

GENERAL ANNOUNCEMENT::ANNOUNCEMENT BY ASSOCIATED COMPANY, FIRST SPONSOR GROUP LIMITED

Issuer & Securities

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CITY DEVELOPMENTS LIMITED

Securities

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No

Announcement Details

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Announcement by Associated Company, First Sponsor Group Limited

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Submitted By (Co./ Ind. Name)

Enid Ling Peek Fong

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

First Sponsor Group Limited ("FSGL"), an associated company, has on 28 October 2022 released an announcement relating to Voluntary Interim Update for third quarter ended 30 September 2022.

For details, please refer to the announcement released by FSGL on the SGX website www.sgx.com

GENERAL ANNOUNCEMENT::3Q2022 VOLUNTARY INTERIM UPDATE

Issuer & Securities

Issuer/ Manager

FIRST SPONSOR GROUP LIMITED

Securities

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No

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Submitted By (Co./ Ind. Name)

Neo Teck Pheng

Designation

Group Chief Executive Officer and Executive Director

Description (Please provide a detailed description of the event in the box below)

Please see attached.

Attachments

[FSG - Voluntary Interim Update 3Q2022.pdf](#)

Total size =6493K MB



**First Sponsor Group Limited
3Q2022 Voluntary Interim Update
28 October 2022**

Contents

	Page
Section 1 <i>Key Message</i>	3
Section 2 <i>Business Updates 3Q2022 – Property Development</i>	8
Section 3 <i>Business Updates 3Q2022 – Property Holding</i>	29
Section 4 <i>Business Updates 3Q2022 – Property Financing</i>	40

Section 1

Key Message

Key Message

- In July 2022, the Group entered into joint ventures to develop two residential projects in Dongguan, one in Dalingshan and the other in Wanjiang, both won in public land tender exercises held on 24 June 2022. On 30 August 2022, the Group acquired, via public land tender exercises, two more Dongguan residential development projects in Shilong and Shijie respectively. The total land consideration for the four development projects amounted to RMB6.4 billion (approximately S\$1.3 billion) of which the Group's attributable share is RMB3.3 billion (approximately S\$656 million). The Group will utilise its existing internal resources and committed debt facilities to fund the land acquisitions. Pre-sales for these four development projects are expected to be launched in FY2023. Further details are set out in the table below.

	New lands acquired in June/August 2022	Total saleable GFA (sqm)	Land cost ('m)		Land cost psm ppr	FS's share		
						%	'm	'm
1	Dalingshan Land (Cuilong Bay project)	149,600	RMB 2,165	S\$ 436	RMB 14,500	46.6%	RMB 1,008	S\$ 203
2	Wanjiang Land (Luwan Garden project)	70,600	RMB 1,593	S\$ 321	RMB 22,600	27%	RMB 430	S\$ 87
3	Shilong Land	95,500	RMB 1,024	S\$ 206	RMB 10,700	100%	RMB 1,024	S\$ 206
4	Shijie Land	155,600	RMB 1,586	S\$ 320	RMB 10,200	50%	RMB 793	S\$ 160
	Total	471,300	RMB 6,368	S\$ 1,284	RMB 13,500		RMB 3,255	S\$ 656

* Based on exchange rate of RMB1 : S\$0.2016

Key Message

2. The Group saw encouraging residential sales of its Humen development projects. In the 17.3%-owned Humen Time Zone, 306 units were sold to-date since 30 June 2022 as compared to 329 units sold in the first half of 2022. The 48.2%-owned Humen Oasis Mansion, which launched the pre-sale of three residential apartment blocks on 31 March 2022 and 27 May 2022, also saw healthy sales with more than half of the 318 launched units sold to-date.
3. On 21 October 2022, the Group signed a letter of intent with the local municipal concerning the redevelopment of Meerparc, a freehold property with a GFA of approximately 19,130 sqm (70% office and 30% industrial) located in the central business district of Amsterdam, into a mixed residential (60%) / office (40%) property with a GFA of approximately 50,000 sqm.

Key Message

4. Subsequent to the Stage 2 development approval granted in November 2021 for the 39.9%-owned CTC project in Sydney, the developer trust has entered into exclusive negotiations with a potential main contractor for the project. Onsite construction investigative works have commenced in August 2022. The CTC project, upon completion, will comprise the refurbished City Tattersalls Club, a 110-room hotel and 241 residential units. The developer trust will monitor the market conditions before deciding on an appropriate time to launch the residential units for pre-sales.
5. The Group's European operating hotels saw a strong improvement in performance during the traditionally strong summer quarter, with the Dutch hotels trading close to pre-Covid-19 levels in 3Q2022. Despite the strong recovery, the hotels are facing significant cost challenges arising from higher energy and labour costs. For 3Q2022, the European operating hotels recorded earnings before interest, tax, depreciation and amortisation ("EBITDA") in 3Q2022 of €8.1 million, more than double the €3.5 million recorded in 3Q2021. This brings the YTD September 2022 EBITDA to €14.1 million, reversing from a loss before interest, tax, depreciation and amortisation ("LBITDA") for YTD September 2021 of €1.9 million. In the PRC, while the Chengdu Wenjiang hotels recorded a stronger EBITDA of RMB5.0 million in 3Q2022 as compared to RMB1.6 million in 3Q2021, the YTD September 2022 EBITDA of RMB8.5 million was lower than the RMB9.9 million recorded for YTD September 2021 as the hotels were selected by the local municipal for use as quarantine hotels on several occasions during the year which had a negative impact on operating performance.

Key Message

6. The tax liabilities payable by the borrowers on the auction sales of the two mortgaged properties in relation to the RMB330 million defaulted loans were finalized and settled at amounts lower than previously expected. As such, in relation to the RMB50 million defaulted loan (which was secured over, among others, the Pudong Villa), the Group received RMB67.1 million of net auction proceeds from the sale of the Pudong Villa on 27 October 2022 which was sufficient to fully repay the loan principal and its associated default and penalty interest, leaving a RMB5.0 million surplus to partially repay the RMB280 million defaulted loan. For the RMB280 million defaulted loan (which was secured over, among others, the Pudong Mall), after considering the cumulative interest collected during the loan tenure, the Group has also more than recouped its loan principal. The internal rate of return for each of the RMB50 million loan and the RMB280 million loan is 13.0% and 1.2% respectively. The Pudong Mall with a net annual property income of approximately RMB17.7 million was acquired by the Group during the foreclosure auction at an all-in cost of RMB276.7 million.
7. Backed by a strong balance sheet, substantial potential equity infusion from the exercise of outstanding warrants and unutilised committed credit facilities, the Group is ready to capitalise on any good business opportunities when they arise.

Section 2

Business Updates 3Q2022 – Property Development

2.1 Property Development – Ongoing PRC Projects

	Project	Equity %	Type	Total saleable GFA (sqm)	In units (unless otherwise specified)			% of Launched sold ¹	Average selling price (RMB psm)	Land cost RMB psm ppr (Date of Entry)
					Total	Launched	Sold			
1	The Pinnacle, Chang'an, Dongguan	60%	Residential	63,600	606	606	606	100%	35,100	10,000 (Mar 2019)
			SOHO	8,800	202	202	59	34%	24,000	
2	Skyline Garden, Wanjiang, Dongguan	27%	Residential	131,900	1,194	1,194	1,189	99.6%	38,300	14,800 (Jun 2019)
			SOHO	66,600	804	804	190	41%	22,400	
3	Time Zone, Humen, Dongguan	17.3%	Residential	298,500	2,420	1,554	1,159	70%	38,200	15,200 } 3,000 (Jun 2020)
			SOHO	376,100	7,670	948	645	67%	18,900	
			Commercial ²	349,500	Not applicable	2,300 sqm	2,000 sqm	88%	37,400	
4	Oasis Mansion, Humen, Dongguan	48.2%	Residential	77,800	738	318	174	53%	30,800	15,000 (Apr 2021)
5	Central Mansion, Humen, Dongguan	36%	Residential	82,000	562	-	-	-	-	14,700 (Jul 2021)
			SOHO	26,200	102	-	-	-	-	
6	Fenggang Project, Dongguan	18%	Residential	157,000	Not avail	-	-	-	-	Pending land conversion (Jan 2021)
7	Cuilong Bay, Dalingshan, Dongguan	46.6%	Residential (97%)/ Commercial (3%)	149,600	} Planning Stage	-	-	-	-	14,500 (Jun 2022)
8	Luwan Garden, Wanjiang, Dongguan	27%	Residential	70,600		-	-	-	-	22,600 (Jun 2022)
9	Shilong Land, Dongguan	100%	Residential (95%)/ Commercial (5%)	95,500		-	-	-	-	10,700 (Aug 2022)
10	Shijie Land, Dongguan	50%	Residential (98%)/ Commercial (2%)	155,600		-	-	-	-	10,200 (Aug 2022)
11	Primus Bay, Panyu, Guangzhou	95%	Residential	163,900	1,495	177	24	13%	26,100	8,000 (Feb 2021)
12	Millennium Waterfront Plot E1, Wenjiang, Chengdu	100%	SOHO	149,700	2,124	-	-	-	-	310 (May 2012)

¹ Calculated based on GFA and includes sales under option agreements or sale and purchase agreements, as the case may be.

² Comprises office 188,800 sqm, hotel 40,000 sqm, shopping mall 99,400 sqm and other commercial/retail space 21,300 sqm.



2.2 Property Development – The Pinnacle, Chang’an, Dongguan (60%-owned)

- Subsequent to the first handover of six of the eight fully sold residential apartment blocks in December 2021, the remaining two fully sold residential apartment blocks were handed over in late September 2022. The SOHO cluster is expected to be handed over in late 2022.

Residential Blocks

- All eight blocks of 606 units (63,600 sqm) were 100% sold

100% SOLD

34% SOLD¹

SOHO Cluster

- Comprises 202 SOHO units (8,800 sqm)



54% SOLD¹

Ground Level Retail:

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

Artist's impression

¹ "Sold" for this and subsequent slides for the property development projects in the PRC includes sales under option agreements or sale and purchase agreements, as the case may be.

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

50% RESERVED

99% SOLD

100% SOLD

RESERVED

SOHO Blocks

Artist's impression

Residential Blocks

- Total five blocks of 1,194 units (131,900 sqm)
- Four blocks of 830 units (94,600 sqm) were 100% sold while the last block of 364 units (37,300 sqm) was 99% sold

- Skyline Garden is expected to commence its first handover of the four fully sold residential apartment blocks in December 2022.

SOHO Blocks

- Seven blocks of 804 SOHO units (66,600 sqm) and 4,400 sqm of retail space
- All SOHO units and commercial space are to be kept for a minimum holding period of 2 years as per land tender conditions
- One (80 units) of the six low-rise SOHO blocks and 110 units of the high-rise SOHO block (306 units) have been reserved by purchasers with cash deposit paid

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

Three Office Towers (188,800 sqm)

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

Four SOHO cum Hotel Blocks (308,900 sqm)

- Four blocks of approx. 6,370 SOHO units (268,900 sqm) and a hotel (40,000 sqm)

Shopping Mall (99,400 sqm)

Four SOHO Loft Blocks (107,200 sqm)

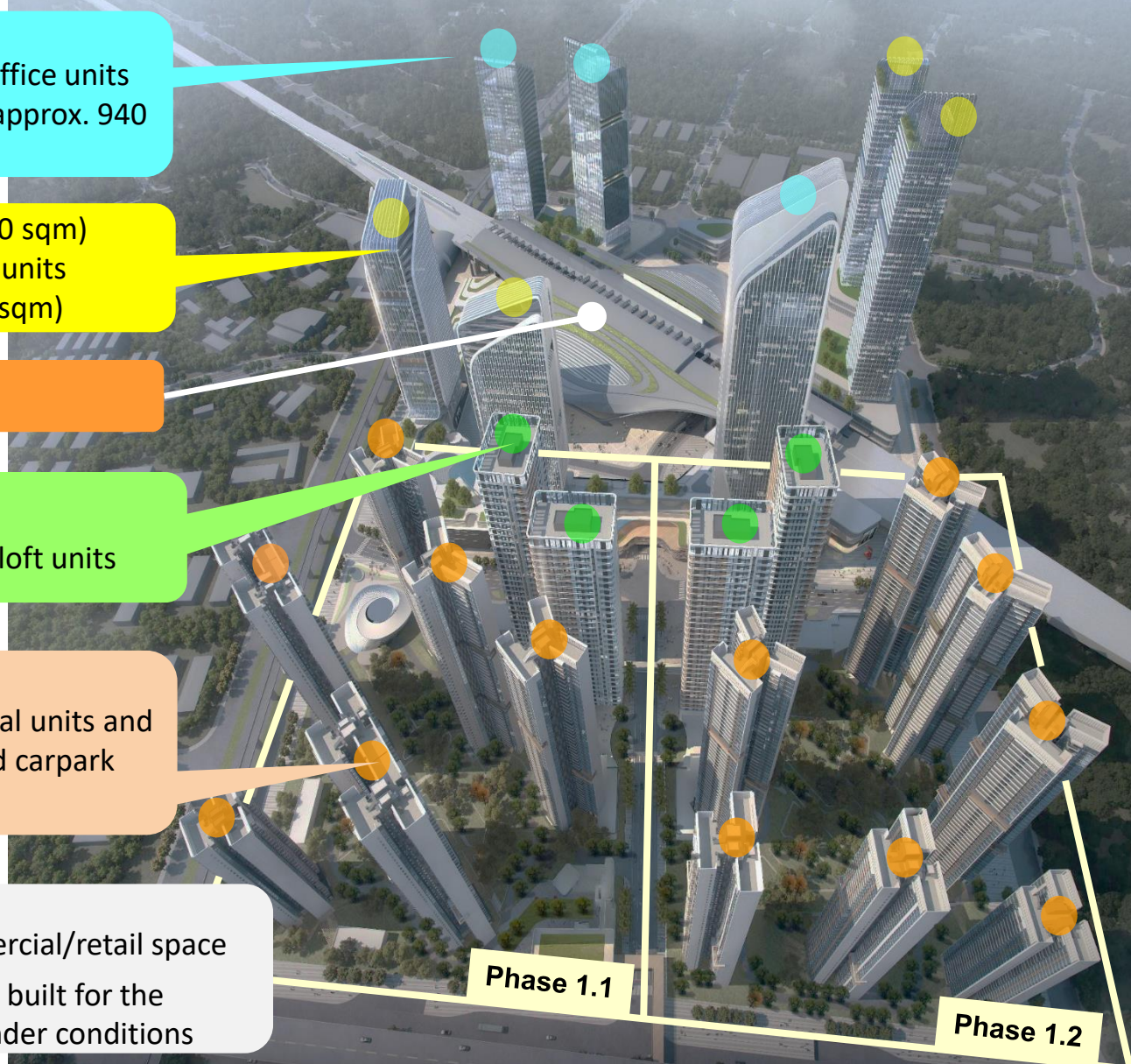
- Four blocks of approx. 1,300 SOHO loft units

13 Residential Blocks (298,500 sqm)

- 13 blocks of approx. 2,420 residential units and approx. 4,160 saleable underground carpark lots

Others:

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



Phase 1.1

Phase 1.2

2.4 Property Development – Time Zone Phase 1.1 (17.3%-owned)

- The 17.3%-owned Time Zone has achieved encouraging residential sales results whereby 306 units were sold since 30 June 2022 as compared to 329 units sold in the first half of 2022.
- The last two residential apartment blocks of Phase 1.1, which were launched for presales on 30 June 2022 and 1 October 2022, were each 30% sold.

Two SOHO Loft Blocks (648 units, 55,100 sqm)

- The SOHO units were sold at an average selling price in excess of RMB18,500 psm
- The effective land cost for the commercial component of the entire project is approx. RMB3,000 psm ppr

Six Residential Blocks (1,274 units, 158,700 sqm)

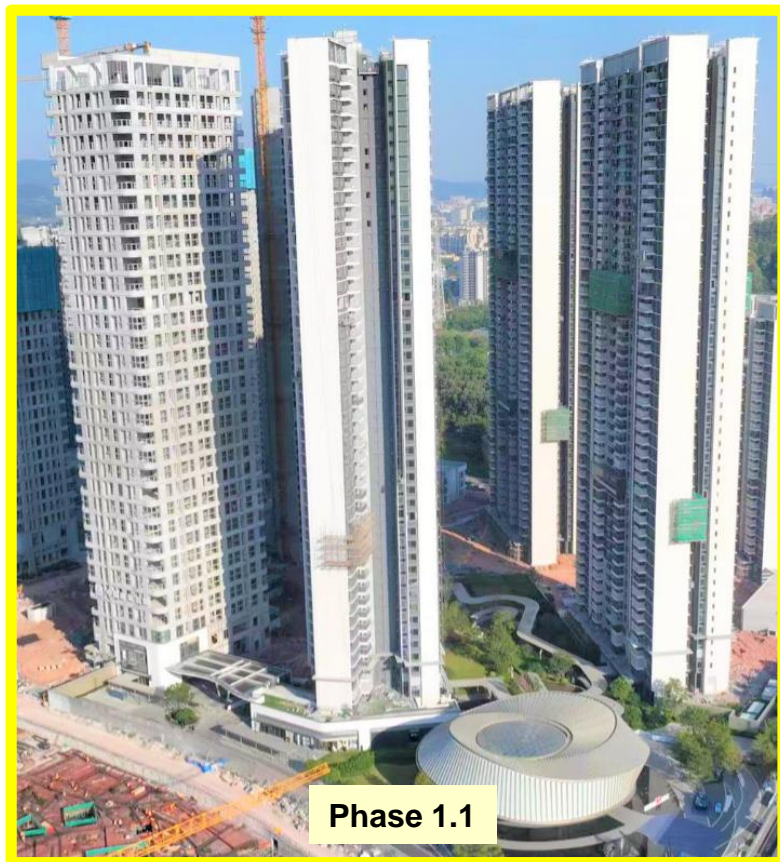
- The residential units were sold at an average selling price in excess of RMB38,500 psm on a furnished basis
- The effective land cost for the residential component of the entire project is approx. RMB15,200 psm ppr

Ground Level Retail:

- 2,300 sqm out of the 4,300 sqm of retail space were launched for pre-sales on 16 August 2022 with 88% sold to-date



2.4 Property Development – Time Zone Phase 1.1 & 1.2 (17.3%-owned)



- The first handover of the residential apartment blocks of Phase 1.1 is expected to commence in late 2023.
- The adjacent Phase 1.2 launched its first two residential apartment blocks (280 units) for presales on 5 July 2022 and on 27 July 2022, and were 74% and 75% sold to-date respectively. An additional SOHO loft block (300 units) was launched for pre-sale on 1 October 2022 and was 7% sold to-date.

2.5 Property Development – Oasis Mansion, Humen, Dongguan (48.2%-owned)

- The Group had subscribed for approximately S\$97 million and S\$89 million of junior and senior convertible bonds (“SCB”) with an annual coupon rate of 15% and 12% respectively, for the main purposes of financing the acquisition and conversion of the land parcel, and the development of Oasis Mansion.
- The project, which launched the pre-sale of its first residential apartment block on 31 March 2022 followed by two more residential apartment blocks on 27 May 2022, has seen healthy results with more than half of its 318 residential units sold. Arising from the encouraging pre-sale results, the project company has effectively redeemed approximately S\$74.0 million of SCB.



Artist's impression



Residential Blocks

- Predominantly residential project with a total saleable residential GFA of approximately 77,800 sqm
- The Group's land cost in the project is approximately RMB15,000 psm ppr

2.6 Property Development – Central Mansion¹, Humen, Dongguan (36%-owned)

- The 36%-owned Central Mansion is targeting to launch its first pre-sale of two residential apartment blocks comprising 156 units in November 2022.



Central Mansion

Site area : 39,000 sqm

Saleable GFA: approx. 111,500 sqm
(residential 74% /
SOHO 23% / retail 3%)

The Group's all-in land cost amounts
to approximately RMB14,700 psm ppr

¹ Previously known as Hefu project

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

- The resettlement exercise is on-going. There are only a handful of existing inhabitants who have not agreed on the resettlement compensation terms.
- As no objection to the land re-zoning proposal was received by the expiry of the public announcement period on 18 March 2022, the local authorities have begun to process the re-zoning application and are expected to grant their approval in 2022.



Fenggang Project*

Site area : 33,400 sqm

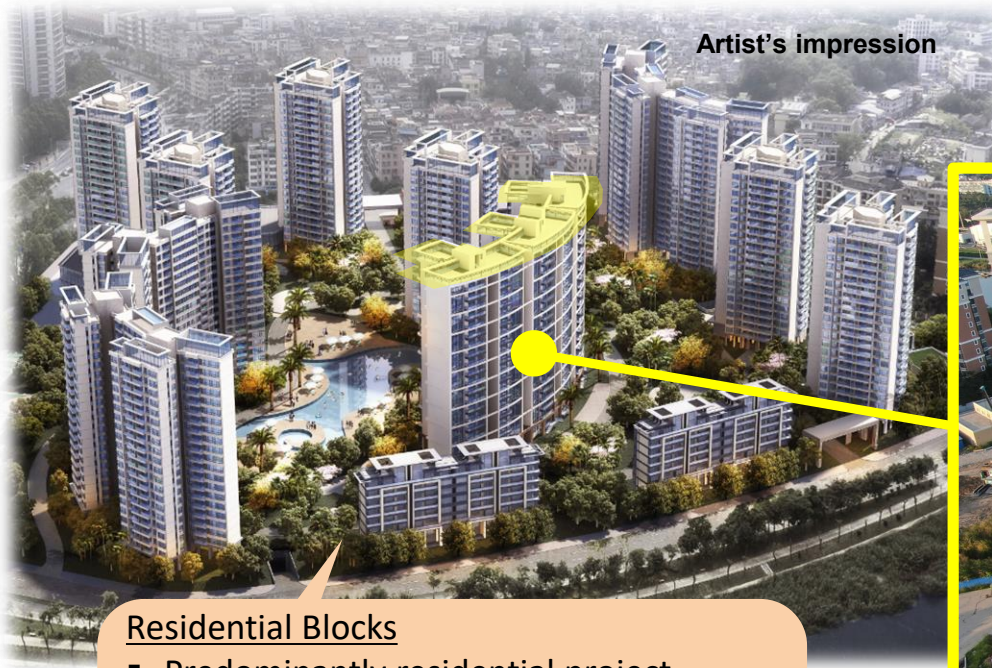
Saleable : approx. 164,000 sqm

GFA (residential 96% /
commercial 4%)

*subject to re-zoning approval

2.8 Property Development – Primus Bay, Panyu, Guangzhou (95%-owned)

- Pre-sale for the first three residential apartment blocks (177 units) of Primus Bay is moving at a slow pace as Guangzhou has not implemented housing policy relaxation similar to those seen in Dongguan. A modest 13% of the units were sold since its launch on 26 May 2022.
- Pre-sales for the rest of the residential apartment blocks, for which the Group has changed the design after taking over the project, are expected to be launched progressively from late 2022/early 2023.



Artist's impression

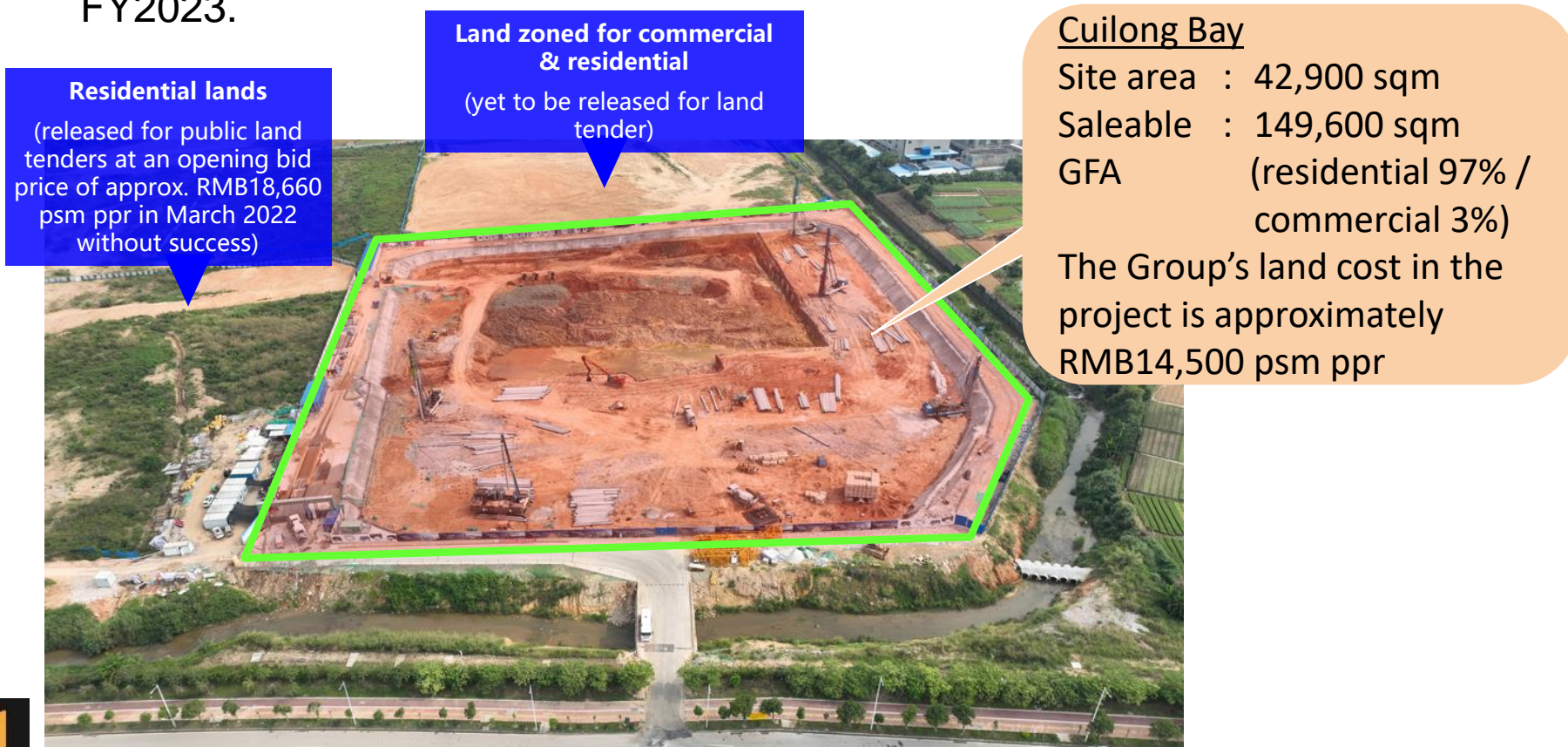


Residential Blocks

- Predominantly residential project comprising 20 blocks of approx. 1,495 units (163,900 sqm)
- The Group's land cost in the project is approximately RMB8,000 psm ppr

2.9 Property Development – Cuilong Bay¹, Dalingshan, Dongguan (46.6%-owned)

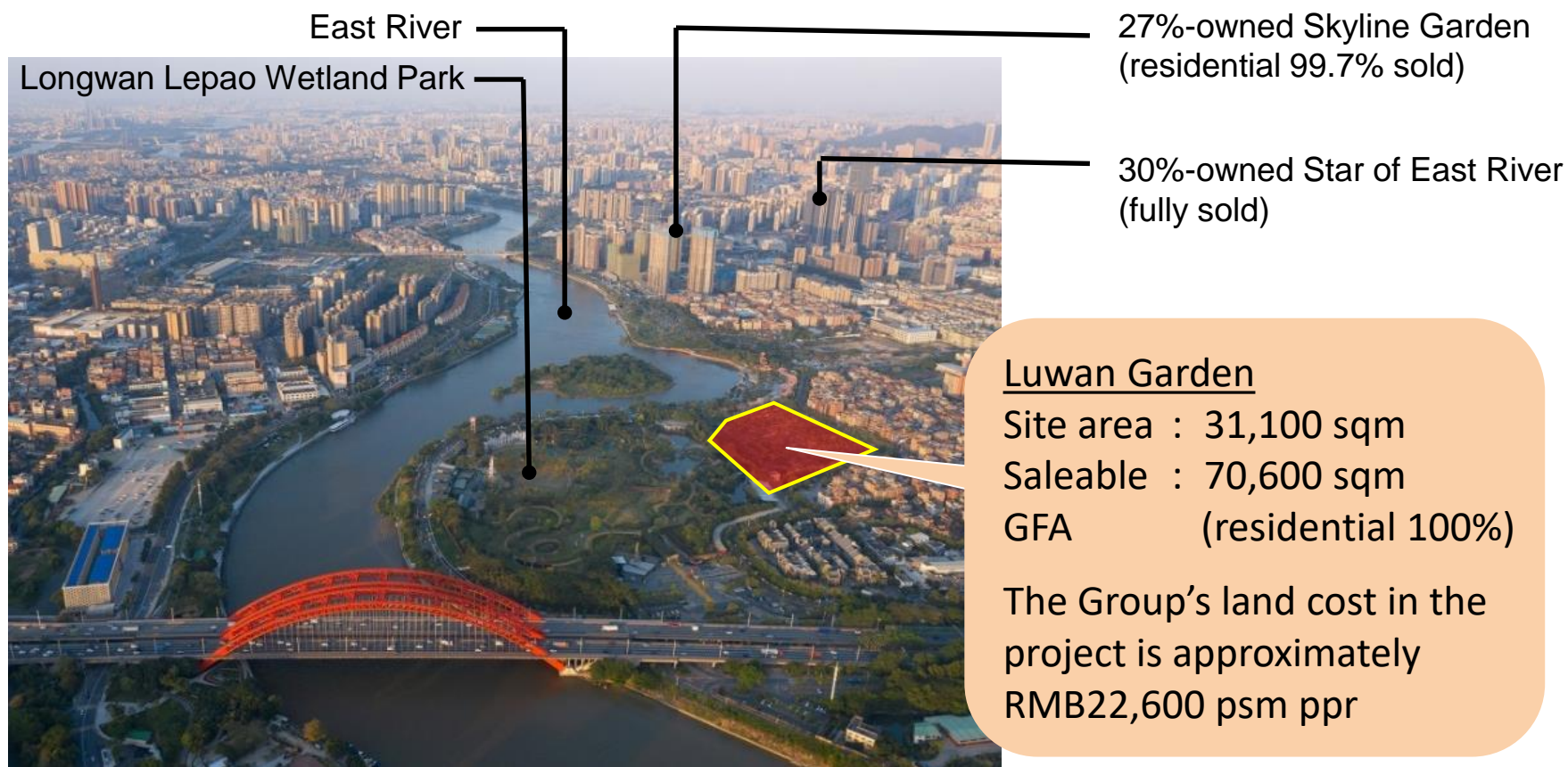
- Cuilong Bay, which was acquired via a public land tender exercise held on 24 June 2022, is part of a larger land plot (mainly residential) that has been divided into various land parcels by the local municipal.
- Ground foundation works have been completed.
- The residential development project is expected to be launched for pre-sale in FY2023.



¹ Previously known as Dalingshan Land

2.10 Property Development – Luwan Garden¹, Wanjiang, Dongguan (27%-owned)

- Luwan Garden, which was also acquired via a public land tender exercise held on 24 June 2022, has commenced the ground foundation works. The residential development project is expected to be launched for pre-sale in FY2023.
- The Group has for the third time collaborated with China Poly, amongst others, in the development of Luwan Garden.



¹ Previously known as Wanjiang Land

2.11 Property Development – Shilong Land, Dongguan (100%-owned)

- The Group acquired, via a public tender exercise held on 30 August 2022, a residential development land in Shilong, Dongguan, (“Shilong Land”) at an effective land cost of RMB1,024 million or RMB10,722 psm ppr.
- The Shilong Land is located in the Shilong West Lake Area, within a designated area for the development of the emerging biomedical industry and is part of the expansion plan of the larger biomedical industry in the Songshan Lake District.
- Shilong Land is situated less than 500 metres from the Dongguan Train Station, and is adjacent to a transit oriented development (TOD) mixed-use development plot which will be released for public land tender in due course. The Dongguan Train Station is a transportation hub that sits on the Guangzhou-Shenzhen Intercity Railway which connects to Guangzhou, Shenzhen and Kowloon, Hong Kong. The station is also linked to the metro line R2, connecting to Nancheng Business District, Humen Station at the Group’s Time Zone development project, Binhai Bay and Chang’an Port Station.

2.11 Property Development – Shilong Land, Dongguan (100%-owned)

- A mixed-use project developed by Longfor and Gemdale consortium which is nearing completion and located on the opposite side of the train station, has achieved an average residential selling price (“ASP”) of RMB26,000 psm with a remaining unsold inventory of approximately 610 residential units. Another comparable residential project which is approximately 600 metres from the Shilong Land on the same side of the train station, was fully sold at an ASP of RMB23,000 psm in 2020.

New Shilong Land

Site area : 32,400 sqm

Saleable : 95,500 sqm

GFA (residential 95% / commercial 5%)

The Group’s land cost in the project is approximately RMB10,700 psm ppr.



2.12 Property Development – Shijie Land, Dongguan (50%-owned)

- In August 2022, the Group entered into a joint venture with New Century, pursuant to which the Group will have an effective 50% equity interest in a project company which has acquired, via a public tender exercise held on 30 August 2022, a residential development land in Shijie, Dongguan, at an effective land cost of RMB1,586 million or RMB10,195 psm ppr.
- New Century is a local Dongguan developer with a successful development track record in a nearby completed and fully sold project, which is approximately 1.5 km from the Shijie Land down the same main road.
- New residential units of development projects within a 4 km radius from the Shijie Land are selling at an ASP in excess of RMB 27,000 psm.
- The Group is currently working together with New Century in the redevelopment of the Dongguan Wentang Recycling Factory, a property in the Dongguan East Sun portfolio, in which the Group and New Century has equity interests of 49.5% and 10% respectively.

2.12 Property Development – Shijie Land, Dongguan (50%-owned)

- The Shijie Land is situated in a developing area in Shijie town where there are educational institutions, shopping malls and markets within a 3-km radius. The surrounding land which currently comprises residential communities, industrial buildings and a land plot owned by the local municipality has been zoned for the future development for the high-technological industry, as well as a mixed development and private industrial park.

Within half hour's drive
to Dongguan city centre via
Bei Wang Road.



New Shijie Land

Site area : 50,900 sqm

Saleable : 155,600 sqm

GFA (residential 98% /
commercial 2%)

The Group's land cost in the
project is approximately
RMB10,200 psm ppr

2.13 Property Development – Millennium Waterfront Plot E, Wenjiang, Chengdu (100%-owned)

- The Group will launch the first pre-sale of the SOHO units at Plot E1 of the Millennium Waterfront project around late 2022/early 2023.
- The development at Plot E1 is expected to be completed around early 2024.



SOHO block (1,175 SOHO units) to be launched for pre-sale in late 2022



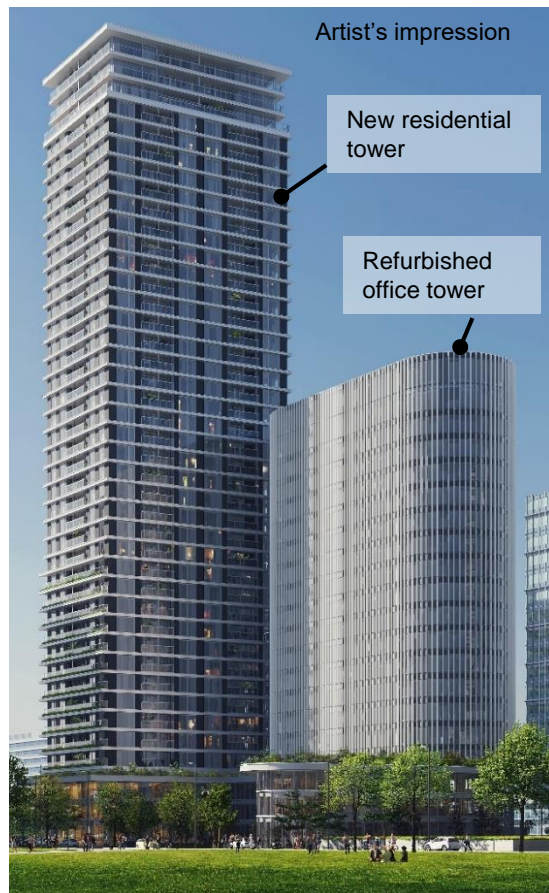
Artist's impression

Plot E

- Comprises approximately 2,124 SOHO units (149,700 sqm) and 28,400 sqm of retail podium
- The Group's land cost in Plot E is approximately RMB310 psm ppr



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



- The redevelopment project comprises a newly refurbished and enlarged 18-storey office tower (GFA: 20,231 sqm, including commercial plinth), a new 130-metre high residential tower with 312 apartment units (GFA: 27,890 sqm) and a parking garage with 136 carpark lots.
- The office tower is almost completely dismantled and foundation works for the new basement carpark have commenced.
- The contractors are expected to deliver the office and residential towers by late 2024 and 4Q2025 respectively.

- The current construction market poses many challenges and risks to the contractors and subcontractors in terms of controlling their cost. The Group will continue to actively engage them to manage its risk exposure.



Current state of office tower

2.15 Property Development – Meerparc Redevelopment, Amsterdam (100%-owned)

Meerparc, western elevation



- In December 2017, the Group acquired Meerparc, a freehold property with a substantial office component (GFA of 19,130 sqm) located in the Amsterdam South-Axis, the central business district of Amsterdam.
- On 21 October 2022, the Group entered into a letter of intent with the local municipal in relation to the redevelopment of Meerparc into a mixed residential (60%) / office (40%) property with an overall GFA of 50,000 sqm. The type and size of the residential units will be further discussed and finalised with the local municipal.

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



- Subsequent to the Stage 2 development approval granted in November 2021 for the 39.9%-owned CTC project in Sydney, the developer trust has entered into exclusive negotiations with a potential main contractor for the project.
- In order to manage the risk of increasing construction cost, the developer trust intends to enter into a partially fixed-cost construction agreement with the main contractor.
- Onsite construction investigative works have commenced in August 2022.
- The CTC project, upon completion, will comprise the refurbished City Tattersalls Club, a 110-room hotel and 241 residential units. The developer trust will monitor the market conditions before deciding on an appropriate time to launch the residential units for pre-sales.

← Ground Floor: Residential, Club & Hotel

Section 3

Business Updates 3Q2022 – Property Holding

3.1 Property Holding – European Property Portfolio Operating Performance

In EUR'000	3Q2022	3Q2021	Change %	YTD Sep 2022	YTD Sep 2021	Change %	YTD Sep 2019
Dutch office income	5,184	4,954	4.6%	14,430	15,083	(4.3%)⁽¹⁾	11,196
European hotel income	9,199	4,562	101.6%	17,334	1,295	n.m.	19,257
- Operating hotels ⁽²⁾	8,141	3,509	132.0%	14,138	(1,856)	n.m.	13,703
- Leased hotels ⁽³⁾	1,058	1,053	0.5%	3,196	3,151	1.4%	5,554 ⁽⁴⁾
Total	14,383	9,516	51.1%	31,764	16,378	93.9%	30,453

- (1) Due mainly to the lower income contribution from Mondriaan Tower Amsterdam arising from the exit of anchor tenant Delta Lloyd in early 2022, but was partially offset by the higher income contribution from Berg & Bosch Bilthoven in 3Q2022.
- (2) Includes the Bilderberg Hotel Portfolio, Hilton Rotterdam, Bilderberg Bellevue Hotel Dresden, Hampton by Hilton Utrecht Centraal Station, Crowne Plaza Utrecht Centraal Station and with effect from 31 January 2021, Le Méridien Frankfurt. The stronger trading results were mainly because of the lifting of Covid-19 restrictions.
- (3) Includes the Holiday Inn and Holiday Inn Express at Arena Towers Amsterdam.
- (4) Includes rental income from Le Méridien Frankfurt as it was classified under “Leased hotels” in YTD Sep 2019 before the termination of its lease in January 2021.

Excluding Dreeftoren Amsterdam and Meerparc Amsterdam, the Dutch office portfolio and European leased hotels (LFA: 114,665 sqm, 90% occupancy) have a WALT of approximately 7.2 years.

3.2 Property Holding – Dutch Bilderberg Hotel Portfolio (95%-owned)



Bilderberg Hotel Portfolio ¹	3Q2022	3Q2021	Change	3Q2019	YTD Sep 2022	YTD Sep 2021	YTD Sep 2019
Occupancy	73.2%	64.0%	9.2%	81.2%	58.6%	36.3%	70.6%
ADR	€ 119.4	€ 103.5	15.4%	€ 101.7	€ 114.7	€ 101.2	€ 102.8
RevPAR	€ 87.4	€ 66.2	32.0%	€ 82.6	€ 67.3	€ 36.8	€ 72.5
TRevPAR	€ 156.5	€ 122.2	28.1%	€ 151.4	€ 124.3	€ 67.4	€ 137.6

¹Comprises 11 owned hotels.

- The Bilderberg group has seen a strong recovery from the Covid-19 pandemic, following the increased demand for leisure and company meetings. This resulted in an increase in occupancy from 64.0% in 3Q2021 to 73.2% in 3Q2022, bringing total occupancy for YTD September 2022 to 58.6%, with ADR seeing an increase as well.

3.2 Property Holding – Dutch Bilderberg Hotel Portfolio (95%-owned)



<i>(in million €)</i>	3Q2022	3Q2021	Change	3Q2019	YTD Sep 2022	YTD Sep 2021	YTD Sep 2019
Revenue	18.0	14.1	28.0%	17.5	42.5	23.1	47.2
EBITDA/(LBITDA)	4.1	3.0	36.6%	4.2	6.5	(0.8)	8.6
Government Subsidies	-	(0.1)	100.0%	-	1.4	3.0	-
Energy Cost	1.0	0.4	152.3%	0.4	3.7	1.4	1.5

- Despite the inflationary pressure which is mainly driven by increasing energy and labour costs, the strong recovery allowed the Dutch Bilderberg hotel portfolio to record an improved EBITDA of €4.1m for 3Q2022 (3Q2021: €3.0m), which is close to pre Covid-19 EBITDA of €4.2m in 3Q2019.
- This brings YTD September 2022 EBITDA to €6.5m (YTD September 2021: LBITDA of €0.8m).

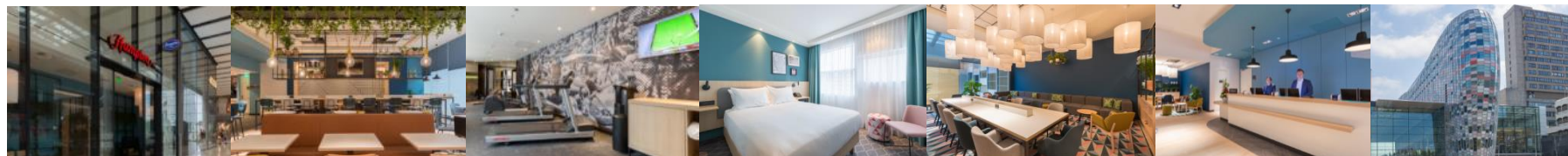
3.3 Property Holding – Hilton Rotterdam, the Netherlands (33%-owned)



<i>(in million €)</i>	3Q2022	3Q2021	Change	3Q2019	YTD Sep 2022	YTD Sep 2021	YTD Sep 2019
Revenue	3.5	1.4	153.0%	3.3	8.8	2.8	9.9
EBITDA/(LBITDA)	1.0	(0.3)	421.8%	1.1	2.0	(0.5)	3.0
Government Subsidies	-	(0.1)	100.0%	-	0.4	1.2	-
Energy Cost	0.2	0.1	193.0%	0.1	0.8	0.3	0.3

- Driven by strong leisure and meeting business, the hotel recorded an improved 3Q2022 occupancy of 80.5% (3Q2021: 43.1%). This is in excess of the 77.9% occupancy achieved in 3Q2019.
- Despite the impact of rising energy cost and lower government subsidies, the hotel recorded an EBITDA in 3Q2022 of €1.0m (3Q2021: LBITDA of €0.3m), which is close to pre Covid-19 EBITDA of €1.1m in 3Q2019. EBITDA for YTD September 2022 amounted to €2.0m (YTD September 2021: LBITDA of €0.5m).

3.4 Property Holding – Utrecht Centraal Station Hotels, the Netherlands (100%-owned)



(in million €)	3Q2022	3Q2021	Change	3Q2019	YTD Sep 2022	YTD Sep 2021	YTD Sep 2019
Revenue	3.7	1.2	195.8%	Hotels not fully opened for the period	8.6	1.7	Hotels not fully opened for the period
EBITDA/(LBITDA)	1.4	0.1	n.m.		3.0	-	
Government Subsidies	-	-	-		0.3	0.7	
Energy Cost	0.2	0.1	41.6%		0.5	0.3	

- The Hampton by Hilton recorded a 3Q2022 occupancy of 93.1% (3Q2021: 76.1%), with August and September 2022 seeing an occupancy in excess of 95%.
- The Crowne Plaza hotel is swiftly ramping up its business since its re-opening in January 2022, and recorded an occupancy of 82.4% for 3Q2022.
- Despite the discontinuation of the Covid-19 subsidies, the hotels jointly reported an EBITDA of €1.4m for 3Q2022 (3Q2021: EBITDA of €0.1m), with YTD September 2022 achieving an EBITDA of €3.0m (YTD September 2021: Breakeven).

3.5 Property Holding – Le Méridien Frankfurt, Germany (50%-owned)



<i>(in million €)</i>	3Q2022	3Q2021	Change	3Q2019 ¹	YTD Sep 2022	YTD Sep 2021	YTD Sep 2019 ¹
Revenue	3.6	1.6	123.4%	3.4	8.7	2.4	11.7
EBITDA/(LBITDA)	0.7	(0.2)	366.3%	0.7	1.0	(1.2)	2.9
Government Subsidies	-	0.2	100.0%	-	0.2	1.0	-
Energy Cost	0.2	0.1	90.8%	0.2	0.7	0.3	0.5

- Recovery for the Frankfurt market continues to be slow, with the corporate and conference travel market still trailing behind 2019. Despite the slow recovery, the hotel recorded an improved 3Q2022 occupancy of 60.4% (3Q2021: 36.5%).
- As a result of the improved occupancy, the hotel achieved an EBITDA similar to the pre Covid-19 3Q2019 level of €0.7m in 3Q2022 (3Q2021: LBITDA of €0.2m). For YTD September 2022, EBITDA was €1.0m (YTD September 2021: LBITDA of €1.2m).

¹As the hotel was a leased hotel of the Group up until 31 January 2021, the 3Q2019 and YTD Sep 2019 hotel operating figures shown above were on the account of the previous tenant.

3.6 Property Holding – Bilderberg Bellevue Hotel Dresden, Germany (94.9%-owned)



<i>(in million €)</i>	3Q2022	3Q2021	Change	3Q2019	YTD Sep 2022	YTD Sep 2021	YTD Sep 2019
Revenue	3.9	3.4	12.8%	3.0	8.6	5.2	8.2
EBITDA/(LBITDA)	1.1	1.0	1.5%	0.6	1.7	0.6	1.3
Government Subsidies	-	-	-	-	0.2	0.7	-
Energy Cost	0.3	0.2	72.7%	0.2	0.9	0.4	0.6

- For 3Q2022, the hotel recorded a higher RevPAR of €83 (3Q2021: €79) due to a higher ADR of €124 (3Q2021: €109) albeit at the expense of a lower occupancy level of 67.5% (3Q2021: 72.5%).
- The hotel recorded an improved EBITDA of €1.1m for 3Q2022 (3Q2021: EBITDA of €1.0m) and €1.7m for YTD September 2022 (YTD September 2021: €0.6m), above the levels in the same periods in 2019 which were impacted by the room refurbishment program.

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



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

- Due to the resurgence of Covid-19 cases in Chengdu, both the Holiday Inn Express and Crowne Plaza hotels were selected by the local municipal for use as quarantine hotels on several occasions during the year. Both hotels were used as quarantine hotels for approximately 9 weeks between February 2022 and June 2022, and the hotels were again used as quarantine hotels for about 3 to 4 weeks between July 2022 and September 2022.
- Notwithstanding the above, the hotels recorded a higher EBITDA of RMB5.0 million in 3Q2022 (3Q2021: RMB1.6 million) as compared to 3Q2021 which was a weaker quarter with the implementation of restrictions due to the resurgence of Covid-19 cases. For YTD September 2022, the hotels recorded a lower EBITDA of RMB8.5 million (YTD September 2021: RMB9.9 million).

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

- In May 2021, TVHG Budget Amsterdam II B.V. (“TVHG”), the tenant of the two hotels at the Arena Towers in Amsterdam Southeast, commenced preliminary relief proceedings against the Group’s wholly-owned subsidiary, FSNL Property 2 B.V. (“FSNLP2”), to, among other things, suspend TVHG’s obligation to pay 45% (subsequently amended to 43.4%) of the rent for the period from April 2020 up to March 2021 and thereafter, such percentage of the rent calculated based on the percentage decrease in turnover divided by 2 in accordance with the fixed formula applied by the courts (“Fixed Formula”) up to such time that the Covid-19 restrictions are lifted or the hotels’ turnover returns to pre-Covid-19 levels.
- On 9 June 2021, the Amsterdam preliminary relief judge rejected TVHG’s claims.

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

- On 20 August 2021, TVHG commenced further legal action against FSNLP2 for, among other things, a rent reduction of 45% based on the Fixed Formula from March 2020 onwards.
- On 18 August 2022, the District Court ruled that the rent should be reduced for the period from March 2020 to February 2022 in accordance with the Fixed Formula and ordered the Group to refund to TVHG the total sum of €3,465,124 plus statutory interest thereon accruing from 20 August 2021 up to the date of refund.
- On 23 August 2022, the Group refunded €3,465,124 plus €258,390 in statutory interest.
- Management intends to file an appeal with the Court of Appeal by the deadline of 17 November 2022.

Section 4

Business Updates 3Q2022 – Property Financing

4.1 Property Financing – PRC Loan Book

	Average PRC PF loan book for the year to date ended	PRC PF loan book * as at
30 September 2022	RMB1,848.4m (S\$385.4m)	RMB1,215.4m (S\$245.0m)
30 June 2022	RMB2,142.8m (S\$451.3m)	RMB1,333.1m (S\$277.0m)

* Included RMB80.9m and RMB112.8m balance in relation to the RMB280m defaulted loan as at 30 September 2022 and 30 June 2022 respectively, and the RMB50m defaulted loan which was fully recovered on 27 October 2022.

- The PRC PF loan book stood at RMB1.2 billion as at 30 September 2022, a 9% decrease from the loan book as at 30 June 2022.

4.2 Property Financing – Update on the RMB330m PRC Defaulted Loans

- (I) RMB50m Pudong Villa Mortgaged Loan (Auction Closed at RMB127.8 million)
- The Company reported in its 1H2022 Investor Presentation dated 29 July 2022 (“**1H2022 PPT**”) that, after deducting, among others, estimated tax liabilities of RMB70.0 million payable by the borrower for the auction sale, the estimated net auction proceeds of RMB57.5 million would be insufficient to cover the outstanding loan principal and default and penalty interest. However, in September 2022, the aforementioned tax liabilities were settled at a lower amount of RMB60.2 million. As such, the net auction proceeds of RMB67.1 million received by the Group on 27 October 2022 were sufficient to repay in full the loan principal and the default and penalty interest which amounted to an aggregate of RMB62.1 million as at the auction date of 22 April 2022 (which the court has ruled shall be the date on which default and penalty interest shall cease to accrue). The resulting excess of approximately RMB5.0 million (“**RMB5m Excess**”) has been applied towards the partial repayment of the RMB280 million defaulted loan.
 - The successful enforcement of the RMB50 million defaulted loan resulted in an internal rate of return (“**IRR**”) of 13.0% p.a. since the disbursement of the RMB50 million loan on 15 June 2017.

4.2 Property Financing – Update on the RMB330m PRC Defaulted Loans

(II) RMB280m Pudong Mall Mortgaged Loan (Auction Closed at RMB281.9 million)

- The Company reported in its 1H2022 PPT that, after deducting, among others, estimated tax liabilities of RMB60.0 million payable by the borrower for the auction sale, the estimated net auction proceeds of RMB214.1 million would be insufficient to cover the outstanding loan principal, default and penalty interest and related legal fees. In September 2022, the aforementioned tax liabilities were settled at a lower amount of RMB35.1 million which resulted in higher net auction proceeds of RMB239.0 million. Such net proceeds, together with the RMB5m Excess, are insufficient to cover the outstanding loan principal, default and penalty interest as at 22 April 2022 and related legal fees which amounted to an aggregate of RMB360.7 million, leaving a shortfall of RMB116.7 million as at 22 April 2022. The Group will continue to pursue the shortfall via the court process.
- From an accounting perspective, the Group did not recognise interest income on the loan for YTD September 2022 although the Group is legally entitled to receive additional default and penalty interest amounting to RMB35.6 million. As at 30 September 2022, the Group recorded in its books a receivable due from the borrower of RMB80.9 million. If the Group fails to recover such amount, the negative P&L impact to the Group would be RMB80.9 million. Management has not made any impairment for this net exposure given that the enforcement action is still in progress.

4.2 Property Financing – Update on the RMB330m PRC Defaulted Loans

	RMB50m Pudong Villa Mortgaged Loan	RMB280m Pudong Mall Mortgaged Loan	Overall RMB330m Defaulted Loan	
<i>(Figures in RMB'm)</i>				
Gross proceeds	127.8	281.9	409.7	[A]
Less deductions	(60.7)	(42.9)	(103.7)	[B]
• Tax	(60.2)	(35.1)		
• Mainly auction fee + valuation fee	(0.5)	(0.3)		
• Rental deposit	-	(7.5)		
Net auction proceeds	67.1	239.0	306.0	[C]=[A]+[B]
Outstanding debt as at 22-Apr-2022 prior to settlement	62.1	360.7	422.7	[D]
• Loan principal	50.0	280.0		
• Default and penalty Interest	12.1	75.3		
• Legal fees	-	5.5		
Excess/(Shortfall)	5.0	(121.7)	(116.7)	[E]=[C]-[D]
Redirect of RMB5m Excess	(5.0)	5.0		[F]
Final shortfall (Outstanding principal)	-	(116.7)	(116.7)	[G]=[E]+[F]
Book exposure to borrower	-	(80.9)	(80.9)	
Total cash income (collected to-date)	84.8	288.8	339.1	
IRR	13.0%	1.2%	4.4%	

- For the RMB280 million defaulted loan, after considering the cumulative interest collected during the loan tenure, the Group has more than recouped the RMB280 million loan principal. In addition, the Group has acquired the Pudong Mall which has a net annual property income of approximately RMB17.7 million during the foreclosure auction at an all-in cost of RMB276.7 million.

Thank You

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