FIRST SPONSOR GROUP LIMITED
AND SUBSIDIARY COMPANIES

SGX APPENDIX 7.2 ANNOUNCEMENT
FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED
31 DECEMBER 2021

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CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

For the second half year and financial year ended 31 December 2021

	Note	The Group Half year ended 31 December 2021 S$'000 (Unaudited)	The Group Half year ended 31 December 2020 S$'000 (Unaudited)	The Group Full year ended 31 December 2021 S$'000 (Unaudited)	The Group Full year ended 31 December 2020 S$'000 (Audited)
Revenue	4	432,412	99,788	589,170	203,936
Cost of sales		(262,346)	(11,952)	(347,854)	(32,030)
Gross profit		170,066	87,836	241,316	171,906
Administrative expenses		(23,022)	(15,649)	(36,138)	(28,726)
Selling expenses		(3,806)	(3,027)	(10,164)	(5,836)
Other (expenses)/income (net)		(15,825)	(8,667)	(10,294)	1,322
Other gains (net)	5	5,727	1,005	16,604	2,907
Results from operating activities		133,140	61,498	201,324	141,573
Finance income		11,889	11,771	20,544	23,120
Finance costs		(16,378)	(13,142)	(30,348)	(26,708)
Net finance costs		(4,489)	(1,371)	(9,804)	(3,588)
Share of after-tax profit/ (loss) of associates and joint ventures		325	(6,672)	11,075	(12,373)
Profit before tax	6	128,976	53,455	202,595	125,612
Tax expense	7	(67,181)	(9,349)	(72,350)	(24,501)
Profit for the period/year		61,795	44,106	130,245	101,111
Attributable to:					
Equity holders of the Company		52,518	45,103	121,469	103,174
Non-controlling interests		9,277	(997)	8,776	(2,063)
Profit for the period/year		61,795	44,106	130,245	101,111
Earnings per share (cents)					
- Basic		5.72	5.15	13.26	11.97
- Diluted		3.96	3.40	9.16	8.87

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the second half year and financial year ended 31 December 2021

	The Group Half year ended 31 December		The Group Full year ended 31 December	
	2021 S$'000 (Unaudited)	2020 S$'000 (Unaudited)	2021 S$'000 (Unaudited)	2020 S$'000 (Audited)
Profit for the period/year	61,795	44,106	130,245	101,111
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Exchange gains realised on disposal of a subsidiary	-	-	3	-
Translation (losses)/gains on financial statements arising from liquidation of a foreign subsidiary, net of tax	-	(2)	-	51
Share of translation gains/(losses) on financial statements of foreign associates and joint ventures, net of tax	37,948	(7)	47,526	7,558
Translation (losses)/gains on financial statements of foreign subsidiaries, net of tax	(8,058)	7,694	29,200	24,360
Translation gains on monetary items forming part of net investment in foreign subsidiaries, net of tax	-	2,326	-	3,143
Other comprehensive income for the period/ year, net of tax	29,890	10,011	76,729	35,112
Total comprehensive income for the period/ year	91,685	54,117	206,974	136,223
Total comprehensive income attributable to:				
Equity holders of the Company	80,561	58,822	193,794	141,146
Non-controlling interests	11,124	(4,705)	13,180	(4,923)
Total comprehensive income for the period/ year	91,685	54,117	206,974	136,223

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
As at 31 December 2021

	Note	The Group		The Company	
		As at 31 December 2021 S$'000 (Unaudited)	As at 31 December 2020 S$'000 (Audited)	As at 31 December 2021 S$'000 (Unaudited)	As at 31 December 2020 S$'000 (Audited)
Non-current assets					
Property, plant and equipment		356,058	371,382	343	592
Investment properties		125,204	97,942	-	-
Subsidiaries		-	-	1,162,661	466,347
Interests in associates and joint ventures		1,027,535	549,943	9,680	9,680
Derivative assets		46,209	7,207	46,209	7,207
Other investments		201,992	57,586	-	-
Deferred tax assets		37,419	30,220	-	-
Trade and other receivables		491,775	767,027	105,733	101,238
		2,286,192	1,881,307	1,324,626	585,064
Current assets					
Development properties		704,679	530,542	-	-
Inventories		376	394	-	-
Trade and other receivables		946,133	482,401	1,360,670	1,550,386
Assets held-for-sale	10	15,869	12,818	-	-
Derivative assets		6,334	1,315	6,334	1,315
Other investments		-	39,500	-	-
Cash and cash equivalents		343,932	476,304	137,946	141,945
		2,017,323	1,543,274	1,504,950	1,693,646
Total assets		4,303,515	3,424,581	2,829,576	2,278,710
Equity					
Share capital		118,357	117,329	118,357	117,329
Reserves		1,744,725	1,553,818	1,294,875	1,281,256
Equity attributable to owners of the Company		1,863,082	1,671,147	1,413,232	1,398,585
Non-controlling interests		115,772	76,172	-	-
Total equity		1,978,854	1,747,319	1,413,232	1,398,585
Non-current liabilities					
Loans and borrowings	11	937,749	615,012	959,749	637,012
Derivative liabilities		24,584	37,224	24,584	37,224
Other payables		9,719	45,417	-	-
Lease liabilities		68,513	74,087	-	106
Deferred tax liabilities		13,632	10,691	-	-
		1,054,197	782,431	984,333	674,342

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONT'D)
As at 31 December 2021

	Note	The Group		The Company	
		As at 31 December 2021 S$'000 (Unaudited)	As at 31 December 2020 S$'000 (Audited)	As at 31 December 2021 S$'000 (Unaudited)	As at 31 December 2020 S$'000 (Audited)
Current liabilities					
Loans and borrowings	11	151,158	124,560	151,158	124,560
Current tax payable		90,151	43,533	1,959	2,355
Trade and other payables		840,864	348,603	273,412	76,676
Liabilities held-for-sale	10	3,223	-	-	-
Contract liabilities		173,904	372,236	-	-
Receipts in advance		3,420	1,321	-	-
Lease liabilities		2,368	2,596	106	210
Derivative liabilities		5,376	1,982	5,376	1,982
		1,270,464	894,831	432,011	205,783
Total liabilities		2,324,661	1,677,262	1,416,344	880,125
Total equity and liabilities		4,303,515	3,424,581	2,829,576	2,278,710

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the full year ended 31 December 2021

	Note	The Group Full year ended 31 December 2021 S$'000 (Unaudited)	2020 S$'000 (Audited)
Cash flows from operating activities			
Profit for the year		130,245	101,111
Adjustments for:			
Depreciation of property, plant and equipment	6	13,441	12,160
Fair value (gain)/loss on:			
- derivative assets/liabilities (net)	6	(53,268)	69,291
- investment properties	6	(4,439)	4,311
- other investments	6	(3,755)	(7,371)
Finance income		(20,544)	(23,120)
Finance costs		30,348	26,708
(Gain)/loss on disposal of:			
- a joint venture and an associate	5	(1,493)	(2)
- assets and liabilities held-for-sale	5	(20,593)	(2,758)
- other investments	5	(115)	(250)
- property, plant and equipment (net)	5	(9)	28
- subsidiaries	5	(4)	(86)
Impairment loss on:			
- financial assets – loan receivable from a joint venture company	6	6,677	-
- financial assets – third parties	6	109	-
- property, plant and equipment	6	9,766	4,247
Write-down of development properties	6	10,890	-
Loss on liquidation of subsidiaries		-	157
Property, plant and equipment written off	6	5,610	4
Share of after-tax (profit)/loss of associates and joint ventures		(11,075)	12,373
Tax expense	7	72,350	24,501
		164,141	221,304
Changes in:			
Contract liabilities		(187,150)	318,042
Development properties		73,310	(114,296)
Inventories		2	188
Loans and borrowings		285,191	(15,653)
Trade and other receivables		(488,644)	(118,722)
Trade and other payables		39,893	(88,071)
Cash (used in)/generated from operations		(113,257)	202,792
Interest received		6,887	5,862
Interest paid		(12,433)	(11,481)
Tax paid		(34,108)	(27,328)
Net cash (used in)/generated from operating activities		(152,911)	169,845
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		(241,867)	(5,037)
Advances to associates (net)		(4,155)	(216,620)
Repayment from joint ventures (net)		8	-
Return of capital from an associate		479	-
Deposit paid for potential acquisition of subsidiaries		-	(27,700)

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)
For the full year ended 31 December 2021

	The Group Full year ended 31 December 2021 S$'000 (Unaudited)	2020 S$'000 (Audited)
Cash flows from investing activities (cont'd)		
Dividend received from an associate	-	11,942
Dividend received from a joint venture	-	634
Interest received	19,019	22,297
Payment for acquisition of other investments	-	(16,097)
(Advances to)/repayment from non-controlling interests of subsidiaries (net)	(43,572)	6,990
Payment for additions to property, plant and equipment	(7,867)	(16,496)
Payment for investments in associates and joint ventures	(13,353)	(18,027)
Proceeds from disposal of:		
- a joint venture	5,740	-
- assets and liabilities held-for-sale	94,066	9,753
- other investments (non-current)	2,111	2,898
- property, plant and equipment	19	298
- subsidiaries	1	5,064
Net cash used in investing activities	(189,371)	(240,101)
Cash flows from financing activities		
Advances from associates (net)	120,807	73,329
Advances from joint ventures	93,606	9,491
(Repayment to)/advances from non-controlling interests of subsidiaries	(646)	19,787
Capital contribution by non-controlling interests	7,715	45,859
Distribution to perpetual convertible capital securities ("PCCS") holders	-	(2,975)
Dividends paid to the owners of the Company	(28,386)	(22,855)
Interest paid	(27,114)	(21,523)
Issuance of ordinary shares	8,262	9,771
Loan from non-controlling interests	-	200
Payment of lease liabilities	(5,916)	(5,904)
Payment of transaction costs related to borrowings	(8,234)	(4,619)
Proceeds from issuance of medium term notes ("notes")	-	100,000
Repayment to an affiliate of a non-controlling interest of a subsidiary	(4,532)	(6,990)
Repurchase of notes	-	(22,000)
Proceeds from bank borrowings	1,007,381	1,274,264
Repayment of bank borrowings	(941,492)	(1,222,658)
Redemption of PCCS	-	(4,145)
Net cash from financing activities	221,451	219,032
Net (decrease)/increase in cash and cash equivalents	(120,831)	148,776
Cash and cash equivalents at beginning of the year	476,304	313,389
Effect of exchange rate changes on balances held in foreign currencies	(11,506)	14,139
Cash and cash equivalents at end of the year	343,967	476,304

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)
For the full year ended 31 December 2021

	The Group Full year ended 31 December 2021 S$'000 (Unaudited)	 2020 S$'000 (Audited)
Cash and cash equivalents at the end of the year comprise:		
Cash and cash equivalents in the statement of financial position of the Group	343,932	476,304
Cash and cash equivalents included in assets held-for-sale	35	-
	343,967	476,304

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Share capital S$'000	Share premium S$'000	Statutory reserve S$'000	Capital reserve S$'000	Distributable reserve S$'000	Foreign currency translation reserve S$'000	Retained earnings S$'000	Total attributable to equity holders of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
Group (Unaudited)										
At 1 January 2021	117,329	286,411	53,678	245	655,029	19,346	539,109	1,671,147	76,172	1,747,319
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	121,469	121,469	8,776	130,245
Other comprehensive income										
Exchange gains realised on disposal of a subsidiary	-	-	-	-	-	3	-	3	-	3
Share of translation gains on financial statements of foreign associates and joint ventures, net of tax	-	-	-	-	-	47,526	-	47,526	-	47,526
Translation gains on financial statements of foreign subsidiaries, net of tax	-	-	-	-	-	24,796	-	24,796	4,404	29,200
Total other comprehensive income	-	-	-	-	-	72,325	-	72,325	4,404	76,729
Total comprehensive income for the year	-	-	-	-	-	72,325	121,469	193,794	13,180	206,974

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)
For the financial year ended 31 December 2021

	Note	Share capital S$'000	Share premium S$'000	Statutory reserve S$'000	Capital reserve S$'000	Distributable reserve S$'000	Foreign currency translation reserve S$'000	Retained earnings S$'000	Total attributable to equity holders of the Company S$'000	Non-controlling interests S$'000	Total equity S$'000
Transaction with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends paid to the owners of the Company	8	-	-	-	-	-	-	(10,121)	(10,121)	-	(10,121)
Issuance of new shares pursuant to exercise of warrants		1,028	7,234	-	-	-	-	-	8,262	-	8,262
Transfer to statutory reserve		-	-	3,598	-	-	-	(3,598)	-	-	-
Total contributions by and distributions to owners		1,028	7,234	3,598	-	-	-	(13,719)	(1,859)	-	(1,859)
Changes in ownership interests in subsidiaries											
Acquisition of subsidiaries with non-controlling interests		-	-	-	-	-	-	-	-	19,783	19,783
Capital contribution by non-controlling interests		-	-	-	-	-	-	-	-	7,715	7,715
Dilution of interests in subsidiaries		-	-	-	-	-	-	-	-	(1,078)	(1,078)
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	26,420	26,420
Total transactions with owners of the Company		1,028	7,234	3,598	-	-	-	(13,719)	(1,859)	26,420	24,561
At 31 December 2021		**118,357**	**293,645**	**57,276**	**245**	**655,029**	**91,671**	**646,859**	**1,863,082**	**115,772**	**1,978,854**

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)
For the financial year ended 31 December 2021

	Share capital S$'000	Share premium S$'000	Statutory reserve S$'000	Capital reserve S$'000	Distributable reserve S$'000	Foreign currency translation reserve S$'000	Retained earnings S$'000	Total attributable to equity holders of the Company S$'000	Perpetual convertible capital securities S$'000	Non-controlling interests S$'000	Total equity S$'000
Group (Audited)											
At 1 January 2020	101,251	150,313	39,959	245	655,029	(18,626)	493,750	1,421,921	146,548	30,120	1,598,589
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	103,174	103,174	-	(2,063)	101,111
Other comprehensive income											
Translation gains on financial statements arising from liquidation of a foreign subsidiary reclassified to profit or loss, net of tax	-	-	-	-	-	51	-	51	-	-	51
Share of translation gains on financial statements of foreign associates and joint ventures, net of tax	-	-	-	-	-	7,558	-	7,558	-	-	7,558
Translation gains/(losses) on financial statements of foreign subsidiaries, net of tax	-	-	-	-	-	27,220	-	27,220	-	(2,860)	24,360
Translation gains on monetary items forming part of net investment in foreign subsidiaries, net of tax	-	-	-	-	-	3,143	-	3,143	-	-	3,143
Total other comprehensive income	-	-	-	-	-	37,972	-	37,972	-	(2,860)	35,112
Total comprehensive income for the year	-	-	-	-	-	37,972	103,174	141,146	-	(4,923)	136,223

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)
For the financial year ended 31 December 2021

	Share capital S$'000	Share premium S$'000	Statutory reserve S$'000	Capital reserve S$'000	Distributable reserve S$'000	Foreign currency translation reserve S$'000	Retained earnings S$'000	Total attributable to equity holders of the Company S$'000	Perpetual convertible capital securities S$'000	Non-controlling interests S$'000	Total equity S$'000
Transaction with owners, recognised directly in equity											
Contributions by and distributions to owners											
Dividends declared/paid to the owners of the Company	-	-	-	-	-	-	(41,121)	(41,121)	-	-	(41,121)
Issuance of new shares pursuant to											
- conversion of PCCS	15,032	127,373	-	-	-	-	-	142,405	(142,405)	-	-
- exercise of warrants	1,046	8,725	-	-	-	-	-	9,771	-	-	9,771
Distributions of PCCS	-	-	-	-	-	-	(2,975)	(2,975)	-	-	(2,975)
Redemption of PCCS	-	-	-	-	-	-	-	-	(4,143)	-	(4,143)
Liquidation of a subsidiary	-	-	(109)	-	-	-	109	-	-	-	-
Transfer to statutory reserve	-	-	13,828	-	-	-	(13,828)	-	-	-	-
Total contributions by and distributions to owners	16,078	136,098	13,719	-	-	-	(57,815)	108,080	(146,548)	-	(38,468)
Changes in ownership interests in subsidiaries											
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	5,146	5,146
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-	45,859	45,859
Disposal of a subsidiary by non-controlling interests	-	-	-	-	-	-	-	-	-	(30)	(30)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	50,975	50,975
Total transactions with owners of the Company	16,078	136,098	13,719	-	-	-	(57,815)	108,080	(146,548)	50,975	12,507
At 31 December 2020	**117,329**	**286,411**	**53,678**	**245**	**655,029**	**19,346**	**539,109**	**1,671,147**	**-**	**76,172**	**1,747,319**

* Amount less than S$1,000

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)
For the financial year ended 31 December 2021

	Share capital S$'000	Share premium S$'000	Capital reserve S$'000	Distributable reserve S$'000	Retained earnings S$'000	Total equity S$'000
The Company (Unaudited)						
At 1 January 2021	117,329	286,623	(5,988)	655,029	345,592	1,398,585
Total comprehensive income for the year						
Profit for the year	-	-	-	-	16,516	16,516
Total comprehensive income for the year	-	-	-	-	16,516	16,516
Transaction with owners, recognised directly in equity						
Contribution by and distributions to owners						
Dividends paid to the owners of the Company	-	-	-	-	(10,131)	(10,131)
Issuance of new shares pursuant to exercise of warrants	1,028	7,234	-	-	-	8,262
Total contributions by and distributions to owners	1,028	7,234	-	-	(10,131)	(1,869)
Total transactions with owners of the Company	1,028	7,234	-	-	(10,131)	(1,869)
At 1 December 2021	**118,357**	**293,857**	**(5,988)**	**655,029**	**351,977**	**1,413,232**

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)
For the financial year ended 31 December 2021

	Share capital S$'000	Share premium S$'000	Capital reserve S$'000	Distributable reserve S$'000	Retained earnings S$'000	Total attributable to equity holders of the Company S$'000	Perpetual convertible capital securities S$'000	Total equity S$'000
The Company (Audited)								
At 1 January 2020	101,251	150,525	(5,988)	655,029	280,513	1,181,330	146,548	1,327,878
Total comprehensive income for the year								
Profit for the year	-	-	-	-	109,183	109,183	-	109,183
Total comprehensive income for the year	-	-	-	-	109,183	109,183	-	109,183
Transaction with owners, recognised directly in equity								
Contribution by and distributions to owners								
Dividends declared/paid to the owners of the Company	-	-	-	-	(41,129)	(41,129)	-	(41,129)
Issuance of new shares pursuant to								
- conversion of PCCS	15,032	127,373	-	-	-	142,405	(142,405)	-
- exercise of warrants	1,046	8,725	-	-	-	9,771	-	9,771
Distributions of PCCS	-	-	-	-	(2,975)	(2,975)	-	(2,975)
Redemption of PCCS	-	-	-	-	-	-	(4,143)	(4,143)
Total contributions by and distributions to owners	16,078	136,098	-	-	(44,104)	108,072	(146,548)	(38,476)
Total transactions with owners of the Company	16,078	136,098	-	-	(44,104)	108,072	(146,548)	(38,476)
At 31 December 2020	**117,329**	**286,623**	**(5,988)**	**655,029**	**345,592**	**1,398,585**	**-**	**1,398,585**

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the second half year and full financial year ended 31 December 2021

1. Corporate and group information

First Sponsor Group Limited ("the "Company") is incorporated in the Cayman Islands and has its registered office at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The principal activities of the Company are those relating to investment holding. The principal activities of the subsidiaries are those relating to investment holding, property development and sales, property investment, hotel ownership and operations and provision of property financing services.

These condensed interim consolidated financial statements as at and for the half year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"), and the Group's interests in equity-accounted investees.

2. Basis of preparation

The condensed interim financial statements for second half year ended 31 December 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the six months ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with IFRSs, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar (S$) which is the Company's functional currency and all values are rounded to the nearest thousand (S$'000), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

A number of amendments to the standards have become applicable for the current reporting year. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Given the Covid-19 pandemic has caused and will likely cause significant disruptions to economic activities, the uncertainties associated with accounting estimates and assumptions may also be increased accordingly. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

2.3. Fair value measurement for investment properties

The Group engaged independent real estate valuation experts to assess the fair value of the Group's investment properties as at the end of each financial year. Such fair values are determined by the real estate valuation experts using recognised valuation techniques.

The valuation of the investment properties is generally derived based on the discounted cash flow, income capitalisation and market comparable methods. The discounted cash flow method takes into consideration the estimated net rent (using the current and projected average rental rates and occupancy) and a discount rate applicable to the nature and type of asset in question. The income capitalisation approach takes into consideration the estimated net rent and a yield rate applicable to the nature and type of asset in question. The market comparable method takes into consideration the sales of similar properties that have been transacted in the open market.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions that are relevant to the valuation if such information is reasonably available.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

For the unaudited results of the second half year and full year ended 31 December 2021 and 31 December 2020, the fair values of the Group's investment properties were based on the independent valuations as at 31 December 2021 and 31 December 2020 respectively, taking into account capitalised expenditure, leasing costs and straight-line rent incentives recognised during the respective periods.

The outbreak of Covid-19 has increased the volatility to property markets in the PRC and the Netherlands, resulting in increased uncertainty of the assumptions adopted in the valuation process. Consequently, the ongoing development of Covid-19 may cause unexpected volatility in the future fair value of investment properties subsequent to 31 December 2021.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period, except for its hotel operations which are subject to domestic and international economic conditions and seasonality factors. In addition, the adverse impact of the outbreak of Covid-19 on travel and tourism industries in the countries in which the Group operates its hotel operations could materially affect the Group's hotel operations, financial conditions and results of operations.

4. Segment and revenue information

The Group is organised into the following main business segments:

- Property development – development and/or purchase of properties for sale
- Property investment – development and/or purchase of investment properties (including hotels) for rental income
- Property financing – provision of interest-bearing loans to associates, joint ventures and third parties, subscription of debt securities, and vendor financing arrangements
- Hotel operations – Operations of hotels and a hotspring owned or leased by the Group

These operating segments are reported in a manner consistent with internal reporting provided to the Group CEO and Group CFO who are responsible for allocating resources and assessing the performance of the operating segments.

4.1 Reportable segments

	Property development S$'000	Property investment S$'000	Property financing S$'000	Hotel operations S$'000	Total reportable segments S$'000	Unallocated S$'000	Consolidated S$'000
1 July 2021 to 31 December 2021							
Segment revenue	334,079	9,322	64,457	27,131	434,989	7,809	442,798
Elimination of inter-segment revenue	-	(3,770)	-	(412)	(4,182)	(6,204)	(10,386)
External revenue	334,079	5,552	64,457	26,719	430,807	1,605	432,412
Profit/(loss) from operating activities	85,314	16,505	45,565	(13,884)	133,500	(360)	133,140
Finance income	7,889	86	4	1,451	9,430	2,459	11,889
Finance costs	(10,010)	(222)	(23)	(3,030)	(13,285)	(3,093)	(16,378)
Share of after-tax profit/(loss) of associates and joint ventures	(1,403)	4,397	(42)	(2,625)	327	(2)	325
Segment profit/(loss) before tax	81,790	20,766	45,504	(18,088)	129,972	(996)	128,976
Other material non-cash items (debit)/credit:							
Depreciation	(235)	(245)	(45)	(5,836)	(6,361)	(320)	(6,681)
Fair value gain/(loss) on:							
- other investments	-	4	-	-	4	(693)	(689)
- investment properties	-	4,439	-	-	4,439	-	4,439
- derivatives (net)	(2,128)	818	46,479	3,062	48,231	-	48,231
Impairment loss on:							
- financial assets – loan receivable from a joint venture company	-	-	(6,677)	-	(6,677)	-	(6,677)
- property, plant and equipment	(228)	-	-	(9,538)	(9,766)	-	(9,766)
Property, plant and equipment written off	(8)	(5,601)	-	-	(5,609)	-	(5,609)
Write-down of development properties	(10,890)	-	-	-	(10,890)	-	(10,890)
Other segment information:							
Capital expenditure*	4,765	-	1	38	4,804	82	4,886

* Includes property, plant and equipment and investment properties.

4.1 Reportable segments (cont'd)

	Property development S$'000	Property investment S$'000	Property financing S$'000	Hotel operations S$'000	Total reportable segments S$'000	Unallocated S$'000	Total S$'000
1 July 2020 to 31 December 2020							
Segment revenue	34,556	7,341	40,276	20,412	102,585	5,286	107,871
Elimination of inter-segment revenue	-	(3,767)	-	(320)	(4,087)	(3,996)	(8,083)
External revenue	34,556	3,574	40,276	20,092	98,498	1,290	99,788
Profit/(loss) from operating activities	31,560	5,667	38,257	(11,514)	63,970	(2,472)	61,498
Finance income	5,666	132	460	1,464	7,722	4,049	11,771
Finance costs	(3,777)	(157)	(5)	(2,239)	(6,178)	(6,964)	(13,142)
Share of after-tax profit/(loss) of associates and joint ventures	8,046	(1,310)	278	(13,690)	(6,676)	4	(6,672)
Segment profit/(loss) before tax	41,495	4,332	38,990	(25,979)	58,838	(5,383)	53,455
Other material non-cash items (debit)/credit:							
Depreciation	(263)	(171)	(43)	(6,674)	(7,151)	(287)	(7,438)
Impairment loss on property, plant and equipment	-	-	-	(4,247)	(4,247)	-	(4,247)
Fair value gain on other investments	-	7,290	-	-	7,290	461	7,751
Fair value loss on investment properties	-	(4,311)	-	-	(4,311)	-	(4,311)
Fair value loss on derivatives (net)	(11,221)	(2,362)	(39,092)	(3,470)	(56,145)	-	(56,145)
Other segment information:							
Capital expenditure*	726	-	12	16,478	17,216	1,193	18,409

* Includes property, plant and equipment and investment properties.

4.1 Reportable segments (cont'd)

	Property development S$'000	Property investment S$'000	Property financing S$'000	Hotel operations S$'000	Total reportable segments S$'000	Unallocated S$'000	Total S$'000
1 January 2021 to 31 December 2021							
Segment revenue	415,128	17,676	118,994	42,797	594,595	13,648	608,243
Elimination of inter-segment revenue	-	(7,255)	-	(779)	(8,034)	(11,039)	(19,073)
External revenue	415,128	10,421	118,994	42,018	586,561	2,609	589,170
Profit/(loss) from operating activities	87,243	34,238	106,841	(17,919)	210,403	(9,079)	201,324
Finance income	13,355	168	32	2,880	16,435	4,109	20,544
Finance costs	(16,278)	(654)	(25)	(6,748)	(23,705)	(6,643)	(30,348)
Share of after-tax profit/(loss) of associates and joint ventures	14,910	7,021	(171)	(10,682)	11,078	(3)	11,075
Segment profit/(loss) before tax	99,230	40,773	106,677	(32,469)	214,211	(11,616)	202,595
Other material non-cash items (debit)/credit:							
Depreciation	(309)	(592)	(88)	(11,850)	(12,839)	(602)	(13,441)
Fair value gain on:							
- derivatives (net)	(7,459)	4,008	53,436	3,283	53,268	-	53,268
- investment properties	-	4,439	-	-	4,439	-	4,439
- other investments	-	316	-	-	316	3,439	3,755
Impairment loss on:							
- financial assets – loan receivable from a joint venture company	-	-	(6,677)	-	(6,677)	-	(6,677)
- property, plant and equipment	(228)	-	-	(9,538)	(9,766)	-	(9,766)
Property, plant and equipment written off	(9)	(5,601)	-	-	(5,610)	-	(5,610)
Write-down of development properties	(10,890)	-	-	-	(10,890)	-	(10,890)

4.1 Reportable segments (cont'd)

	Property development $'000	Property investment $'000	Property financing $'000	Hotel operations $'000	Total reportable segments $'000	Unallocated $'000	Total $'000
As at 31 December 2021							
Assets							
Segment assets	1,504,755	106,794	1,241,318	354,919	3,207,786	68,194	3,275,980
Interests in associates and joint ventures	876,860	191,448	-	(50,662)	1,017,646	9,889	1,027,535
	2,381,615	298,242	1,241,318	304,257	4,225,432	78,083	4,303,515
Liabilities							
Segment liabilities	1,290,196	57,814	775,149	119,214	2,242,373	82,288	2,324,661
Other segment information:							
Capital expenditure*	8,063	-	-	109	8,172	183	8,355

* Includes property, plant and equipment and investment properties.

4.1 Reportable segments (cont'd)

	Property development $'000	Property investment $'000	Property financing $'000	Hotel operations $'000	Total reportable segments $'000	Unallocated $'000	Total $'000
1 January 2020 to 31 December 2020							
Segment revenue	56,989	13,113	105,209	33,332	208,643	10,735	219,378
Elimination of inter-segment revenue	-	(6,204)	-	(452)	(6,656)	(8,786)	(15,442)
External revenue	56,989	6,909	105,209	32,880	201,987	1,949	203,936
Profit/(loss) from operating activities	51,793	13,105	103,892	(21,805)	146,985	(5,412)	141,573
Finance income	13,113	426	1,365	2,877	17,781	5,339	23,120
Finance costs	(10,089)	(634)	(9)	(5,640)	(16,372)	(10,336)	(26,708)
Share of after-tax profit/(loss) of associates and joint ventures	13,483	(4,154)	467	(22,181)	(12,385)	12	(12,373)
Segment profit/(loss) before tax	68,300	8,743	105,715	(46,749)	136,009	(10,397)	125,612
Other material non-cash items (debit)/credit:							
Depreciation	(415)	(327)	(84)	(10,772)	(11,598)	(562)	(12,160)
Impairment loss on property, plant and equipment	-	-	-	(4,247)	(4,247)	-	(4,247)
Fair value gain on other investments	-	7,290	-	-	7,290	81	7,371
Fair value loss on investment properties	-	(4,311)	-	-	(4,311)	-	(4,311)
Fair value loss on derivatives (net)	(14,733)	(3,891)	(46,623)	(4,044)	(69,291)	-	(69,291)

4.1 Reportable segments (cont'd)

	Property development $'000	Property investment $'000	Property financing $'000	Hotel operations $'000	Total reportable segments $'000	Unallocated $'000	Total $'000
As at 31 December 2020							
Assets							
Segment assets	1,170,985	173,064	1,062,484	368,693	2,775,226	99,412	2,874,638
Interests in associates and joint ventures	517,025	51,644	14,629	(33,355)	549,943	-	549,943
	1,688,010	224,708	1,077,113	335,338	3,325,169	99,412	3,424,581
Liabilities							
Segment liabilities	1,012,519	14,947	453,845	126,223	1,607,534	69,728	1,677,262
Other segment information:							
Capital expenditure*	726	-	12	16,478	17,216	1,193	18,409

* Includes property, plant and equipment and investment properties.

4.2 Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Property development Half year ended 31 December		Property financing Half year ended 31 December		Hotel operations Half year ended 31 December		Total* Half year ended 31 December	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
Primary geographical markets								
PRC	331,644	31,674	46,763	21,627	9,045	9,767	387,452	63,068
Europe	2,433	2,876	16,902	18,027	17,673	10,325	37,008	31,228
Others	3	6	791	622	-	-	794	628
Total revenue	334,080	34,556	64,456	40,276	26,718	20,092	425,254	94,924
Timing of revenue recognition								
Products transferred at a point in time	334,080	34,556	64,456	40,276	26,718	20,092	425,254	94,924

Revenue contribution from a single region is disclosed separately when it exceeds 10% of the Group's revenue respectively.

* This excludes rental income from investment properties.

4.2 Disaggregation of revenue (cont'd)

	Property development Full year ended 31 December		Property financing Full year ended 31 December		Hotel operations Full year ended 31 December		Total* Full year ended 31 December	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
Primary geographical markets								
PRC	400,597	51,395	82,770	48,630	18,540	13,803	501,907	113,828
Europe	14,526	5,588	34,753	52,075	23,478	19,077	72,757	76,740
Others	6	6	1,471	4,504	-	-	1,477	4,510
Total revenue	415,129	56,989	118,994	105,209	42,018	32,880	576,141	195,078
Timing of revenue recognition								
Products transferred at a point in time	415,129	56,989	118,994	105,209	42,018	32,880	576,141	195,078

* This excludes rental income from investment properties.

5. Other gains (net)

Other gains (net) comprise:

	The Group Half year ended 31 December		The Group Full year ended 31 December	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
Gain/(loss) on disposal of:				
- assets and liabilities held-for-sale	9,842	995	20,593	2,758
- subsidiaries	-	86	4	86
- a joint venture and an associate	1,493	2	1,493	2
- other investments	-	21	115	250
- property, plant and equipment (net)	1	24	9	(28)
Loss on liquidation of subsidiaries	-*	(120)	-*	(157)
Property, plant and equipment written off	(5,609)	(3)	(5,610)	(4)
	5,727	1,005	16,604	2,907

* Amount less than S$1,000

6. Profit before tax

Profit before tax is after (debiting)/crediting the following:

	The Group Half year ended 31 December		The Group Full year ended 31 December	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
Depreciation of property, plant and equipment	(6,681)	(7,438)	(13,441)	(12,160)
Exchange (loss)/gain (net)	(41,357)	48,658	(46,354)	74,307
Fair value gain/(loss) (net) on:				
- derivatives assets/ liabilities (net)	48,231	(56,145)	53,268	(69,291)
- other investments	(689)	7,751	3,755	7,371
- investment properties	4,439	(4,311)	4,439	(4,311)
Impairment loss on:				
- property, plant and equipment	(9,766)	(4,247)	(9,766)	(4,247)
- financial assets – loan receivable from a joint venture company	(6,677)	-	(6,677)	-
- financial assets – trade receivables	(17)	(90)	(109)	(96)
Write down of development properties	(10,890)	-	(10,890)	-

6. Profit before tax (cont'd)

	The Group Half year ended 31 December		The Group Full year ended 31 December	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
Interest expense on lease liabilities	(1,634)	(1,716)	(3,413)	(3,531)
Government grants*	684	4,410	7,416	7,704
Hotel base stocks written off	-	(15)	-	(709)
Hotel pre-opening expenses	-	(133)	-	(443)

* Government grants include S$497,000 and S$2,647,000 for the second half year and the full year ended 31 December 2021 (2H2020: S$2,589,000 and FY2020: S$5,484,000) respectively relating to various Covid-19 wage support schemes available to the Group entities which have been deducted from the payroll costs recorded in the profit or loss account.

7. Taxation

The Group calculates the income tax expense for the second half year period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	The Group Half year ended 31 December		The Group Full year ended 31 December	
	2021 S$'000	2020 S$'000	2021 S$'000	2020 S$'000
Current tax expense	37,754	6,273	39,824	11,847
Deferred tax (credit)/ charge:				
- relating to origination and reversal of temporary differences	(7,440)	15,437	(4,685)	17,207
- effect of changes in tax rates	208	810	208	810
Land appreciation tax expense/(credit)	36,657	(13,832)	36,995	(6,067)
Withholding tax	2	661	8	704
	67,181	9,349	72,350	24,501

The Company is established under the laws of the Cayman Islands and is not subject to income tax in that jurisdiction. The Company is a Singapore tax resident from the Year of Assessment 2015 onwards.

The Group's operations are mainly in the PRC and the Netherlands. Pursuant to the PRC and Dutch Corporate Income Tax Law, the statutory tax rate applicable to the Group's subsidiaries in the PRC and the Netherlands during the half year and full financial years ended 31 December 2021 and 31 December 2020 is 25%.

7. Taxation (cont'd)

Effect of changes in tax rates

The deferred tax charge of S$208,000 for the six months and the year ended 31 December 2021 related to the effect of an increase in the headline corporate income tax rate in the Netherlands on opening deferred tax balances on 1 January 2021. Specifically, the headline corporate income tax rate applicable from 1 January 2022 has been increased from 25% to 25.8% and was enacted in December 2021.

The deferred tax charge of S$810,000 for the six months and year ended 31 December 2020 related to the effect of an increase in corporate income tax rate enacted in December 2020, from 21.7% to 25.0%, to be applicable from 1 January 2021.

The change in tax rates had increased the relevant deferred tax balances as at 31 December 2021 and 31 December 2020.

Withholding tax arising from the distribution of dividends

The Group's determination as to whether to accrue for withholding taxes arising from the distribution of dividends by certain subsidiaries is subject to judgement on the timing of the payment of the dividends. The Group considered the applicable withholding tax rate to be 5% to 10% (31 December 2020: 5% to 10%).

PRC Land Appreciation Tax ("LAT")

LAT is levied on properties developed by the Group for sale in the PRC, at prevailing progressive rates ranging from 30% to 60% on the appreciation of land value, which under the applicable regulations is calculated based on the proceeds of the sales of properties less deductible expenditures including lease charges of land use rights, borrowing costs and relevant development expenditures. However, the implementation and settlement of LAT varies amongst different tax jurisdictions in various cities of the PRC and certain projects of the Group have not finalised their LAT calculations and payments with the local tax authorities. The final outcome could be different from the amounts that were initially recorded, and any differences will impact the LAT expenses and the related provision in the period in which the differences realise.

Accordingly, judgement is required in determining the amount of land appreciation and the related LAT provision.

8. Dividends

The condensed interim financial statements for the half and full year ended 31 December 2021 have not recognised as a liability the second interim tax exempt (one-tier) ordinary dividend in respect of the financial year ended 31 December 2021, declared after the end of the reporting period. This proposed dividend of 2.35 cents per share totaling approximately S$21.6 million will be accounted for in the shareholders' equity as an appropriation of 'Retained earnings' in the next financial year ending 31 December 2022. Refer to Note 11 of the Other Information Required by Listing Rule Appendix 7.2 section for more details.

During the financial year ended 31 December 2021, a second interim tax exempt (one-tier) ordinary dividend of 2.0 cents per share totaling S$18.3 million was paid in respect of the financial year ended 31 December 2020. In addition, the first interim tax-exempt (one-tier) ordinary dividend of 1.1 cents per share totalling S$10.1 million was paid in respect of the current financial year ended 31 December 2021.

8. Dividends (cont'd)

During the financial year ended 31 December 2020, a final tax exempt (one-tier) ordinary dividend of 1.6 cents per share totaling S$12.8 million was paid in respect of the financial year ended 31 December 2019. In addition, an interim tax-exempt (one-tier) ordinary dividend of 1.1 cents per share totalling S$10.0 million was paid in respect of the financial year ended 31 December 2020.

9. Fair value measurement

The Group classifies financial assets and liabilities measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a) Quoted prices (unadjusted) in active markets for identical assets or liabilities **(Level 1)**;
b) Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) **(Level 2)**; and
c) Inputs for the asset or liability which are not based on observable market data (unobservable inputs) **(Level 3)**

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
As at 31 December 2021				
Financial assets measured at fair value through profit or loss				
Derivative assets	-	52,543	-	52,543
Other investments				
- Equity securities	15,786	-	-	15,786
- Debt securities	-	-	186,206	186,206
	15,786	52,543	186,206	254,535
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	-	(29,960)	-	(29,960)
As at 31 December 2020				
Financial assets measured at fair value through profit or loss				
Derivative assets	-	8,522	-	8,522
Other investments				
- Equity securities	14,344	-	43,242	57,586
- Debt securities	-	-	39,500	39,500
	14,344	8,522	82,742	105,608
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	-	(39,206)	-	(39,206)

The carrying amounts of the Group's financial instruments measured at cost or amortised cost are not materially different from their fair values as at 31 December 2021 and 31 December 2020.

10. Assets/liabilities held-for-sale

	The Group	
	31 December 2021 S$'000	31 December 2020 S$'000
Assets held-for-sale		
Property, plant and equipment	1,885	7,773
Investment properties	13,949	5,045
Cash and cash equivalents	35	-
	15,869	12,818
Liabilities held-for-sale		
Deferred tax liabilities	3,014	-
Trade and other payables	209	-
	3,223	-

Assets and liabilities held-for-sale as at 31 December 2021 relate to assets and liabilities held by Dongguan East Sun No. 3 Property Management Co., Ltd ("East Sun No. 3") on that date. On 15 June 2021, an indirect wholly-owned subsidiary of the Company had entered into a conditional agreement to dispose 72% of its 90% equity interest in East Sun No. 3 to a third party, valuing the factory held by East Sun No. 3 in Dongguan in the PRC at S$29.8 million (RMB140.0 million). Accordingly, all assets and liabilities held by East Sun No. 3 were reclassified to assets and liabilities held-for-sale respectively then. The disposal is expected to be completed by June 2022, after which the Group would retain an 18% equity interest in East Sun No 3.

Assets held-for-sale as at 31 December 2020 relate to the following transactions:

a) In May 2018, the Group entered into a sale and purchase agreement with a third party (the "Purchaser") in relation to the disposal of certain assets within the Chengdu Cityspring project for a total cash consideration of approximately RMB465.0 million, to be paid over several tranches.

b) In June 2020, the Group and the Purchaser have mutually agreed to reduce the consideration of 292 car parks by RMB3.6 million to RMB16.9 million. The Purchaser also agreed to acquire another 268 additional basement car parks for a total consideration of RMB9.5 million. The total purchase consideration (including the purchase consideration of the additional 268 car parks) has hence been revised to approximately S$95.3 million (RMB470.9 million) accordingly.

c) On 30 September 2021, the Group and the Purchaser have mutually agreed to settle the outstanding consideration and liquidated damages. The consideration was reduced by approximately RMB36.0 million by the exclusion of certain SOHO units. In addition, liquidated damages of approximately RMB4.3 million was refunded to the Purchaser and waived with effect from 1 September 2021.

d) As at 31 December 2021, all assets under the sale and purchase agreement as amended were transferred to the Purchaser. A gain on disposal of S$482,000 (2H2020: S$995,000) and S$1,107,000 (31 December 2020: S$2,758,000) were recognised in other gains in profit or loss for the six months ended 31 December 2021 and full year ended 31 December 2021 respectively, upon the receipt of sale proceeds and transfer of title of the underlying assets to the Purchaser. There was hence nil balance left in assets held-for-sale in respect of this transaction as at 31 December 2021.

11. Loans and borrowings

The Group's net borrowings refer to aggregate borrowings from banks and financial institutions and fixed rate notes issued by the Company, after deducting cash and cash equivalents and structured deposits, if any. Unamortised balance of transaction costs have not been deducted from the gross borrowings.

	The Group	
	As at 31 December 2021 S$'000	**As at 31 December 2020 S$'000**
Unsecured bank loans		
- repayable within one year	151,158	124,560
- repayable after one year	859,864	537,163
Total	1,011,022	661,723
Unsecured notes		
- repayable after one year	77,885	77,849
Total	77,885	77,849
Grand total	**1,088,907**	**739,572**
Gross borrowings	1,100,155	747,624
Less: Cash and cash equivalents	(343,932)	(476,304)
Net borrowings	756,223	271,320

12. Dilution of interest in a subsidiary

Dilution of interest in a subsidiary in the half year ended 31 December 2021

On 10 December 2021, an indirect wholly-owned subsidiary of the Company reduced its equity interest in a subsidiary, Dongguan East Sun No. 1 Property Management Co., Ltd. ("East Sun No. 1") in the PRC, from 90% to 49.5%, as a result of cash contributions made by two unrelated third parties to the registered capital and capital reserves of East Sun No. 1 amounting to S$0.4 million (RMB2.1 million) and S$21.3 million (RMB102.3 million) respectively.

The cash flows and financial effect of the Group's deemed disposal of the subsidiary are provided below:

	2021 **S$'000**
Investment property	29,981
Other receivables	12
Cash at bank	199
Deferred tax liabilities	(1,949)
Trade and other payables	(525)
Identified net assets disposed	27,718
Total consideration	21,704
Less: Cash and cash equivalents disposed	(199)
Net cash inflow	21,505
Total consideration	21,704
Less: Net identified assets on disposal	(27,718)
Add: Fair value of interest retained	15,245
Gain on dilution on interest in subsidiary	9,231

The gain on dilution is recognised as part of gain on disposal of assets and liabilities held for sale which is classified under other gains in the consolidated statement of profit or loss.

The Group's retained equity interest of 49.5% in East Sun No. 1 is accounted for as an investment in an associate. The fair value of the retained interest in the associate upon the loss of control was determined based on an external equity valuation of East Sun No. 1 on that date, which is categorised within Level 2 in the fair value hierarchy.

13. Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim consolidated financial statements.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1(a) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Half year ended 31 December 2021		Full year ended 31 December 2021	
	Number of Shares	**Share Capital (S$'000)**	**Number of Shares**	**Share Capital (S$'000)**
Balance at beginning of period/year	913,449,846	117,353	913,264,602	117,329
Issuance of new shares from exercise of warrants	7,399,040	1,004	7,584,284	1,028
Balance at end of period/year	920,848,886	118,357	920,848,886	118,357

The total number of issued ordinary shares of US$0.10 each, excluding treasury shares as at 31 December 2021 and 31 December 2020 was 920,848,886 and 913,264,602 respectively.

As at 31 December 2021 and 31 December 2020, a subsidiary of the Company held 307,682 ordinary shares, representing 0.03% of the Company's total number of issued ordinary shares on the two dates respectively.

As at 31 December 2021, the unexercised warrants are as follows:

	Number	Exercise Period	Exercise Price
Warrants (2019)	184,960,096 (31 December 2020: 185,281,571)	31 May 2019 to 30 May 2024	S$1.30
Warrants (2020)	220,356,055 (31 December 2020: 227,618,864)	24 March 2021 to 21 March 2029	S$1.08

As at 31 December 2021, the maximum number of ordinary shares that may be issued upon exercise of all the Warrants (2019) and Warrants (2020) was 405,316,151 (31 December 2020: 412,900,435), which would increase the total number of issued ordinary shares to 1,326,165,037 (31 December 2020: 1,326,165,037).

As at 31 December 2021, a subsidiary of the Company held 30,768 Warrants (2019) (31 December 2020: 30,768) and 76,920 Warrants (2020) (31 December 2020: 76,920).

The Company did not hold any treasury shares as at 31 December 2020 and 31 December 2021.

1(b) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued ordinary shares excluding treasury shares as at 31 December 2021 and 31 December 2020 was 920,848,886 and 913,264,602 respectively.

1(c) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of treasury shares during the half year ended 31 December 2021.

1(d) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of subsidiary holdings during the half year ended 31 December 2021.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have neither been audited nor reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the financial year ended 31 December 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted various new standards, amendments to standards and interpretations that are effective for the financial period beginning on 1 January 2021.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Half year ended 31 December		Full year ended 31 December	
	2021	**2020**	**2021**	**2020**
Earnings per share (cents)				
- basic	5.72	5.15	13.26	11.97
- diluted	3.96	3.40	9.16	8.87
Profit attributable to ordinary shareholders (S$'000)	52,518	45,058	121,469	100,199
Profit attributable to ordinary shareholders and PCCS holders (S$'000)	52,518	45,103	121,469	103,174
Weighted average number of ordinary shares in issue:				
- basic	918,678,135 [1]	874,583,586 [1]	915,880,057 [1]	837,078,611 [1]
- diluted	1,325,857,355 [1]	1,224,909,685 [1]	1,325,857,355 [1]	1,163,517,441 [1]

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	As at 31 December 2021	**As at 31 December 2020**	**As at 30 December 2021**	**As at 31 December 2020**
Net asset value per ordinary share (cents)	202.39	183.05	153.47	153.14
Number of issued ordinary shares (excluding treasury shares)	920,541,204[1]	912,956,920 [1]	920,848,886	913,264,602

[1] Excludes 307,682 shares in the Company held by a subsidiary which are accounted for as treasury shares in the consolidated financial statements of the Group in accordance with IAS 32 *Financial Instruments: Presentation*.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

<u>Group performance</u>

Revenue and cost of sales

The breakdown of our revenue (net of business tax/value added tax) for the period under review is as follows:

	Half year ended 31 December		Full year ended 31 December	
	2021	**2020**	**2021**	**2020**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Revenue from sale of properties	334,080	34,556	415,129	56,989
Rental income from investment properties*	7,158	4,864	13,029	8,858
Revenue from hotel operations	26,718	20,092	42,018	32,880
Revenue from property financing	64,456	40,276	118,994	105,209
Total	432,412	99,788	589,170	203,936

* *includes service fee earned from the Group's European associates*

<u>2H2021 vs 2H2020</u>

Revenue of the Group increased by S$332.6 million or 333.3%, from S$99.8 million in 2H2020 to S$432.4 million in 2H2021, contributed by revenue growth from all segments and particularly from the property development segment.

Revenue from sale of properties increased by S$299.5 million or 866.8% to S$334.1 million in 2H2021. This was due mainly to the first handover of the six out of eight fully sold residential apartment blocks of The Pinnacle project in Dongguan in December 2021. The increase was partially offset by lower revenue from the sale of car park lots of the Millennium Waterfront project in Chengdu. In 2H2020, there was a bulk sale of 1,973 car park lots in aggregate from Plots A and C of the Millennium Waterfront project.

Rental income from investment properties increased by S$2.3 million or 47.2% to S$7.2 million in 2H2021. The increase was due mainly to the contribution from the Dongguan East Sun and its subsidiaries (collectively, "East Sun Entities") which were consolidated by the Group with effect from 31 March 2021.

Revenue from hotel operations increased by S$6.6 million or 33.0% to S$26.7 million in 2H2021. This was due mainly to the better performance of the European hotel portfolio which is underpinned by strong leisure demand in the summer period. The European hotels recorded an increase in their aggregate revenue of S$7.3 million or 70.7%, which was partially offset by a decrease in revenue of S$0.7 million or 7.4% from the two Wenjiang hotels and adjoining hotspring operations in Chengdu. The weaker performance of the PRC hotels in 2H2021 was due mainly to the dampened demand brought about by a resurgence of Covid-19 cases in Chengdu in 2H2021 which resulted in a swift implementation of restrictions that adversely impacted trading and also resulted in the closure of the Holiday Inn Express Chengdu Wenjiang Hotspring Hotel for almost a month each in early August 2021 as well as early November 2021.

Revenue from property financing increased by S$24.2 million or 60.0% to S$64.5 million in 2H2021. The increase was due mainly due to the higher average PRC PF loan portfolio for 2H2021. In addition, the Group recognised a one-off fee of S$5.2 million (RMB25 million) for the early redemption of the convertible bond secured on a hotel in Dongguan, in which the Group has a 10% equity stake until July 2021 when it was disposed to a third party.

Cost of sales mainly comprises land costs, development expenditure and cost adjustments (if any), borrowing costs, depreciation charge and other related expenditure. Cost of sales increased by S$250.3 million or 2,095.0%, from S$12.0 million in 2H2020 to S$262.3 million in 2H2021. The increase was due mainly to the recognition of the corresponding costs of The Pinnacle's residential apartments handed over to the buyers.

The Group's gross profit increased by S$82.3 million or 93.6% from S$87.8 million in 2H2020 to S$170.1 million in 2H2021. This increase was generated by all segments. In particular, the property development and property financing segments contributed an increase of S$56.3 million and S$20.6 million respectively.

The Group attained a lower overall gross margin of 39.3% in 2H2021 compared to 88.0% in 2H2020. This is due mainly to the change in sales mix as 100% gross profit margin was achieved in 2H2020 from the recognition of sale of Millennium Waterfront car park lots which were carried at nil book costs.

Administrative expenses

Administrative expenses mainly comprise staff costs, depreciation charge in relation to non-hotel assets, professional fees, and other expenses such as office, telecommunications and travelling expenses, stamp duties and other indirect PRC taxes.

The administrative expenses increased by S$7.4 million or 47.1%, from S$15.6 million in 2H2020 to S$23.0 million in 2H2021. The increase was due mainly to higher staff costs incurred in the current period.

Selling expenses

Selling expenses increased by S$0.8 million or 25.7% from S$3.0 million in 2H2020 to S$3.8 million in 2H2021. The increase was due mainly to the recognition of sales commission expenses attributable to SOHO loft units in Plot F of the Millennium Waterfront project, amounting to S$0.5 million, upon the recognition of profit on handover of these units.

Other expenses (net)

In 2H2021, the Group recorded other expenses of S$15.8 million which comprised mainly net foreign exchange loss of S$41.4 million, impairment loss on property, plant and equipment of S$9.8 million due mainly to the impairment of the two hotels in Utrecht, write down of development properties of S$10.9 million relating to the SOHO units of The Pinnacle under construction and Plot F car park lots of the Millennium Waterfront project, and an impairment charge of S$6.7 million on a loan receivable from the 50%-held joint venture that owns the Le Méridien Frankfurt Hotel. This is partially offset by the net fair value gain on financial derivatives of S$48.2 million and fair value gain on the Group's investment properties of S$4.4 million.

In 2H2020, the Group recorded other expenses of S$8.7 million which comprised mainly net fair value loss on financial derivatives of S$56.1 million, impairment loss on property, plant and equipment of S$4.2 million and fair value loss on investment properties of S$4.3 million. This was partially offset by net foreign exchange gain of S$48.7 million and fair value gain on equity securities of S$7.8 million.

Other gains (net)

Other gains of S$5.7 million recorded in 2H2021 comprised mainly the gain on dilution of the Group's interests in East Sun No. 1 of S$9.2 million, gain on disposal of the 10% equity interest in the joint venture that owns a hotel in Dongguan amounting to S$1.5 million, and the gain on disposal of commercial spaces and car park lots of the Chengdu Cityspring project (classified as assets held-for-sale) of S$0.5 million. This is partially offset by the write-off of property, plant and equipment of S$5.6 million pertaining to East Sun No. 1.

Other gains of S$$1.0 million recorded in 2H2020 comprised mainly the gain on disposal of certain commercial spaces of the Chengdu Cityspring project (classified as assets held-for-sale) of S$1.0 million.

Net finance costs

Net finance costs for 2H2021 of S$4.5 million comprise S$1.6 million (2H2020: S$1.7 million) of interest expense on lease liabilities recorded under IFRS 16.

Share of after-tax profit/(loss) of associates and joint ventures

Share of after-tax profit/(loss) of associates and joint ventures improved from a loss of S$6.7 million in 2H2020 to a profit of S$0.3 million in 2H2021. In particular, the contribution by the European associates and joint ventures improved from a loss of S$14.9 million to a profit of S$3.1 million whilst the contribution from the PRC associates and joint ventures changed from a profit of S$7.9 million to a loss of S$2.8 million. The European entities' performance recovered in 2H2021, due partly to the valuation uplift in the office portfolio as well as the absence of impairment charge on certain Dutch Bilderberg hotels and Hilton Rotterdam in the current period. The entities also suffered a lower negative impact from additional deferred tax charge arising from a change in headline tax rate in the Netherlands. This was however partly offset by a higher share of loss from the 50%-held joint venture due to further impairment of the Le Meridien Frankfurt hotel held by the joint venture in the current period. In the PRC, profit contribution from the 30%-held Star of East River ("SoER") and 20.4%-held Emerald of the Orient ("EoO") projects reduced by approximately S$8.4 million to S$0.4 million in aggregate in 2H2021. The decrease is due partly to the Group's share of cost and tax adjustments to the EoO project recognised in December 2021 as well as lower profit recognised by both projects on the back of lower volume of properties handed over. The Time Zone project also contributed a higher share of losses of S$1.9 million compared to the prior period as the project ramped up in the current period.

<u>FY2021 vs FY2020</u>

Revenue of the Group increased by S$385.3 million or 188.9%, from S$203.9 million in FY2020 to S$589.2 million in FY2021, led by the strong growth in revenue from sale of properties especially.

Revenue from sale of properties increased by S$358.1 million or 628.4%, from S$57.0 million in FY2020 to S$415.1 million in FY2021. This was due mainly to revenue recognised in respect of the first handover of six residential apartment blocks of The Pinnacle as well as the handover of the SOHO loft units in Plot F of the Millennium Waterfront project since March 2021. The revenue recorded in FY2020 mainly arose from the sale of car park lots and commercial units of the Millennium Waterfront project.

Revenue from hotel operations increased by S$9.1 million or 27.8%, from S$32.9 million in FY2020 to S$42.0 million in FY2021. This was due mainly to the pick-up in performance of the hotels both in the PRC as well as in Europe arising from the easing of the various Covid-19 related travel and lockdown restrictions compared to the prior year, which had contributed a revenue growth of S$4.7 million and S$4.4 million respectively.

Rental income from investment properties increased by S$4.1 million or 47.1%, from S$8.9 million in FY2020 to S$13.0 million in FY2021. The increase was due mainly to the nine months' contribution from the East Sun Entities which were consolidated by the Group with effect from 31 March 2021.

Revenue from property financing increased by S$13.8 million or 13.1%, from S$105.2 million in FY2020 to S$119.0 million in FY2021. This is the result of a higher average PRC property financing loan portfolio for the current year compared to the prior year. The revenue growth was partially offset by the absence of the S$15.8 million European loan restructuring income recorded in FY2020 and the S$3.4 million establishment fee earned in FY2020 in respect of the provision of a construction loan facility to fund the City Tattersalls Club in Sydney redevelopment project.

The Group's gross profit increased by S$69.4 million or 40.4%, from S$171.9 million in FY2020 to S$241.3 million in FY2021, S$54.4 million and S$8.0 million of which were contributed from the sale of properties and property financing activities respectively.

The Group achieved a lower overall gross profit margin of 41.0% in FY2021 as compared to 84.3% in FY2020. This is due mainly to the change in sales mix as the lower yielding property development business contributed a larger share of the total revenue in the current year. In addition, FY2020's gross profit margin was boosted by the 100% gross profit margin achieved from the Millennium Waterfront car park profit recognition since the car park lots sold were carried at nil book costs.

Administrative expenses

Administrative expenses increased by S$7.4 million or 25.8%, from S$28.7 million in FY2020 to S$36.1 million in FY2021. The increase was due mainly to higher staff costs in the current year which has been partially contributed by higher payroll costs incurred for the Dongguan operations.

Selling expenses

Selling expenses increased by S$4.4 million or 74.2% from S$5.8 million in FY2020 to S$10.2 million in FY2021. The increase was due mainly to the recognition of sales commission expenses attributable to SOHO loft units in Plot F of the Millennium Waterfront project, amounting to S$4.7 million, upon the recognition of profit on handover of these units.

Other (expenses)/income (net)

In FY2021, the Group recorded other expenses of S$10.3 million which comprised mainly net foreign exchange loss of S$46.4 million due to the weakening of Euro against S$, impairment loss on property, plant and equipment of S$9.8 million due mainly to the impairment of the two hotels in Utrecht, write down of the carrying amounts of development properties amounting to S$10.9 million in aggregate as mentioned earlier and an impairment charge of S$6.7 million on the loan receivable from the 50%-held joint venture company that owns the Le Méridien Hotel in Frankfurt. This was partially offset by net fair value gain on financial derivatives of S$53.3 million, fair value gain on investment properties of S$4.4 million, fair value gain on equity securities of S$3.8 million and PRC government grants recognised of S$2.1 million.

In FY2020, the Group recorded other income of S$1.3 million which comprised mainly net foreign exchange gain of S$74.3 million due to the strengthening of Euro against S$, and net fair value gain on equity securities of S$7.4 million, partially offset by net fair value loss on financial derivatives of S$69.3 million, net fair value loss on investment properties of S$4.3 million, impairment loss on the Bilderberg Bellevue Hotel Dresden of S$4.2 million, hotel base stocks written off and hotel pre-opening expenses of S$1.2 million in total relating to the Crowne Plaza Utrecht Centraal Station Hotel, and hotel management fees of S$1.2 million.

Other gains (net)

In FY2021, the Group recorded other gains of S$16.6 million which comprised mainly the gain on dilution of the Group's interests, from 90% to 49.5% in East Sun No. 1 (S$9.2 million), and from 90% to an effective 44.1% interest in Dongguan Wan Li Group Limited ("Wan Li") and Dongguan Wan Li No. 1 Property Management Co., Ltd ("Wan Li No.1") (S$10.3 million in aggregate). In addition, the Group also recognised a gain on disposal of its 10% equity interest in a joint venture amounting to S$1.5 million, and the gain on disposal of commercial spaces and car park lots of the Chengdu Cityspring project (classified as assets held-for-sale) of S$1.1 million. This is partially offset by property, plant and equipment written off of S$5.6 million relating to East Sun No. 1.

In FY2020, the Group recorded other gains of S$2.9 million which comprised mainly S$2.8 million gain from the disposal of certain commercial spaces of the Chengdu Cityspring project classified as assets held-for-sale and S$0.3 million gain on disposal of other investments, partially offset by loss on liquidation of subsidiaries of S$0.2 million.

Net finance costs

Net finance costs for FY2021 of S$9.8 million comprise S$3.4 million (FY2020: S$3.5 million) of interest expense on lease liabilities recorded under IFRS 16.

Share of after-tax profit/(loss) of associates and joint ventures

The Group recorded a share of after-tax profit of associates and joint ventures of S$11.1 million in FY2021 compared to a share of after-tax loss of associates and joint ventures of S$12.4 million in FY2020. In particular, the contribution by the European associates and joint ventures improved from a loss of S$26.1 million to S$2.2 million whilst the contribution from the PRC associates and joint ventures increased from a profit of S$13.1 million to a profit of S$13.3 million. The European entities' performance recovered in FY2021, due partly to the valuation uplift in the office portfolio as well as the absence of impairment charge on certain Dutch Bilderberg hotels and Hilton Rotterdam and loan restructuring expenses in the current year. The entities also suffered a lower negative impact from additional deferred tax charge arising from a change in headline tax rate in the Netherlands. This was however partly offset by a higher share of loss due to further impairment of the Le Meridien Frankfurt hotel in the current year. In the PRC, profit contribution from the 30%-held SoER and 20.4%-held EoO projects improved by S$3.2 million in aggregate to S$17.7 million in FY2021. The increase is partially offset by a higher share of losses amounting to S$2.4 million contributed by The Time Zone project compared to the prior year as the project ramped up in the current year.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Non-current assets

Property, plant and equipment decreased by S$15.3 million or 4.1%, from S$371.4 million as at 31 December 2020 to S$356.1 million as at 31 December 2021. The decrease was due mainly to the impairment of the two hotels in Utrecht amounting to $9.5 million, depreciation charge for the year of S$13.4 million, and the effect of the weakening of Euro against S$ for the year. The decrease was partially offset by the capital expenditure of S$4.3 million incurred on the purchase and renovation of office space in the 33%-owned SoER project to be occupied by the Dongguan team and the gain in control of East Sun Entities on 31 March 2021, resulting in the consolidation of property, plant and equipment amounting to S$6.1 million as at the date of statement of financial position.

Investment properties increased by S$27.3 million or 27.8% from S$97.9 million as at 31 December 2020 to S$125.2 million as at 31 December 2021. The increase was due mainly to the gain in control of East Sun Entities on 31 March 2021, resulting in the consolidation of 10 investment properties amounting to S$49.0 million (RMB238.9 million) on that date and the fair value gain on the investment properties including the Arena Towers held at 31 December 2021 amounting to S$4.4 million. This was partially offset by the reclassification of two investment properties amounting to S$21.9 million (RMB105.4 million) in aggregate to assets held-for-sale in June 2021, being properties held by East Sun No. 1 and East Sun No. 3 and translation loss of S$4.2 million.

Interests in associates and joint ventures increased by S$477.6 million or 86.8%, from S$549.9 million as at 31 December 2020 to S$1,027.5 million as at 31 December 2021. The increase was mainly attributable to (i) the capitalisation of loans from the effectively 17.3%-held Humen Time Zone project company amounting to S$237.1 million (RMB1.16 billion), (ii) the divestment by the East Sun Entities of an effective 45.9% interest in Wan Li and Wan Li No. 1 to become effectively 44.1%-held joint ventures of the East Sun Entities in June 2021, with an aggregate carrying value of S$50.3 million (RMB245.2 million) as at that date, (iii) the divestment of a 40.5% interest in East Sun No. 1 to become an effectively 49.5%-held associate of the Group in December 2021, with a carrying value of S$15.2 million (RMB73.3 million) as at that date, (iv) the investment in a 36%-held joint venture project company to develop the Humen Boyong project for a consideration of S$106.2 million (RMB514.2 million), (v) additional equity injection of S$10.7 million (A$10.6 million) to the 39.9%-held project trust for the redevelopment of the City Tattersalls Club in Sydney, and (vi) the share of after-tax profit from associates and joint

ventures for the year amounting to S$11.1 million. In addition, the effect of the strengthening of RMB against S$ had boosted the carrying values of the Group's interests in its PRC associates and joint ventures by S$51.8 million. The increase is partially offset by the effect of weakening of Euro against S$ thus decreasing the carrying values of the Group's interests in its European associates and joint ventures by S$0.5 million. In addition, the Group had disposed its 10% equity interest in a joint venture amounting to S$4.3 million (RMB20.4 million).
Other investments increased by S$144.4 million or 250.8%, from S$57.6 million as at 31 December 2020 to S$202.0 million as at 31 December 2021. This is due mainly to the subscription of secured senior and junior 3-year convertible bonds issued by a 49.9%-held associate with carrying value of S$186.2 million in aggregate as at 31 December 2021. This is in relation to the Group's participation in the 48.2%-held Humen Bolong Bay Garden project in Dongguan in the PRC. The increase was partially offset by the de-recognition of the investment in East Sun Entities amounting to S$43.2 million as at 31 December 2020, due to the gain in control of East Sun Entities on 31 March 2021.

Non-current trade and other receivables decreased by S$275.2 million or 35.9%, from S$767.0 million as at 31 December 2020 to S$491.8 million as at 31 December 2021. The decrease was due mainly to (i) the reclassification of loans amounting to S$281.6 million in aggregate to current receivables as they become due within 12 months from 31 December 2021, (ii) partial repayment of a secured PRC property financing loan of S$3.3 million (RMB15.4 million), (iii) an impairment of loan receivable from a 50%-owned joint venture amounting to S$6.7 million (€4.2 million) and (iv) the effect of the weakening of Euro against S$ resulting in the negative movement on Euro-denominated balances. This was partially offset by a loan disbursed to a 50%-owned joint venture in January 2021 amounting to S$38.3 million (€25.0 million).

Current assets

Development properties increased by S$174.2 million or 32.8%, from S$530.5 million as at 31 December 2020 to S$704.7 million as at 31 December 2021. The increase was due mainly to the Group's acquisition of a site in Panyu district of Guangzhou with a carrying value of S$331.2 million (RMB1,558.1 million) as at 31 December 2021, to be developed into the Primus Bay Project. This was partially offset by the handover of the SOHO loft units in Plot F of the Millennium Waterfront in Chengdu, and six residential apartment blocks of The Pinnacle in the current year.

Trade and other receivables increased by S$463.7 million or 96.1%, from S$482.4 million as at 31 December 2020 to S$946.1 million as at 31 December 2021. The increase comprised mainly (i) the above-mentioned reclassification of loans amounting to S$281.6 million in aggregate from non-current assets, which consist of a secured PRC property financing loan amounting to S$123.3 million (RMB580.0 million), loans to a 33%-owned associate of S$136.0 million (€88.7 million) and loan receivables from a non-controlling interest of a subsidiary of S$22.3 million (RMB104.8 million), (ii) net disbursement of a secured property financing loan of S$148.8 million (RMB700.0 million) in relation to a development land in Tangxia, Dongguan, (iii) disbursement of interest-free loans amounting to S$270.4 million (RMB1,271.9 million) in aggregate to the 18%-held Fenggang joint venture company (RMB500.0 million), the 36%-held joint venture for the Humen Boyong project (RMB700.0 million) and minority shareholders of subsidiaries (RMB251.9 million) in aggregate, and (iv) advance payments made to suppliers of S$28.0 million (RMB131.8 million).

The increase was partially offset by the (i) repayment of loan receivables amounting to S$224.3 million (RMB1,055.1 million) in aggregate from third parties and a 10%-held joint venture, (ii) utilisation of deposit of S$27.7 million in respect of the acquisition of the development site to be redeveloped into Primus Bay project in Panyu district of Guangzhou and (iii) a decrease in receivables from the East Sun Entities of S$30.8 million (RMB152.1 million) as the receivables as at 31 December 2021 are fully eliminated since the East Sun Entities are consolidated with effect from 31 March 2021.

Assets held-for-sale increased by S$3.1 million or 23.8%, from S$12.8 million as at 31 December 2020 to S$15.9 million as at 31 December 2021. The increase was due mainly to the reclassification of assets of East Sun No. 3 amounting to S$15.6 million (RMB74.8 million) in June 2021 upon the execution of a binding agreement for the Group to divest its effective equity interest in East Sun No. 3 from 90% to 18%. This is partially offset by the disposal of car parks of the Chengdu Cityspring project to a third party and the reclassification of the remaining Chengdu Cityspring SOHO units back to property, plant and equipment upon the execution of the amended sales and purchase agreement with the third party on 30 September 2021 which reversed the intended sale of these units.

Current liabilities

Liabilities held-for-sale of S$3.2 million as at 31 December 2021 relate to the liabilities of East Sun No. 3.

Contract liabilities decreased by S$198.3 million or 53.3%, from S$372.2 million as at 31 December 2020 to S$173.9 million as at 31 December 2021. This was due mainly to de-recognition of S$146.4 million and S$54.0 million of contract liabilities from the handover of six residential apartment blocks of The Pinnacle project and 691 SOHO loft units in Plot F of the Millennium Waterfront project respectively. Furthermore, profit recognition of Chengdu Cityspring carparks and SOHO units also resulted in a reduction of S$5.2 million. The decrease is partially offset by cash receipts of S$6.2 million from the sale of remnant units of the earlier phases of the Panyu project included as part of the Group's acquisition of the project.

Trade and other payables increased by S$492.3 million or 141.2% from S$348.6 million as at 31 December 2020 to S$840.9 million as at 31 December 2021. This was due mainly to the (i) advances from various associated project companies, namely 17.3%-held Humen Time Zone, 27.0%-held Skyline Garden, 30%-held SoER, and 49.5%-held East Sun No. 1, amounting to S$331.4 million (RMB1,558.4 million) in aggregate, (ii) advances from joint venture companies which include the 36.0%-held Humen Boyong project company and the 44.1%-held Wan Li and Wan Li No.1 joint venture companies of S$60.3 million (RMB283.7 million) and S$35.4 million (RMB166.5 million) respectively, (iii) reclassification of amount due to an affiliate of a subsidiary's non-controlling interest of S$38.1 million (RMB179.4 million) from non-current liabilities to current liabilities as the amount is due in July 2022, and (iv) deferred consideration of S$19.4 million (RMB91.1 million) in relation to the Group's acquisition of the 95% equity interest in an entity which indirectly owns the development site for the Primus Bay project in Panyu.

Loans and borrowings

Gross borrowings increased by S$352.6 million or 47.2%, from S$747.6 million as at 31 December 2020 to S$1,100.2 million as at 31 December 2021. This was due mainly to additional bank borrowings obtained to fund the Group's expansion into the Greater Bay Area and its further equity injection to the 39.9%-owned project trust to fund the redevelopment of the City Tattersalls Club in Sydney during the year. This was partially offset by the repayment of bank borrowings in FY2021 from the capital reduction and dividend distribution proceeds received from PRC subsidiaries and proceeds from the early redemption of the convertible bond secured on a hotel in Dongguan.

The Group maintained a net gearing ratio of 0.38 as at 31 December 2021.

Foreign currency risk management

The Group is exposed to volatility of the RMB due to its operations in the PRC. Therefore, any depreciation in the RMB against the S$ will adversely affect the Group's earnings, net assets, value of any dividends it pays to its shareholders in S$ or will require the Group to use more RMB funds to service the same amount of any S$ debt. Fluctuations in RMB exchange rates are affected by, amongst others, changes in political and economic conditions and the PRC's foreign exchange regime and policy.

The Group has partially hedged its currency exposure to RMB, including where PRC operations are not funded by onshore RMB assets, CNH-denominated borrowings would be drawn and/or financial derivative instrument(s) would be executed as appropriate. The cost of entering into hedging instruments to manage the Group's exposure to the entire RMB portfolio remains fairly expensive. As such, the Group will continue to monitor its foreign exchange exposure vis-à-vis the associated hedging costs and take appropriate actions when necessary. There is no assurance as to the effectiveness and success of any hedging action that the Group might or might not take.

Since the Group's entry to the Dutch and German property markets in February 2015 and January 2018 respectively, the Group has hedged its currency exposure to Euro by financing all its Dutch and German acquisitions with a combination of Euro-denominated borrowings and/or financial derivatives involving cross currency swaps ("CCSs"), forex swaps ("FCSs") and forex forwards ("FXFs") whereby the end result is also to achieve a corresponding Euro liability. The Group takes an economic hedge rather than an accounting hedge approach with regard to the management of its Euro asset exposure.

In January 2020, the Group subscribed for units in a 39.9%-owned project development trust to redevelop the City Tattersalls Club in Sydney. The Group has also adopted the same approach as its European assets, which is to fully hedge its Australian dollar cost base.

As at 31 December 2021, the Group had 19 CCSs outstanding with an aggregate notional amount of €358.1 million, A$26.1 million, RMB2,557.9 million and US$25.0 million, eight FCSs with aggregate notional amounts of €263.8 million, US$96.1 million and RMB100.0 million, and six FXFs with an aggregate notional amount of €100.0 million and RMB200.0 million. These financial instruments are measured at fair value with changes in fair value recognised in the profit or loss account. The fair values of the instruments are mainly dependent on the forward foreign exchange rates, discount rates and yield curves of the notional amounts, as applicable. On the other hand, the changes in fair value of the instruments will be offset by the corresponding changes in fair values of the underlying foreign currency denominated assets when the respective instruments approach their maturity dates and foreign currency denominated borrowings are taken up to close out the instruments, thereby resulting in a zero cumulative impact to the consolidated equity attributable to owners of the Company. The cumulative net positive impact to the consolidated equity attributable to owners of the Company arising from the various financial derivatives and underlying foreign currency denominated assets as at 31 December 2021 amounted to approximately S$14.8 million.

As at 31 December 2021, the Group recorded a cumulative net translation gain of S$91.7 million as part of reserves in its shareholders' equity. This arose from the translation of the net assets and income and expenses of the Group's foreign operations in the PRC, Europe and Australia to S$ at the exchange rates prevailing at the end of the reporting period.

Statement of cash flows of the Group

Net cash used in operating activities amounted to S$152.9 million for FY2021 due mainly to the (i) net subscription of secured convertible bonds issued by a 49.9%-held associate of S$176.0 million to fund the Group's participation in the 48.2%-held Humen Bolong Bay Garden project in Dongguan in the PRC, (ii) disbursement of loans to joint ventures of S$282.5 million; (iii) payment of interest and income tax amounting to S$46.5 million in aggregate and (iv) the payment of construction costs for The Pinnacle and the Millennium Waterfront projects. This was partially offset by net drawdown of bank borrowings of S$285.2 million and interest received of S$6.9 million, net repayment of PRC property financing loans of S$60.3 million and cash proceeds collected mainly from the pre-sale of The Pinnacle in Dongguan.

Net cash used in investing activities amounted to S$189.4 million for FY2021 due mainly to the (i) net cash outflow from the Group's acquisition of the 95% equity interest in entities which indirectly own the Primus Bay development site in Panyu, amounting to S$242.6 million, (ii) net advances to non-controlling interests of S$43.6 million, out of which S$24.5 million related to the funding of the 17.3%-held Humen Time Zone project, and (iii) S$13.1 million equity injection into the Group's 39.9%-owned project trust to fund its redevelopment of the City Tattersalls Club in Sydney. These cash outflows were partially offset by (iv) the net cash proceeds received from the disposal of assets and liabilities held-for-sale of S$94.1 million, and (v) interest received of S$19.0 million.

Net cash from financing activities amounted to S$221.5 million for FY2021. This was due mainly to the (i) net advances from associates and joint ventures of S$214.4 million, (ii) net drawdown of bank borrowings of S$65.9 million, (iii) proceeds from issuance of ordinary shares of S$8.3 million upon the exercise of warrants during the year; and (iv) equity contribution and advances from non-controlling interests of subsidiaries amounting to S$7.0 million in aggregate, mainly to fund the 17.3%-held Humen Time Zone project. These were partially offset by the (v) repayment to an affiliate of a non-controlling interest of S$4.5 million, (vi) interest expense and transaction costs related to borrowings amounting to S$35.3 million in aggregate, (vii) payment of second interim dividends for FY2020 and first interim dividend for FY2021 to the shareholders of the Company of S$28.4 million in aggregate, and (viii) the payment of lease liabilities of S$5.9 million.

Note:

The figures stated in our statement of financial position have been translated based on the exchange rates at the end of each reporting period; and the figures in our income statement, statement of comprehensive income and statement of cash flows have been translated based on the average exchange rate for the relevant period and exchange rate at the date of the transaction, where applicable.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement for the current financial period has been previously disclosed to the shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Industry Outlook

People's Republic of China ("PRC")

According to the National Bureau of Statistics ("NBS"), the PRC's GDP grew 4.0% and 8.1% in 4Q2021 and the entire year of 2021 respectively. The Business Times reported that this quarter's growth was the PRC economy's slowest growth in one and a half years, slowing from 4.9% in 3Q2021 and 7.9% in 2Q2021, although the annual growth was faster than the forecasted 8.0% and the government's target of "above 6 percent". Economic activity rebounded in the PRC in early 2021, but lost steam due to the property downturn, curbs on debt and strict Covid-19 measures which hit consumption. A poll of economists by Reuters in October 2021 indicated that they expect the PRC's growth to slow to 5.5% in 2022 on the back of the deteriorating real estate sector. The new Omicron variant adds further risk to the growth expectation.

New home prices in 70 cities fell 0.28% in December 2021 from a month earlier, narrowing from the 0.33% fall in November 2021, according to the NBS. According to Reuters' calculations, property investment declined 13.9% in December 2021 from the previous year, dropping at the fastest rate since early 2020. Unsold housing stock in the PRC's 100 biggest cities reached a 5-year high in November 2021. More cities have come under pressure as supply grows while demand weakens. The falling property prices have also impacted current homeowners that are concerned about the value of their investments, making it even harder for developers to offload their stock. Year-end sale campaigns by developers have further added downward pressure on home prices. Despite moves by the PRC authorities to ease restrictions on real estate funding, home loan demand remained weak in December 2021, with households' mid and long-term loans, a proxy for mortgages, increasing the least since February 2020 according to The Business Times. It was only in the first-tier cities that prices of resale homes saw an increase of 0.1% in December 2021, from a 0.2% decline in November 2021 according to the NBS.

In a bid to help the economy, in December 2021, the People's Bank of China ("PBOC") reduced the reserve requirement ratio for banks by 0.5%, resulting in the release of an additional RMB1.2 trillion (approximately S$255.2 billion) into the economy, and reduced the one-year loan prime rate from 3.85% to the current 3.8%. In January 2022, PBOC cut the interest rate for the one-year medium-term lending facility from 2.95% to 2.85%, and the seven-day reverse repurchase rate dropped from 2.2% to 2.1%. In the same month, the central bank reduced the one-year loan prime rate by another 10 basis points from 3.8% to 3.7% and the five-year loan prime rate by five basis points from 4.65% to 4.6%. To boost liquidity, PBOC is also offering RMB700 billion (S$148.7 billion) of one-year medium-term lending facility loans in addition to RMB100 billion (S$21.2 billion) with seven-day reverse repurchase agreements. The rate cuts have resulted in Chinese stocks rising with CSI 300 Index up by 0.9%. To further ease the lack of liquidity in the property sector, Reuters stated that PRC authorities are in the midst of drafting rules to allow developers to access funds from sales that are held in escrow accounts to meet obligations as well as payments. The head of financial markets at the PBOC said that "Property sales and financing are gradually returning to normal and market expectations are improving".

The Netherlands

According to the second estimate of the Statistics Netherlands ("CBS"), the GDP for the Netherlands grew by 2.1% in 3Q2021 relative to 2Q2021 and 5.2% relative to 3Q2020. This growth was largely due to the increase in household consumption. Public consumption also increased, but there was a drop in investments and trade balance. The number of employees and self-employed jobs increased in 3Q2021 compared to the previous quarter. However, due to limitations on the supply side such as labour shortages and supply chain disruptions, the Dutch economy is expected to grow at a slower rate. The OECD expects the Dutch economy to grow at 4.3% for 2021, before further expanding by 3.2% in 2022 and 1.8% in 2023. Similarly, ING forecasts the Dutch economy to grow by 3.6% in 2022 after a forecasted expansion of 4.4% in 2021. ING attributes the slower growth to a lag in expenditure, potential discoveries of new

Covid-19 variants, safe distancing and supply chain frictions. ING is optimistic that the economy will pick up in the second half of 2022 and 2023. In December 2021, inflation within the Eurozone rose to 5% from 4.9% in November 2021, a record high and above the European Central Bank's expectations. This is mainly due to the increase in energy prices by 26% compared to the previous year, as well as inflation for food, services and imported goods, which were all above the European Central Bank's target of 2%.

According to the CBS, Kadaster land registry and Eurostat, the average housing price in the Netherlands increased by 17.5% in 3Q2021 compared to the same quarter last year, becoming one of the top five EU countries where home prices increased the most (EU average increase was 9%). December 2021 saw the average house prices in the Netherlands rising by a record 20.4% as compared to the same period last year. The average increase across 2021 was 15.2%, almost twice the 2020 figure. The NVM, a Dutch association of real estate agents and appraisers, pointed to the decreasing supply of homes as the cause with only 20,559 homes changing hands in December, almost 22% less than the same month last year. In 2021, a total of 226,087 homes changed owners, a 4% decrease relative to 2020 according to Kadaster Land Registry. Housing prices in the Netherlands have seen their highest increase in over 40 years in December, where prices spiked by more than a fifth, the sharpest rise since CBS started tracking these figures in 1995. The NVM reports that on average, an existing owner-occupied home changed hands for €438,000 in 4Q2021, an increase of 20.7% from the same quarter last year. New home prices have also increased, with the average selling price rising by 13.8% to €466,000. In Amsterdam, prices surged 16.5% in 3Q2021 from the same period last year, with an average transaction price of approximately €564,000. As a result, Oxford Economics has named the Netherlands as the riskiest housing market given that housing prices were 14.3% above their long-term trend. This is partly attributed to the housing shortage in the Netherlands, accompanied with the historically low interest rates pushing the value of homes further upward and homebuyers benefitting from tax benefits such as mortgage interest deductions. In Amsterdam, concerned officials have tried to slow down price hikes by increasing taxes for investors as well as eliminating stamp duty for first time buyers if the properties are under €400,000. The city also has plans to build 52,500 more homes by 2025. The new cabinet includes a specialist housing and planning minister for the first time in 10 years, whose role is to ensure that 100,000 new homes come onto the market each year.

Company Outlook

Property Development

The Group has made good progress with the various PRC property development projects, including those acquired in 1H2021. As such, the Group expects to launch new pre-sales in 2022 for the (i) 17.3%-owned Time Zone, (ii) 48.2%-owned Bolong Bay Garden and (iii) 36%-owned Boyong project, all of which are situated in Humen, Dongguan, as well as (iv) 95%-owned Primus Bay in Panyu, Guangzhou, and (v) Plot E1 of the Millennium Waterfront in Wenjiang, Chengdu.

In relation to the existing PRC property development projects, the 60%-owned The Pinnacle in Dongguan commenced its first handover of six of the eight fully sold residential apartment blocks in December 2021. The remaining two fully sold residential apartment blocks and 202 SOHO units are expected to be handed over during the course of 2022. The 27%-owned Skyline Garden in Dongguan will also commence its first handover of the four fully sold residential apartment blocks in late 2022.

In the Netherlands, the Group entered into agreements with the main contractors in relation to the construction of the Dreeftoren Amsterdam redevelopment project, which is expected to commence in 1Q2022. The redevelopment project comprises a new 130-metre high residential tower with a lettable floor area of approximately 20,300 sqm (312 apartment units) and an adjacent newly refurbished and enlarged 18-storey office tower with lettable floor areas of 15,600 sqm (office component) and 1,600 sqm (commercial component). Completion of the project is expected to be in 2025. In addition, the Group continues to engage the relevant authority in relation to the redevelopment of Meerparc located in the Amsterdam CBD into a mixed residential/office project.

The Group achieved a new milestone in Sydney with the grant of the Stage 2 development approval for the 39.9%-owned City Tattersalls Club ("CTC") project in November 2021. This paves the way for the construction and pre-sale launch of the 241 residential units in 3Q2022. The Group will be providing construction financing to the developer trust as part of its property financing business. In October 2021, the developer trust and CTC entered into a legally binding heads of agreement in relation to the sale by CTC of the hotel component of the project to the developer trust or its nominee. The parties are in the midst of finalising the detailed documentation in relation to such sale. The Group is expected to take a 70% stake in the 101-room hotel component.

Property Holding

The Group's European operating hotels showed strong signs of recovery in 2H2021 underpinned by strong leisure demand in the summer period. While demand took a hit following the resurgence of Covid-19 cases and implementation of restrictions in December 2021, the Group's European hospitality business, including those owned by associated companies and joint ventures, achieved a turnaround earnings before interest, taxes, depreciation and amortisation ("EBITDA") of €1.1 million as compared to a loss before interest, taxes, depreciation and amortisation ("LBITDA") of €1.1 million in FY2020 after taking into account approximately €10.1 million of government subsidies (FY2020: €8.4 million).

Despite the negative impact on the hospitality sector brought about by the restrictions and uncertainty caused by the Covid-19 pandemic, the Group remains optimistic about the eventual recovery of the European hospitality business as the world transits into the endemic stage in the mid to long term. As such, the Group is discussing with its business partners in the Dutch QBN hotel portfolio to increase its current 31.4% equity interest.

Similarly in the PRC, there was a resurgence of Covid-19 cases in Chengdu in 2H2021. This resulted in a swift implementation of restrictions which adversely impacted trading and also resulted in the temporary closure of the Holiday Inn Express hotel from 5 November 2021 to 25 November 2021. The hotels' trading took a hit in 2H2021 with an EBITDA of RMB4.2 million (2H2020: RMB12.0 million). Notwithstanding the above, the hotels recorded an overall EBITDA of RMB12.5 million for FY2021 on the back of a strong 1H2021, which represents a growth of approximately 58% from the RMB7.9 million recorded in FY2020.

On divestments, the Group entered into an agreement to divest a 40.5% effective equity interest in the Wentang Recycling Factory in Dongguan, one of the properties in the 90%-owned East Sun Portfolio, at a premium of 219% over cost of RMB40.3 million. The divestment was successfully completed in December 2021. Furthermore, the Group is in the process of divesting a 72% effective equity interest in the Liaobu Factory, another property in the East Sun Portfolio, at a premium of 128% over cost of RMB61.4 million. This divestment is expected to be completed in 2Q2022.

Property Financing

The PRC property financing ("PRC PF") business achieved a record full year average loan book of RMB2.7 billion for FY2021. The PRC PF loan book stood at RMB2.5 billion as at 31 December 2021. However, arising from the improving credit liquidity situation in the PRC, the challenge for the Group would be to maintain a similar average loan balance in FY2022. In November 2020, the Group commenced legal action against a borrower group in the Shanghai court to recover two loans of an aggregate principal of RMB330 million. Court-commissioned valuations for the purpose of determining the opening bid prices for the foreclosure auctions of the mortgaged assets (a villa and a retail mall in Pudong, Shanghai) were received in early December 2021. With the court-commissioned valuations, the Group submitted an application to the court on 27 January 2022 to start the process for the online foreclosure auction of the mortgaged properties. The foreclosure auctions are expected to take place in late March/early April 2022. The Group is optimistic about the full recovery of the RMB330 million loan principal and accrued interest thereon.

11. Dividend information

If a decision regarding dividend has been made:—

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

The Company had paid the following tax exempt (one-tier) interim ordinary dividend to ordinary shareholders.

Name of dividend	Interim Tax-exempt (one-tier) Ordinary Dividend
Date of Payment	21 September 2021
Dividend Type	Cash
Dividend Amount	1.1 Singapore cents per ordinary share

The Company will pay the following tax exempt (one-tier) second interim ordinary dividend to ordinary shareholders.

Name of dividend	Second interim Tax-exempt (one-tier) Ordinary Dividend
Date of Payment	1 April 2022
Dividend Type	Cash
Dividend Amount	2.35 Singapore cents per ordinary share

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

The Company had paid the following tax exempt (one-tier) interim ordinary dividend to ordinary shareholders.

Name of dividend	Interim Tax-exempt (one-tier) Ordinary Dividend
Date of Payment	1 October 2020
Dividend Type	Cash
Dividend Amount	1.1 Singapore cents per ordinary share

Name of dividend	Second Interim Tax-exempt (one-tier) Ordinary Dividend
Date of Payment	26 February 2021
Dividend Type	Cash
Dividend Amount	2.0 Singapore cents per ordinary share

(c) Date payable

1 April 2022.

(d) Record date

5pm on 17 March 2022.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a shareholders' general mandate for IPTs.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Property development

Revenue from the property development segment increased significantly by S$358.1 million or 628.4%, from S$57.0 million in FY2020 to S$415.1 million in FY2021. This is due mainly to the revenue recognised in respect of the first handover of six residential apartment blocks of The Pinnacle amounting to S$318.9 million in December 2021 as well as the handover of the SOHO loft units of Plot F of the Millennium Waterfront project since March 2021. Pre-tax profit for the segment increased by S$30.9 million or 45.3%, from S$68.3 million in FY2020 to S$99.2 million in FY2021.

Property investment

Revenue from the property investment segment increased by S$3.5 million or 50.8%, from S$6.9 million in FY2020 to S$10.4 million in FY2021. The increase was due mainly to the nine months' contribution from the investment properties of East Sun Entities which were consolidated by the Group with effect from 31 March 2021.

Pre-tax profit from this segment increased by S$32.1 million or 366.4%, from S$8.7 million in FY2020 to S$40.8 million in FY2021. The increase was due mainly to (i) the gain on dilution of interests in Wan Li and Wan Li No. 1 and East Sun No. 1, amounting to S$19.5 million in aggregate, (ii) appreciation in value of the Group's investment properties of S$8.7 million arising from the S$4.4 million fair value gain recognised in FY2021 compared to a fair value loss of S$4.3 million recognised in FY2020, and (iii) the increase in fair value of the office investment properties held by the Group's associates which led to a S$9.2 million year-on-year million increase in the Group's attributable share of fair value gain from S$3.8 million in FY2020 to S$13.0 million in FY2021. This increase was partially offset by the lower fair value gain on equity securities of S$7.0 million, property, plant and equipment written off of S$5.6 million and a higher year-on-year attributable share of loss of S$4.8 million from the Le Meridien Frankfurt joint venture.

Property financing

Revenue from property financing increased by S$13.8 million or 13.1%, from S$105.2 million in FY2020 to S$119.0 million in FY2021. This is the result of a higher average PRC property financing loan portfolio for the current year compared to the prior year. The revenue growth was partially offset by the absence of the S$15.8 million European loan restructuring income recorded in FY2020 and the S$3.4 million establishment fee earned in FY2020 in respect of the provision of a construction loan facility to fund the City Tattersalls Club in Sydney redevelopment project. As a result, profit margin for the year has reduced compared to FY2020. Pre-tax profit from this segment increased by S$1.0 million or 0.9%, from S$105.7 million in FY2020 to S$106.7 million in FY2021.

Hotel operations

Revenue from the hotel operations segment increased by S$9.1 million or 27.8%, from S$32.9 million in FY2020 to S$42.0 million in FY2021. This was due mainly to the pick-up in performance of the hotels both in the PRC as well as in Europe arising from the easing of the various Covid-19 related travel and lockdown restrictions compared to the prior year.

Pre-tax loss from this segment decreased by S$14.2 million or 30.5% from S$46.7 million in FY2020 to S$32.5 million in FY2021. Other than the improvement in hotel performance mentioned above, the Group's attributable share of results from the Dutch Bilderberg hotels also improved in FY2021, due partly to the absence of impairment charge made on certain hotels in the portfolio amounting to S$6.4 million and loan restructuring expense of S$2.4 million booked in FY2020. The increase was partially offset by the higher impairment loss on the hotels, whereby the two Utrecht hotels were impaired by S$9.5 million in FY2021 compared to a S$4.2 million impairment charge on the Bilderberg Bellevue Hotel Dresden in FY2020.

15. A breakdown of revenue as follows:–

Group	FY2021	FY2020	Increase %
	S$'000	**S$'000**	
(a) Revenue reported for first half year	156,758	104,148	50.5
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	68,450	57,005	20.1
(c) Revenue reported for second half year	432,412	99,788	333.3
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	61,795	44,106	40.1

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:–

	FY2021 (S$'000)	FY2020 (S$'000)
First interim	10,129	10,045
Second interim	21,640	18,266
Total	31,769	28,311

The amount of second interim tax-exempt (one-tier) ordinary dividend for the year ended 31 December 2021 disclosed above is based on 2.35 Singapore cents declared and the number of issued ordinary shares as at 31 December 2021. The actual amount of second interim dividend payable would be based on the actual number of issued ordinary shares as at the record date which has been set on 17 March 2022. The total amount for FY2021 may hence be subject to adjustments.

17. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

The Company confirms that there is no person occupying a managerial position in the Company who is related to a director, chief executive officer or substantial shareholder of the Company

18 Confirmation that the issuer has procured undertakings from all of its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all of its directors and executive officers in the format set out in Appendix 7.7 under Rule 720 (1) of the Listing Manual.

BY ORDER OF THE BOARD
FIRST SPONSOR GROUP LIMITED

Neo Teck Pheng
Group Chief Executive Officer and Executive Director
11 February 2022

CONFIRMATION BY THE BOARD

The Directors of the Company hereby confirm, to the best of their knowledge that, nothing has come to the attention of the Board of Directors which may render the Group's unaudited financial results for the six months and the full year ended 31 December 2021 to be false or misleading in any material respect.

On behalf of the Board of Directors

Ho Han Leong Calvin
Non-Executive Chairman

Neo Teck Pheng
Group Chief Executive Officer
and Executive Director

11 February 2022