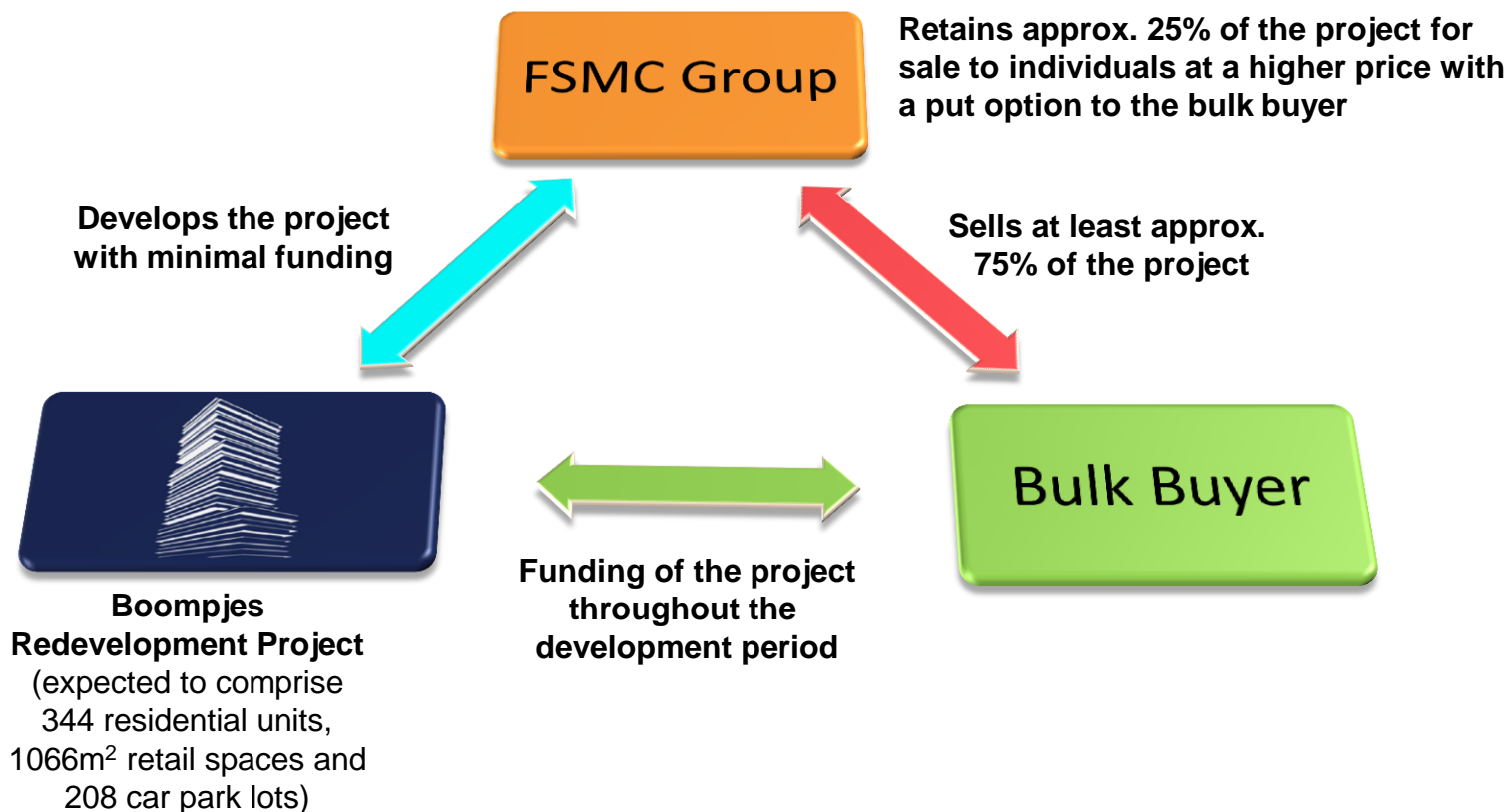
- On 19 August 2016, the Group entered into a share subscription agreement and assignment agreement with a wholly-owned subsidiary of China Vanke Co., Ltd (“Vanke”) and Regent Land Investment Holdings Limited to collaborate in the development of the Star of East River project in Dongguan city, Guangdong province, PRC. The JV was set up on 12 October 2016.
- The Group looks forward to the cooperation with Vanke, and is confident that by tapping on Vanke’s extensive experience and expertise, the full potential of the project will be realised for the benefit of all investors.



By retaining a significant 30% stake in the Star of East River project, the Group continues to be able to participate in any potential upside in the value of the project.

3.3 Property Development – Redevelopment of Boompjes, Rotterdam

- For the Boompjes project, through its 33% owned FSMC, the Group is working towards signing a sales and purchase agreement with an established consortium of investors, thereby securing sales for the entire project and also procuring forward funding for the redevelopment way before the commencement of the project construction.
- The investors intend to acquire the property for leasing purposes.



Section 4

Key Business Review 3Q2016 – Property Holding

4.1 Property Holding – M Hotel Chengdu

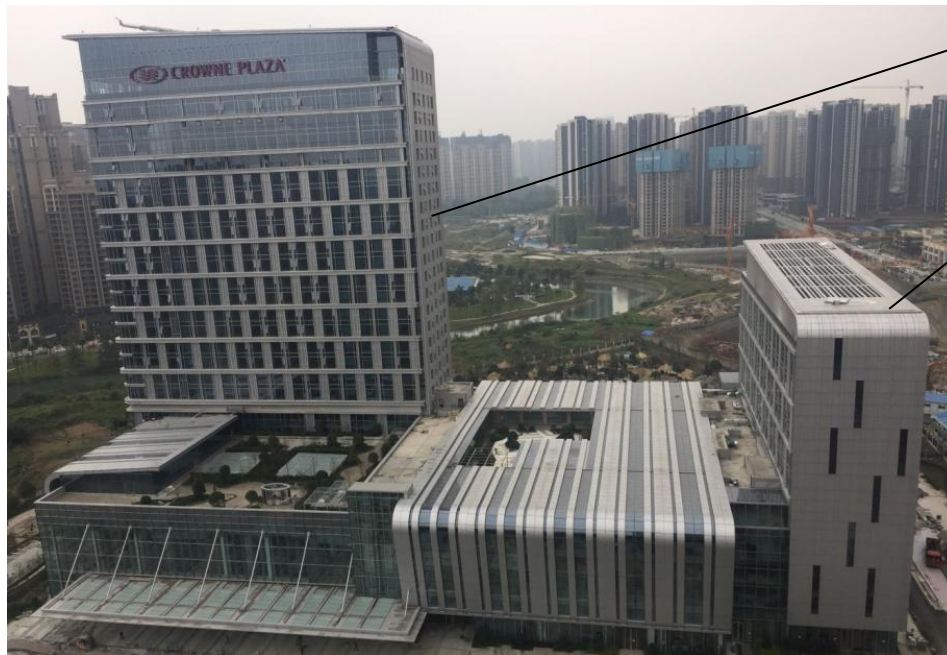
	YTD Sep 2016	YTD Sep 2015	Increase/(decrease)
Occupancy	56.8%	43.1%	13.7%
ADR	RMB334	RMB377	(RMB43)
RevPar	RMB190	RMB163	RMB27

- The hotel continues to achieve trading improvement over the prior year. The EBITDA outlook for FY2016 is promising.



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

- The key management team of the hotels are onboard and are actively involved in the preparation work for the commencement of hotel operations in early 2017. The hotspring component is expected to commence operations in the later part of 2017.
- Construction and renovation works of the hotels are on schedule and in its final stages.
- Ground water samples on the hotel site contain the natural mineral strontium. It is believed that a natural strontium hotspring is beneficial to humans. The exploration of natural resources on the site continues to be in progress.



Crowne Plaza Chengdu Wenjiang

Holiday Inn Express Chengdu Wenjiang Hotspring



Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels under construction

4.3 Property Holding – New Dutch Acquisition

- On 27 September 2016, the Group participated in a court auction in connection with a bank foreclosure exercise and successfully acquired two commercial properties (Dreeftoren and Blue Wings) located in Amsterdam Southeast.
- The winning bid of €12.15 million before transaction costs constitutes less than 50% of the replacement cost of the properties. The acquisition was completed on 18 October 2016.
- What is of particular interest is that Dreeftoren, which is strategically located next to the Group's Arena Towers and just like the Arena Towers, possesses redevelopment potential. The Group intends to further study the redevelopment potential of this property, including doing a major renovation of the property, to further strengthen the property holding portfolio of the Group in the Netherlands.
- Blue Wings is a non-core property and will be disposed in due course.



4.3 Property Holding – New Addition : Dreeftoren, Amsterdam



Section 5

Key Business Review 3Q2016 – Property Financing

5.1 Property Financing - Overview of Financial Performance

	Revenue (S\$'m)	As a % of Group Revenue	Profit before tax (S\$'m)	As a % of Group Profit before tax
3Q2016	0.8	1.0%	0.9	3.7%
3Q2015	9.4	13.0%	11.0	48.5%
YTD Sep 2016	4.2	2.5%	2.2	4.2%
YTD Sep 2015	26.1	22.7%	30.5	61.0%

	Average Third Party Loan Balance for the quarter ended	Average Third Party Loan Balance for the year to date ended	Third Party Loan Balance as at
30 September 2016⁽¹⁾	RMB730.0m (S\$152.6m)	RMB761.0m (S\$159.1m)	RMB730.0m (S\$148.9m)
30 September 2015	RMB996.0m (S\$216.5m)	RMB931.4m (S\$202.5m)	RMB996.0m (S\$222.5m)

(1) Average loan balance and loan balance as at 30 September 2016 include the 2 defaulted loan cases totaling RMB640m. Interest income was recognised on the loans up to the point of default. Penalty interest on defaulted loans has not been recognised.

5.2 Status of Problematic Loans – Updates to Case 1

Case 1

- Case 1 relates to a loan of RMB170.0m for which one month's interest of RMB2.6m was not received when due on 21 December 2015.
- A court ruling was issued on 6 May 2016 and the key points of the court ruling are as follows:
 - The borrower is to repay the outstanding entrusted loan principal and interest due.
 - Penalty interest to accrue at 24% per annum from the date of default.
 - Legal and court fees paid and payable by lender are to be reimbursed, except for an immaterial amount to be borne by lender.
 - Lender is able to foreclose and auction the debt collaterals if the principal and interest are not duly repaid on time. Penalty interest to accrue at approximately 30.4% per annum when the court ruling becomes effective.
- The court ruling has become effective with penalty interest of 30.4% per annum to be applicable from 5 August 2016.
- However, the Group would have to first obtain the cooperation of the public security bureau which has placed an administrative restriction on the property collaterals, or wait for the court and public security bureau to reach a disposal consensus before the court auction process can commence.
- **The Group will continue to adopt a conservative approach of not recognising penalty interest income from Case 1.**

5.3 Status of Problematic Loans – Updates to Case 2

Case 2

- Case 2 relates to eight related loans disbursed to six different borrowing entities amounting to RMB470.0m. One month's interest amounting to RMB6.9m was not received when due on 21 January 2016. All these loans are cross-collateralised.
- The Shanghai First Intermediate Court which presides over five of the eight loans amounting to RMB324m in aggregate has issued court rulings all in favour of the Group.
- Key points of the court rulings are as follows:
 - The borrowers are to repay the outstanding entrusted loan principal and interest due.
 - Penalty interest to accrue at 24% per annum from the date of default.
 - Legal and court fees paid and payable by lender are to be reimbursed, except for an immaterial amount to be borne by lender.
 - Lender is able to foreclose and auction the debt collaterals if the principal and interest are not duly repaid on time. Penalty interest to accrue at approximately 30.4% per annum when the court ruling becomes effective.
- In connection to the court rulings for four of the aforesaid loans amounting to RMB254 million, the borrowers have appealed to the High Court to contest mainly for a lower penalty interest rate of 17%. The appeals have been heard and a ruling should be forthcoming.

5.3 Status of Problematic Loans – Updates to Case 2

Case 2 (Continued)

- The court ruling for the fifth loan amounting to RMB70 million has become effective as the borrower did not appeal and with effect from 24 July 2016, the penalty interest has increased to approximately 30.4% per annum. The court has commenced the foreclosure process starting with the valuation of the property collateral comprising office units in Guangzhou for the purpose of fixing the auction price.
- **The Group will continue to adopt a conservative approach of not recognising penalty interest income from these cases too.**

5.4 Status of Problematic Loans – Summary

The table below summarises the latest status of the problematic loans:

Loan No.	Principal (RMB'm)	Interest Rate per Annum (%)	Court	Court Ruling Date	Date for Start of Penalty Interest	Penalty Interest Rate per Annum (%)
Case 1						
1 ^(a)	170.0	18.0%	Shanghai First Intermediate Court	6-May-16	22-Dec-15	24% (30.4% from 5-Aug-16)
Case 2						
2.1 ^(b)	70.0	17.0%	Shanghai First Intermediate Court	9-May-16	15-Feb-16	24.0%
2.2 ^(b)	60.0	17.0%	Shanghai First Intermediate Court	31-May-16	15-Feb-16	24.0%
2.3 ^(c)	70.0	17.0%	Shanghai First Intermediate Court	21-Jun-16	25-Feb-16	24.0% (30.4% from 24-Jul-16)
2.4 ^(b)	64.0	17.5%	Shanghai First Intermediate Court	30-Jun-16	15-Feb-16	24.0%
2.5 ^(b)	60.0	17.5%	Shanghai First Intermediate Court	30-Jun-16	15-Feb-16	24.0%
2.6	67.0	17.5%	Shanghai Pudong New Area People's Court	First court hearing in August 2016 but ruling yet to be issued		
2.7	29.0	17.5%	Shanghai Pudong New Area People's Court			
2.8	50.0	17.0%	Shanghai Second Intermediate Court	First court hearing scheduled on 26-Oct-16		
Subtotal for Case 2	470.0					

(a) The ruling has become effective. The Group would need the cooperation of the public security bureau to commence the foreclosure procedures.

(b) The borrowers have lodged an appeal against the court ruling. No ruling has been issued after the appeals have been heard in July and September 2016.

(c) The ruling has become effective and the court has commenced the foreclosure procedures.

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.