



FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

**SGX APPENDIX 7.2 ANNOUNCEMENT
FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED
31 DECEMBER 2022**

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FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

For the second half year and financial year ended 31 December 2022

	Note	The Group Half year ended 31 December		The Group Full year ended 31 December	
		2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)	2021 S\$'000 (Audited)
Revenue	4	312,239	432,412	427,493	589,170
Cost of sales		(172,376)	(262,346)	(221,402)	(347,854)
Gross profit		139,863	170,066	206,091	241,316
Administrative expenses		(27,652)	(23,022)	(45,667)	(36,138)
Selling expenses		(8,252)	(3,806)	(14,519)	(10,164)
Other (expenses)/income (net)		(7,516)	(15,825)	6,235	(10,294)
Other (losses)/gains (net)	5	(133)	5,727	15,091	16,604
Results from operating activities		96,310	133,140	167,231	201,324
Finance income		22,107	11,889	36,859	20,544
Finance costs		(26,958)	(16,378)	(48,431)	(30,348)
Net finance costs		(4,851)	(4,489)	(11,572)	(9,804)
Share of after-tax profit of associates and joint ventures		19,372	325	40,057	11,075
Profit before tax	6	110,831	128,976	195,716	202,595
Tax expense	7	(43,713)	(67,181)	(57,843)	(72,350)
Profit for the period/year		67,118	61,795	137,873	130,245
Attributable to:					
Equity holders of the Company		59,925	52,518	131,256	121,469
Non-controlling interests		7,193	9,277	6,617	8,776
Profit for the period/year		67,118	61,795	137,873	130,245
Earnings per share (cents)					
- Basic		6.49	5.72	14.21	13.26
- Diluted		4.52	3.96	9.90	9.16

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 2022

	The Group Half year ended 31 December		The Group Full year ended 31 December	
	2022 S\$'000 (Unaudited)	2021 S\$'000 (Unaudited)	2022 S\$'000 (Unaudited)	2021 S\$'000 (Audited)
Profit for the period/year	67,118	61,795	137,873	130,245
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Exchange difference realised on disposal of a subsidiary	-	-	-	3
Share of translation differences on financial statements of foreign associates and joint ventures, net of tax	(87,007)	37,948	(103,926)	47,526
Translation differences on financial statements of foreign subsidiaries, net of tax	(38,386)	(8,058)	(65,959)	29,200
Other comprehensive income for the period/year, net of tax	(125,393)	29,890	(169,885)	76,729
Total comprehensive income for the period/year	<u>(58,275)</u>	<u>91,685</u>	<u>(32,012)</u>	<u>206,974</u>
Total comprehensive income attributable to:				
Equity holders of the Company	(54,621)	80,561	(24,518)	193,794
Non-controlling interests	(3,654)	11,124	(7,494)	13,180
Total comprehensive income for the period/year	<u>(58,275)</u>	<u>91,685</u>	<u>(32,012)</u>	<u>206,974</u>

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

Note	The Group		The Company	
	As at 31 December 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)	As at 31 December 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Non-current assets				
Property, plant and equipment	573,132	356,058	789	343
Investment properties	175,334	125,204	-	-
Goodwill	22,874	-	-	-
Subsidiaries	-	-	1,636,191	1,162,661
Interests in associates and joint ventures	1,120,067	1,027,535	9,680	9,680
Derivative assets	113,440	46,209	113,440	46,209
Other investments	135,294	201,992	-	-
Deferred tax assets	40,414	37,419	-	-
Trade and other receivables	370,017	491,775	-	105,733
	<u>2,550,572</u>	<u>2,286,192</u>	<u>1,760,100</u>	<u>1,324,626</u>
Current assets				
Development properties	932,949	704,679	-	-
Inventories	1,345	376	-	-
Trade and other receivables	527,043	946,133	989,190	1,360,670
Assets held-for-sale	10	-	15,869	-
Derivative assets	55,942	6,334	55,942	6,334
Cash and cash equivalents	270,263	343,932	15,305	137,946
	<u>1,787,542</u>	<u>2,017,323</u>	<u>1,060,437</u>	<u>1,504,950</u>
Total assets	<u>4,338,114</u>	<u>4,303,515</u>	<u>2,820,537</u>	<u>2,829,576</u>
Equity				
Share capital	118,802	118,357	118,802	118,357
Share premium	296,772	293,645	296,984	293,857
Reserves	1,394,691	1,451,080	1,106,711	1,001,018
Equity attributable to owners of the Company	<u>1,810,265</u>	<u>1,863,082</u>	<u>1,522,497</u>	<u>1,413,232</u>
Non-controlling interests	<u>115,722</u>	<u>115,772</u>	<u>-</u>	<u>-</u>
Total equity	<u>1,925,987</u>	<u>1,978,854</u>	<u>1,522,497</u>	<u>1,413,232</u>
Non-current liabilities				
Loans and borrowings	11	906,755	937,749	928,755
Derivative liabilities		354	24,584	354
Other payables		17,219	9,719	-
Lease liabilities		87,940	68,513	217
Deferred tax liabilities		59,250	13,632	-
		<u>1,071,518</u>	<u>1,054,197</u>	<u>929,326</u>
				<u>984,333</u>

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONT'D)

As at 31 December 2022

	Note	The Group		The Company	
		As at 31 December 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)	As at 31 December 2022 S\$'000 (Unaudited)	As at 31 December 2021 S\$'000 (Audited)
Current liabilities					
Loans and borrowings	11	101,631	151,158	101,631	151,158
Current tax payable		65,633	90,151	3,450	1,959
Trade and other payables		1,150,928	840,864	263,408	273,412
Liabilities held-for-sale	10	-	3,223	-	-
Contract liabilities		16,334	173,904	-	-
Receipts in advance		3,407	3,420	-	-
Lease liabilities		2,596	2,368	145	106
Derivative liabilities		80	5,376	80	5,376
		<u>1,340,609</u>	<u>1,270,464</u>	<u>368,714</u>	<u>432,011</u>
Total liabilities		<u>2,412,127</u>	<u>2,324,661</u>	<u>1,298,040</u>	<u>1,416,344</u>
Total equity and liabilities		<u>4,338,114</u>	<u>4,303,515</u>	<u>2,820,537</u>	<u>2,829,576</u>

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the full year ended 31 December 2022

		The Group	
		Full year ended	
		31 December	
	Note	2022	2021
		S\$'000	S\$'000
		(Unaudited)	(Audited)
Cash flows from operating activities			
Profit for the year		137,873	130,245
Adjustments for:			
Depreciation of property, plant and equipment	6	18,710	13,441
Fair value (gain)/loss on:			
- derivative assets/liabilities (net)	6	(146,364)	(53,268)
- investment properties (net)	6	(1,271)	(4,439)
- other investments	6	1,290	(3,755)
Finance income		(36,859)	(20,544)
Finance costs		48,431	30,348
(Gain)/loss on disposal of:			
- a joint venture and an associate	5	-	(1,493)
- assets and liabilities held-for-sale	5	(15,158)	(20,593)
- other investments	5	-	(115)
- investment properties	5	(80)	-
- property, plant and equipment (net)	5	1	(9)
- subsidiaries	5	-	(4)
Loss on dilution of interest in a subsidiary	5	3	-
Loss on liquidation of subsidiaries	5	-	-*
Impairment loss on:			
- financial assets – loan receivable from a joint venture company	6	-	6,677
- financial assets – third party trade receivables	6	26,557	109
- property, plant and equipment	6	27,390	9,766
- goodwill	6	15,763	-
Goodwill written off on acquisition of a subsidiary	5,12	114	-
Write-down of development properties	6	16,441	10,890
Property, plant and equipment written off	5	29	5,610
Share of after-tax profit of associates and joint ventures		(40,057)	(11,075)
Tax expense	7	57,843	72,350
		<u>110,656</u>	<u>164,141</u>
Changes in:			
Contract liabilities		(150,822)	(187,150)
Development properties		(168,519)	73,310
Inventories		(79)	2
Loans and borrowings		(60,598)	285,191
Trade and other receivables		572,734	(488,644)
Trade and other payables		78,611	39,893
Cash generated from/(used in) operations		<u>381,983</u>	<u>(113,257)</u>
Interest received		3,746	6,887
Interest paid		(14,408)	(12,433)
Tax paid		(85,904)	(34,108)
Net cash generated from/(used in) operating activities		<u>285,417</u>	<u>(152,911)</u>

* Amount less than S\$1,000

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

For the full year ended 31 December 2022

	The Group	
	Full year ended	
	31 December	
	2022	2021
	S\$'000	S\$'000
	(Unaudited)	(Audited)
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	6,800	(241,867)
Advances to associates (net)	(16,781)	(4,155)
(Advances to)/repayment from joint ventures (net)	(412,187)	8
Return of capital from an associate	-	479
Interest received	31,810	19,019
Payment for acquisition of other investments	(17)	-
Advances to non-controlling interests of subsidiaries (net)	-	(43,572)
Payment for additions to property, plant and equipment	(12,184)	(7,867)
Payment for additions to investment property	(59,421)	-
Payment for investments in associates and joint ventures	(50,023)	(13,353)
Proceeds from disposal of:		
- a joint venture	-	5,740
- assets and liabilities held-for-sale	23,900	94,066
- other investments (non-current)	-	2,111
- property, plant and equipment	3	19
- investment properties	528	-
- subsidiaries	-	1
Net cash used in investing activities	(487,572)	(189,371)
Cash flows from financing activities		
Advances from associates (net)	212,426	120,807
Advances from joint ventures	14,015	93,606
Advances from/(repayment to) non-controlling interests of subsidiaries	3,887	(646)
Capital contribution by non-controlling interests	2,439	7,715
Dividends paid to the owners of the Company	(31,871)	(28,386)
Interest paid	(35,108)	(27,114)
Issuance of ordinary shares	3,574	8,262
Payment of lease liabilities	(9,767)	(5,916)
Payment of transaction costs related to borrowings	(4,050)	(8,234)
Repayment to an affiliate of a non-controlling interest of a subsidiary	-	(4,532)
Proceeds from bank borrowings	1,367,480	1,007,381
Repayment of bank borrowings	(1,372,893)	(941,492)
Net cash from financing activities	150,132	221,451
Net decrease in cash and cash equivalents	(52,023)	(120,831)
Cash and cash equivalents at beginning of the year	343,967	476,304
Effect of exchange rate changes on balances held in foreign currencies	(21,681)	(11,506)
Cash and cash equivalents at end of the year	270,263	343,967

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

For the full year ended 31 December 2022

		The Group Full year ended 31 December	
		2022 S\$'000 (Unaudited)	2021 S\$'000 (Audited)
	Note		
Cash and cash equivalents at the end of the year comprise:			
Cash and cash equivalents in the statements of financial position of the Group		270,263	343,932
Cash and cash equivalents included in assets held-for-sale	10	-	35
		270,263	343,967

Significant non-cash transactions

During the financial year ended 31 December 2022,

- (i) advances to joint ventures amounting to S\$131,151,000 in aggregate were capitalised as additional equity investment in the respective joint ventures;
- (ii) advances to an associate amounting to S\$15,413,000 (A\$15,960,000) were capitalised as additional investment in the associate.

On 2 May 2022, in relation to the acquisition of 95% equity interest in Queens Bilderberg (Nederland) B.V. ("QBN") by the Group from FSMC NL Property Group B.V. ("FSMC"), an indirect 33%-owned associate of the Company, S\$243,823,000 (€162,322,000) of the total purchase consideration amounting to S\$244,019,000 (€162,451,000) was settled by the Group via a set off against loans and interest receivable owing by FSMC to the Group of an equivalent amount.

On 1 August 2022, the purchase consideration for a 70% beneficial interest in Chengdu Fuqing Commercial Operation Management Co., Ltd., ("CDFQ") amounting to S\$144,000 (RMB700,000) was set off against a receivable due from the third-party seller of the same amount. Refer to note 12 for more details.

During the financial year ended 31 December 2021, an amount of S\$240,125,000 (RMB1,155,000,000) due from an associate was capitalised as additional investment in the associate.

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

	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 2022	118,357	293,645	57,276	245	655,029	91,671	646,859	1,863,082	115,772	1,978,854
Total comprehensive income for the year										
Profit for the year	-	-	-	-	-	-	131,256	131,256	6,617	137,873
Other comprehensive income										
Share of translation differences on financial statements of foreign associates and joint ventures, net of tax	-	-	-	-	-	(103,926)	-	(103,926)	-	(103,926)
Translation differences on financial statements of foreign subsidiaries, net of tax	-	-	-	-	-	(51,848)	-	(51,848)	(14,111)	(65,959)
Total other comprehensive income	-	-	-	-	-	(155,774)	-	(155,774)	(14,111)	(169,885)
Total comprehensive income for the year	-	-	-	-	-	(155,774)	131,256	(24,518)	(7,494)	(32,012)

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the financial year ended 31 December 2022

	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	-	-	-	-	-	-	(31,871)	(31,871)	-	(31,871)
Issuance of new shares pursuant to exercise of warrants		445	3,127	-	-	-	-	-	3,572	-	3,572
Transfer to statutory reserve		-	-	1,928	-	-	-	(1,928)	-	-	-
Total contributions by and distributions to owners		445	3,127	1,928	-	-	-	(33,799)	(28,299)	-	(28,299)
Changes in ownership interests in subsidiaries											
Acquisition of subsidiaries with non-controlling interests		-	-	-	-	-	-	-	-	5,006	5,006
Capital contribution by non-controlling interests		-	-	-	-	-	-	-	-	2,438	2,438
Total changes in ownership interests in subsidiaries		-	-	-	-	-	-	-	-	7,444	7,444
Total transactions with owners of the Company		445	3,127	1,928	-	-	-	(33,799)	(28,299)	7,444	(20,855)
At 31 December 2022		118,802	296,772	59,204	245	655,029	(64,103)	744,316	1,810,265	115,722	1,925,987

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the financial year ended 31 December 2022

	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 (Audited)										
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 difference realised on disposal of a subsidiary	-	-	-	-	-	3	-	3	-	3
Share of translation differences on financial statements of foreign associates and joint ventures, net of tax	-	-	-	-	-	47,526	-	47,526	-	47,526
Translation differences 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

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the financial year ended 31 December 2022

	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

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the financial year ended 31 December 2022

	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 2022	118,357	293,857	(5,988)	655,029	351,977	1,413,232
Total comprehensive income for the year						
Profit for the year	-	-	-	-	137,576	137,576
Total comprehensive income for the year	-	-	-	-	137,576	137,576
Transactions with owners, recognised directly in equity						
Contribution by and distributions to owners						
Dividends paid to the owners of the Company	-	-	-	-	(31,883)	(31,883)
Issuance of new shares pursuant to exercise of warrants	445	3,127	-	-	-	3,572
Total contributions by and distributions to owners	445	3,127	-	-	(31,883)	(28,311)
Total transactions with owners of the Company	445	3,127	-	-	(31,883)	(28,311)
At 31 December 2022	118,802	296,984	(5,988)	655,029	457,670	1,522,497

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the financial year ended 31 December 2022

	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 (Audited)						
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
Transactions 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 31 December 2021	118,357	293,857	(5,988)	655,029	351,977	1,413,232

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the second half year and full financial year ended 31 December 2022

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 second half year ended 31 December 2022 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 consolidated financial statements for second half year ended 31 December 2022 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed interim consolidated 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 consolidated financial statements for the six months ended 30 June 2022.

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 consolidated 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

The Group has adopted various new and revised accounting standards which are effective for the first time for the current financial reporting year ended 31 December 2022. The application of these standards did not have a material effect on the condensed interim consolidated financial statements.

2.2 Use of judgements and estimates

In preparing the condensed interim consolidated 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 rising interest rate, inflationary cost pressures, geopolitical tension and Covid-19 pandemic has caused and will likely to 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 2021.

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, location 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, location 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 adjusted for location, age, size and other factors, if applicable.

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 in the second half year ended 31 December 2022 and 31 December 2021, the fair values of the Group's investment properties were based on the independent valuations as at 31 December 2022 and 31 December 2021 respectively, taking into account capitalised expenditure, leasing costs and straight-line rent incentives recognised during the respective periods.

The rising interest rate, inflationary pressure, geopolitical tension and unclear outlook of post Covid-19 recovery have increased the volatility of property markets in the Netherlands and the PRC, resulting in increased uncertainty of the assumptions adopted in the valuation process. Consequently, these ongoing developments may cause unexpected volatility in the future fair value of investment properties subsequent to 31 December 2022.

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 the travel and tourism industries in the countries in which the Group operates its hotel operations and the pace of post Covid-19 recovery 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.

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

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 2022 to 31 December 2022							
Segment revenue	185,901	6,322	39,013	89,858	321,094	9,436	330,530
Elimination of inter-segment revenue	(1,122)	(804)	(4,956)	(3,123)	(10,005)	(8,286)	(18,291)
External revenue	184,779	5,518	34,057	86,735	311,089	1,150	312,239
Profit/(loss) from operating activities	85,014	(4,503)	33,139	(14,797)	98,853	(2,543)	96,310
Finance income	15,429	29	-	6,387	21,845	262	22,107
Finance costs	(22,214)	(770)	(9)	(3,534)	(26,527)	(431)	(26,958)
Share of after-tax profit/(loss) of associates and joint ventures	39,508	(19,919)	-	(208)	19,381	(9)	19,372
Segment profit/(loss) before tax	117,737	(25,163)	33,130	(12,152)	113,552	(2,721)	110,831
Other material non-cash items (debit)/credit:							
Depreciation	(718)	48	(46)	(9,296)	(10,012)	(498)	(10,510)
Fair value gain/(loss) on:							
- other investments	-	-	-	-	-	(1,069)	(1,069)
- investment properties (net)	-	1,271	-	-	1,271	-	1,271
- derivatives (net)	27,833	(10,791)	23,328	30,470	70,840	-	70,840
(Impairment loss)/ Reversal of impairment loss on:							
- financial assets – third party trade receivables	-	-	(26,550)	(7)	(26,557)	-	(26,557)
- property, plant and equipment	-	-	-	(27,390)	(27,390)	-	(27,390)
- goodwill	-	-	-	(15,763)	(15,763)	-	(15,763)
Property, plant and equipment written off	(3)	-	-	-	(3)	(11)	(14)
Write-down of development properties	(16,441)	-	-	-	(16,441)	-	(16,441)
Other segment information:							
Capital expenditure*	118	(1,684)	258	12,502	11,194	679	11,872

* Includes property, plant and equipment and investment properties.

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

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	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	<u>334,079</u>	<u>5,552</u>	<u>64,457</u>	<u>26,719</u>	<u>430,807</u>	<u>1,605</u>	<u>432,412</u>
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	<u>81,790</u>	<u>20,766</u>	<u>45,504</u>	<u>(18,088)</u>	<u>129,972</u>	<u>(996)</u>	<u>128,976</u>
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	<u>(10,890)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,890)</u>	<u>-</u>	<u>(10,890)</u>
Other segment information:							
Capital expenditure*	<u>4,765</u>	<u>-</u>	<u>1</u>	<u>38</u>	<u>4,804</u>	<u>82</u>	<u>4,886</u>

* Includes property, plant and equipment and investment properties.

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

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 2022 to 31 December 2022							
Segment revenue	207,020	15,300	82,354	139,022	443,696	15,250	458,946
Elimination of inter-segment revenue	(1,122)	(4,419)	(9,058)	(3,707)	(18,306)	(13,147)	(31,453)
External revenue	<u>205,898</u>	<u>10,881</u>	<u>73,296</u>	<u>135,315</u>	<u>425,390</u>	<u>2,103</u>	<u>427,493</u>
Profit/(loss) from operating activities	102,984	18,738	66,128	(10,698)	177,152	(9,921)	167,231
Finance income	26,491	116	-	7,791	34,398	2,461	36,859
Finance costs	(35,152)	(1,470)	(51)	(7,447)	(44,120)	(4,311)	(48,431)
Share of after-tax profit/(loss) of associates and joint ventures	39,233	(19,537)	-	20,369	40,065	(8)	40,057
Segment profit/(loss) before tax	<u>133,556</u>	<u>(2,153)</u>	<u>66,077</u>	<u>10,015</u>	<u>207,495</u>	<u>(11,779)</u>	<u>195,716</u>
Other material non-cash items (debit)/credit:							
Depreciation	(1,419)	(219)	(90)	(16,171)	(17,900)	(811)	(18,710)
Fair value gain/(loss) on:							
- other investments	-	-	-	-	-	(1,290)	(1,290)
- investment properties (net)	-	1,271	-	-	1,271	-	1,271
- derivatives (net)	47,251	10,462	45,895	42,756	146,364	-	146,364
(Impairment loss)/ Reversal of impairment loss on:							
- financial assets – third party trade receivables	-	-	(26,550)	(7)	(26,557)	-	(26,557)
- property, plant and equipment	-	-	-	(27,390)	(27,390)	-	(27,390)
- goodwill	-	-	-	(15,763)	(15,763)	-	(15,763)
Property, plant and equipment written off	(15)	-	-	-	(15)	(14)	(29)
Write-down of development properties	<u>(16,441)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,441)</u>	<u>-</u>	<u>(16,441)</u>

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

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 2022							
Assets							
Segment assets	1,626,768	202,956	666,317	667,811	3,163,852	54,194	3,218,046
Interests in associates and joint ventures	1,085,893	24,995	-	1	1,110,889	9,178	1,120,067
	<u>2,712,661</u>	<u>227,951</u>	<u>666,317</u>	<u>667,812</u>	<u>4,274,741</u>	<u>63,372</u>	<u>4,338,113</u>
Liabilities							
Segment liabilities	<u>1,393,068</u>	<u>55,054</u>	<u>475,206</u>	<u>390,899</u>	<u>2,314,227</u>	<u>97,900</u>	<u>2,412,127</u>
Other segment information:							
Capital expenditure*	<u>318</u>	<u>56,677</u>	<u>258</u>	<u>13,102</u>	<u>70,355</u>	<u>1,042</u>	<u>71,397</u>

* Includes property, plant and equipment and investment properties.

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

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	415,129	17,675	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	415,129	10,420	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)

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

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
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
	<u>2,381,615</u>	<u>298,242</u>	<u>1,241,318</u>	<u>304,257</u>	<u>4,225,432</u>	<u>78,083</u>	<u>4,303,515</u>
Liabilities							
Segment liabilities	<u>1,290,196</u>	<u>57,814</u>	<u>775,149</u>	<u>119,214</u>	<u>2,242,373</u>	<u>82,288</u>	<u>2,324,661</u>
Other segment information:							
Capital expenditure*	<u>8,063</u>	<u>-</u>	<u>-</u>	<u>109</u>	<u>8,172</u>	<u>183</u>	<u>8,355</u>

* Includes property, plant and equipment and investment properties.

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

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		Property financing		Hotel operations		Total*	
	Half year ended		Half year ended		Half year ended		Half year ended	
	31 December		31 December		31 December		31 December	
	2022	2021	2022	2021	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Primary geographical markets								
PRC	182,331	331,644	24,064	46,763	7,747	9,045	214,142	387,452
Europe	2,445	2,433	8,696	16,902	78,988	17,673	90,129	37,008
Others	3	3	1,297	791	-	-	1,300	794
Total revenue	184,779	334,080	34,057	64,456	86,735	26,718	305,571	425,254
Timing of revenue recognition								
Products transferred at a point in time	184,779	334,080	34,057	64,456	86,735	26,718	305,571	425,254

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.

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

4.2 Disaggregation of revenue (cont'd)

	Property development		Property financing		Hotel operations		Total*	
	Full year ended 31 December		Full year ended 31 December		Full year ended 31 December		Full year ended 31 December	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Primary geographical markets								
PRC	201,072	400,597	48,758	82,770	15,796	18,540	265,626	501,907
Europe	4,820	14,526	22,340	34,753	119,519	23,478	146,679	72,757
Others	6	6	2,198	1,471	-	-	2,204	1,477
Total revenue	<u>205,898</u>	<u>415,129</u>	<u>73,296</u>	<u>118,994</u>	<u>135,315</u>	<u>42,018</u>	<u>414,509</u>	<u>576,141</u>
Timing of revenue recognition								
Products transferred at a point in time	<u>205,898</u>	<u>415,129</u>	<u>73,296</u>	<u>118,994</u>	<u>135,315</u>	<u>42,018</u>	<u>414,509</u>	<u>576,141</u>

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.

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

5. Other (losses)/gains (net)

Other (losses)/gains (net) comprise:

	The Group		The Group	
	Half year ended		Full year ended	
	31 December		31 December	
	2022	2021	2022	2021
	S\$'000	S\$'000	S\$'000	S\$'000
Gain/(loss) on disposal of:				
- assets and liabilities held-for-sale	-	9,842	15,158	20,593
- subsidiaries	-	-	-	4
- a joint venture and an associate	-	1,493	-	1,493
- other investments	-	-	-	115
- property, plant and equipment (net)	-	1	(1)	9
- investment properties	(2)	-	80	-
Loss on dilution of interest in a subsidiary	(3)	-	(3)	-
Loss on liquidation of subsidiaries	-	-*	-	-*
Property, plant and equipment written off	(14)	(5,609)	(29)	(5,610)
Goodwill written off on acquisition of a subsidiary	(114)	-	(114)	-
	<u>(133)</u>	<u>5,727</u>	<u>15,091</u>	<u>16,604</u>

* Amount less than S\$1,000

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

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	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Depreciation of property, plant and equipment	(10,510)	(6,681)	(18,710)	(13,441)
Exchange gain/(loss) (net)	6,588	(41,357)	(51,777)	(46,354)
Fair value gain/(loss) on:				
- derivative assets/ liabilities (net)	70,840	48,231	146,364	53,268
- other investments	(1,069)	(689)	(1,290)	3,755
- investment properties (net)	1,271	4,439	1,271	4,439
Impairment loss on:				
- property, plant and equipment	(27,390)	(9,766)	(27,390)	(9,766)
- financial assets – loan receivable from a joint venture company	-	(6,677)	-	(6,677)
- financial assets – third party trade receivables	(26,557)	(17)	(26,557)	(109)
- goodwill	(15,763)	-	(15,763)	-
Write down of development properties	(16,441)	(10,890)	(16,441)	(10,890)
Interest expense on lease liabilities	(1,887)	(1,634)	(4,434)	(3,413)
Government grants – wage- related*	252	456	956	2,647
Government grants – non wage-related	992	228	1,880	4,769

* These relate 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.

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

7. Taxation

The Group calculates the income tax expense for the periods 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	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Current tax expense	17,137	37,754	23,592	39,824
Deferred tax (credit)/ charge:				
- relating to origination and reversal of temporary differences	(4,925)	(7,440)	(5,425)	(4,685)
- effect of changes in tax rates	-	208	-	208
Land appreciation tax expense	31,489	36,657	39,660	36,995
Withholding tax	12	2	16	8
	<u>43,713</u>	<u>67,181</u>	<u>57,843</u>	<u>72,350</u>

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 rates applicable to the Group's subsidiaries in the PRC and the Netherlands for the second half year and full year ended 31 December 2022 are 25% and 25.8% respectively (2021: 25% for both countries).

7. Taxation (cont'd)

Effect of changes in tax rates

The deferred tax charge of S\$208,000 for the second half year and 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 as at 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 change in tax rates had increased the relevant deferred tax balances as at 31 December 2021.

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 2021: 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 sale 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 the 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 consolidated financial statements for the second half year and full year ended 31 December 2022 have not recognised as a liability the final tax exempt (one-tier) ordinary dividend in respect of the financial year ended 31 December 2022, declared after the end of the reporting period. This proposed dividend of 2.70 cents per share amounting to approximately S\$25.0 million in aggregate will be accounted for in the shareholders' equity as an appropriation of 'Retained earnings' in the next financial year ending 31 December 2023. Refer to Note 11 of the Other Information Required by Listing Rule Appendix 7.2 section for more details.

A second interim tax exempt (one-tier) ordinary dividend of 2.35 cents per share amounting to S\$21.7 million in total was paid in April 2022 in respect of the financial year ended 31 December 2021. In addition, an interim tax-exempt (one-tier) ordinary dividend of 1.10 cents per share amounting to S\$10.2 million in total was paid in September 2022 in respect of the current financial year ended 31 December 2022.

FIRST SPONSOR GROUP LIMITED AND SUBSIDIARY COMPANIES

8. Dividends (cont'd)

A second interim tax exempt (one-tier) ordinary dividend of 2.0 cents per share totaling S\$18.3 million was paid in February 2021 in respect of the financial year ended 31 December 2020. In addition, an interim tax-exempt (one-tier) ordinary dividend of 1.10 cents per share amounting to S\$10.1 million in total was paid in September 2021 in respect of the financial year ended 31 December 2021.

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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities **(Level 1)**;
- 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
- 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 2022				
Financial assets measured at fair value through profit or loss				
Derivative assets	-	169,382	-	169,382
Other investments				
- Equity securities	14,512	-	-	14,512
- Debt securities	-	-	120,782	120,782
	<u>14,512</u>	<u>169,382</u>	<u>120,782</u>	<u>304,676</u>
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	-	(434)	-	(434)
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
	<u>15,786</u>	<u>52,543</u>	<u>186,206</u>	<u>254,535</u>
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	-	(29,960)	-	(29,960)

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 2022 and 31 December 2021.

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10. Assets/liabilities held-for-sale

	The Group	
	31 December 2022	31 December 2021
	S\$'000	S\$'000
Assets held-for-sale		
Property, plant and equipment	-	1,885
Investment properties	-	13,949
Cash and cash equivalents	-	35
	<u>-</u>	<u>15,869</u>
Liabilities held-for-sale		
Deferred tax liabilities	-	3,014
Trade and other payables	-	209
	<u>-</u>	<u>3,223</u>

On 15 June 2021, an indirect wholly-owned subsidiary of the Company entered into a conditional agreement to dispose 72% of its 90% equity interest in a subsidiary, Dongguan East Sun No. 3 Property Management Co., Ltd. ("East Sun No. 3") which owns a factory in Liaobu, Dongguan in the PRC, to a third party at the agreed commercial property value of S\$29.1 million (RMB140.0 million). Accordingly, all assets and liabilities held by East Sun No. 3 were reclassified to assets held-for-sale and liabilities held-for-sale respectively as at 31 December 2021.

On 25 April 2022, the Group disposed the entire 90% equity interest in East Sun No. 3 instead to the same third party, at the same agreed commercial property value mentioned above, and East Sun No. 3 ceased to be an indirectly owned subsidiary of the Company from that date. As a result of the said divestment, the Group recorded its attributable share of gain on disposal of assets and liabilities held for sale of S\$15.2 million (RMB71.8 million) under "Other gains" in profit or loss for the financial year ended 31 December 2022.

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11. Loans and borrowings

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

	The Group	
	As at 31 December 2022 S\$'000	As at 31 December 2021 S\$'000
Unsecured bank loans		
- repayable within one year	101,631	151,158
- repayable after one year	828,834	859,864
Total	930,465	1,011,022
Unsecured notes		
- repayable after one year	77,921	77,885
Total	77,921	77,885
Grand total	1,008,386	1,088,907
Gross borrowings	1,018,726	1,100,155
Less: Cash and cash equivalents	(270,263)	(343,932)
Net borrowings	748,463	756,223

12. Acquisition of a subsidiary

On 1 August 2022, Chengdu Zhong Ren No. 1 Management Consultancy Co., Ltd ("FS ZR No.1"), an indirect wholly-owned subsidiary of the Company, entered into an agreement with an unrelated third party to acquire 70% beneficiary interest in CDFQ, for a purchase consideration of S\$144,000 (RMB700,000). The Group has written off the goodwill amounting to S\$114,000 (RMB555,000) arising from this acquisition and recorded this under "Other (losses)/gains (net)" in profit or loss for the half year and financial year ended 31 December 2022.

13. Subsequent events

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

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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 2022		Full year ended 31 December 2022	
	Number of Shares	Share Capital (S\$'000)	Number of Shares	Share Capital (S\$'000)
Balance at beginning of period/year	924,154,548	118,802	920,848,886	118,357
Issuance of new shares from exercise of warrants	2,209	-*	3,307,871	445
Balance at end of period/year	<u>924,156,757</u>	<u>118,802</u>	<u>924,156,757</u>	<u>118,802</u>

* Amount less than S\$1,000

The total number of issued ordinary shares of US\$0.10 each, excluding treasury shares as at 31 December 2022 and 31 December 2021 was 924,156,757 and 920,848,886 respectively.

As at 31 December 2022 and 31 December 2021, 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 2022, the unexercised warrants are as follows:

	Number	Exercise Period	Exercise Price
Warrants (2019)	184,953,696 (31 December 2021: 184,960,096)	31 May 2019 to 30 May 2024	S\$1.30
Warrants (2020)	217,054,584 (31 December 2021: 220,356,055)	24 March 2021 to 21 March 2029	S\$1.08

As at 31 December 2022, the maximum number of ordinary shares that may be issued upon the exercise of all the Warrants (2019) and Warrants (2020) was 402,008,280 (31 December 2021: 405,316,151), which would increase the total number of issued ordinary shares to 1,326,165,037 (31 December 2021: 1,326,165,037).

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As at 31 December 2022, a subsidiary of the Company held 30,768 Warrants (2019) (31 December 2021: 30,768) and 76,920 Warrants (2020) (31 December 2021: 76,920).

The Company did not hold any treasury shares as at 31 December 2022 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 2022 and 31 December 2021 was 924,156,757 and 920,848,886 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 2022.

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 2022.

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 2021.

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 2022.

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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	
	2022	2021	2022	2021
Earnings per share (cents)				
- basic	6.49	5.72	14.21	13.26
- diluted	4.52	3.96	9.90	9.16
Profit attributable to ordinary shareholders (S\$'000)	59,925	52,518	131,256	121,469
Weighted average number of ordinary shares in issue:				
- basic	923,848,595 ¹	918,678,135 ¹	923,385,850 ¹	915,880,057 ¹
- diluted	1,325,857,355 ¹	1,325,857,355 ¹	1,325,857,355 ¹	1,325,857,355 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 2022	As at 31 December 2021	As at 31 December 2022	As at 31 December 2021
Net asset value per ordinary share (cents)	195.95	202.39	165.00	153.47
Number of issued ordinary shares (excluding treasury shares)	923,849,075 ¹	920,541,204 ¹	924,156,757	920,848,886

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*.

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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

Group performance

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	
	2022 S\$'000	2021 S\$'000	2022 S\$'000	2021 S\$'000
Revenue from sale of properties	184,779	334,080	205,898	415,129
Rental income from investment properties*	6,668	7,158	12,984	13,029
Revenue from hotel operations	86,735	26,718	135,315	42,018
Revenue from property financing	34,057	64,456	73,296	118,994
Total	<u>312,239</u>	<u>432,412</u>	<u>427,493</u>	<u>589,170</u>

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

2H2022 vs 2H2021

Revenue of the Group decreased by S\$120.2 million or 27.8%, from S\$432.4 million in 2H2021 to S\$312.2 million in 2H2022. This decrease was due mainly to the decrease in revenue from sale of properties, property financing and rental of investment properties of S\$149.3 million, S\$30.4 million and S\$0.5 million respectively. The decrease was partially offset by the increase in revenue from hotel operations of S\$60.0 million.

Revenue from sale of properties decreased by S\$149.3 million or 44.7% to S\$184.8 million in 2H2022. This was due mainly to a lower number of residential units in The Pinnacle project handed over in 2H2022 compared to 2H2021 when the project first handed over six fully sold residential blocks in December 2021 (2H2022: 168 residential units; 2H2021: 437 residential units). The decrease was partially offset by the first time handover of 111 car park lots from The Pinnacle project in 2H2022.

Rental income from investment properties decreased by S\$0.5 million or 6.8% to S\$6.7 million in 2H2022. The decrease was due mainly to the depreciation of € against S\$ for the period, partially offset by rental contribution from the retail mall in Pudong, Shanghai ("Pudong Mall") acquired by the Group via an auction held in April 2022 as part of the Group's enforcement action on a defaulted property financing loan.

Revenue from hotel operations increased by S\$60.0 million or 224.6% to S\$86.7 million in 2H2022. S\$46.9 million of the increase was due to the consolidation of revenue from the eleven Bilderberg hotels in the Netherlands ("Dutch Bilderberg portfolio" or "QBN hotels") following the Group's acquisition of a 95% equity stake in Queens Bilderberg (Nederland) B.V. ("QBN") from FSMC, a 33%-held associate on 2 May 2022. The rest of the European hotels also recorded an increase in their aggregate revenue of S\$14.4 million or 81.4% over that recorded in 2H2021. This growth was underpinned by the recovery in the hospitality sector arising from the removal of Covid-19 restrictions. The strong growth in Europe was partially offset by the decrease in aggregate revenue from the two Wenjiang hotels and adjoining hot spring operations in Chengdu amounting to S\$1.3 million as a result of the resurgence of Covid-19 cases. The

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selection of the two Wenjiang hotels for use as quarantine hotels by the local municipal intermittently also impacted the food & beverage operations especially.

Revenue from property financing decreased by S\$30.4 million or 47.2% to S\$34.1 million in 2H2022. The decrease was due mainly to the lower average PRC property financing loan book for 2H2022 of S\$223.1 million (RMB1,089.0 million) compared to S\$560.7 million (RMB2,696.9 million) for 2H2021. The decrease was also attributed to the absence of a one-off S\$5.2 million (RMB25 million) fee earned in 2H2021 for the early redemption of the 3-year convertible bond secured on a hotel in Dongguan. In addition, lower property financing revenue was recognised from the loans to FSMC due to the partial repayment of loans by FSMC following its sale of QBN.

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 decreased by S\$90.0 million or 34.3%, from S\$262.3 million in 2H2021 to S\$172.4 million in 2H2022. The decrease was due mainly to the lower profit recognition from sale of properties.

The Group's gross profit decreased by S\$30.2 million or 17.8% from S\$170.1 million in 2H2021 to S\$139.9 million in 2H2022. The decrease was due mainly to the lower gross profit from sale of properties and property financing of S\$21.2 million and S\$33.9 million respectively. This was partially offset by higher gross profit generated from rental income from investment properties and hotel operations of S\$0.1 million and S\$24.8 million respectively.

The Group attained a higher overall gross margin of 44.8% in 2H2022 compared to 39.3% in 2H2021. This improvement has resulted from the significant turnaround in the European hotel operations of the Group in the current period.

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\$4.7 million or 20.1%, from S\$23.0 million in 2H2021 to S\$27.7 million in 2H2022. S\$6.1 million of the increase is attributable to the effect of consolidation of QBN from 2 May 2022.

Selling expenses

Selling expenses increased by S\$4.5 million or 116.8% from S\$3.8 million in 2H2021 to S\$8.3 million in 2H2022. S\$1.9 million of the increase was attributable to the effect of consolidation of QBN from 2 May 2022. In addition, Plot E of the Millennium Waterfront project and the Panyu Primus Bay project also incurred higher advertising and promotional expenses, contributing to a S\$1.2 million increase.

Other (expenses)/income (net)

In 2H2022, the Group recorded other expenses (net) of S\$7.5 million which comprised mainly impairment loss on property, plant and equipment of S\$27.4 million, due mainly to the impairment of some of the QBN hotels, Bilderberg Bellevue Hotel Dresden, the two Utrecht hotels, and the bare shell hotel in Milan, impairment loss on goodwill arising from the acquisition of QBN amounting to S\$15.8 million (€10.8 million), write down of development properties of S\$16.4 million (RMB80.2 million) relating to the Plot E1 car park lots of the Millennium Waterfront project and SOHO units of The Pinnacle, and an impairment charge of S\$26.6 million (RMB129.6 million) relating to the Group's outstanding exposure to a defaulted property financing loan to a third party. These expenses were partially offset by the net fair value gain on financial derivatives of S\$70.8 million, net foreign exchange gain of S\$6.6 million, and net fair value gain on the Group's investment properties of S\$1.3 million.

In 2H2021, the Group recorded other expenses (net) of S\$15.8 million which comprised mainly net foreign exchange loss of S\$41.4 million, impairment loss on property, plant and equipment

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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. These expenses were 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.

Other (losses)/gains (net)

Other losses of S\$0.1 million recorded in 2H2022 relates to the write off of goodwill arising from the Group's acquisition of an indirect 70%-owned subsidiary, CDFQ.

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 was partially offset by the write-off of property, plant and equipment of S\$5.6 million pertaining to East Sun No. 1.

Net finance costs

Net finance costs for 2H2022 of S\$4.9 million comprise S\$1.9 million (2H2021: S\$1.6 million) of interest expense on lease liabilities recorded under IFRS 16.

Share of after-tax profit of associates and joint ventures

Share of after-tax profit of associates and joint ventures increased by S\$19.1 million from S\$0.3 million in 2H2021 to S\$19.4 million in 2H2022. In particular, the contribution by the PRC associates and joint ventures improved from a loss of S\$2.8 million in 2H2021 to a profit of S\$39.7 million in 2H2022, whilst the contribution from the European associates and joint ventures changed from a profit of S\$3.1 million in 2H2021 to a loss of S\$20.1 million in 2H2022. In particular, the 27%-held Skyline Garden project in Dongguan contributed a share of profit of S\$39.6 million to the Group in 2H2022, mainly boosted by its handover of the 4 fully sold residential blocks in December 2022. The European investees' performance in 2H2022 were significantly affected by the impairment of the various investment properties held which led to a share of loss of S\$19.0m in aggregate.

FY2022 vs FY2021

Revenue of the Group decreased by S\$161.7 million or 27.4%, from S\$589.2 million in FY2021 to S\$427.5 million in FY2022. This decrease was due mainly to the decrease in revenue from sale of properties, property financing and rental of investment properties of S\$209.2 million, S\$45.7 million and S\$0.1 million respectively. The decrease was partially offset by the increase in revenue from hotel operations of S\$93.3 million.

Revenue from sale of properties decreased by S\$209.2 million or 50.4%, from S\$415.1 million in FY2021 to S\$205.9 million in FY2022. This was due mainly to the lower volume of units handed over in the current financial year. The Group commenced first time handover of 691 Plot F SOHO units in FY2021.

Revenue from hotel operations increased by S\$93.3 million or 222.0%, from S\$42.0 million in FY2021 to S\$135.3 million in FY2022. QBN, which was consolidated by the Group since 2 May 2022, contributed S\$65.4 million revenue in FY2022. The rest of the European hotels also recorded an increase in their aggregate revenue by S\$30.7 million or 130.7% over that recorded in FY2021, which was boosted by the strong post Covid-19 demand. The increase was partially offset by the S\$2.7 million decrease in aggregate revenue from the two Wenjiang hotels and adjoining hotspring operations in Chengdu.

Rental income from investment properties of S\$13.0 million in FY2022 remained fairly consistent compared to FY2021.

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Revenue from property financing decreased by S\$45.7 million or 38.4%, from S\$119.0 million in FY2021 to S\$73.3 million in FY2022. This is the result of a lower average PRC property financing loan portfolio for FY2022 of S\$332.7 million (RMB1,623.5 million) compared to S\$579.3 million (RMB2,724.8 million) for FY2021 and the effect of the partial repayment of loans by FSMC to the Group in May 2022 arising from its sale of QBN to the Group. The absence of a one-off S\$5.2 million (RMB25 million) fee earned in FY2021 for the early redemption of the 3-year convertible bond secured on the Huijing hotel also led to the decrease.

The Group's gross profit decreased by S\$35.2 million or 14.6%, from S\$241.3 million in FY2021 to S\$206.1 million in FY2022, of which S\$28.5 million and S\$47.5 million were contributed from the sale of properties and property financing activities respectively. This was partially offset by higher gross profit generated from rental income from investment properties and hotel operations of S\$0.3 million and S\$40.5 million respectively.

The Group achieved a higher overall gross profit margin of 48.2% in FY2022 as compared to 41.0% in FY2021, which was impacted by higher number of the lower yielding Plot F SOHO units handed over in FY2021 as compared to FY2022.

Administrative expenses

Administrative expenses increased by S\$9.6 million or 26.4%, from S\$36.1 million in FY2021 to S\$45.7 million in FY2022. S\$8.4 million of the increase was attributable to the consolidation of QBN with effect from 2 May 2022.

Selling expenses

Selling expenses increased by S\$4.3 million or 42.8% from S\$10.2 million in FY2021 to S\$14.5 million in FY2022. S\$2.6 million of the increase was attributable to the effect of consolidation of QBN whilst S\$2.3 million of the increase was due to the increased advertising and promotional activities for Plot E of the Millennium Waterfront project and the Panyu Primus Bay project.

Other (expenses)/income (net)

In FY2022, the Group recorded other income of S\$6.2 million which comprised mainly fair value gain on financial derivatives net of foreign exchange loss of S\$94.6 million and net fair value gain on investment properties of S\$1.3 million. This was partially offset by impairment loss on goodwill, property, plant and equipment, and the Group's exposure to the defaulted property financing loan amounting to S\$15.8 million, S\$27.4 million and S\$26.6 million respectively, write down of development properties of S\$16.4 million relating to the SOHO units of The Pinnacle and Plot E1 car park lots of the Millennium Waterfront project, and fair value loss on equity securities of S\$1.3 million.

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 development properties amounting to S\$10.9 million in aggregate and an impairment charge of S\$6.7 million on the loan receivable from the 50%-held joint venture that owns the Le Méridien Hotel in Frankfurt. These expenses were 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.

Other (losses)/gains (net)

In FY2022, the Group recorded other gains of S\$15.1 million which comprised mainly the gain on disposal of assets and liabilities held-for-sale of East Sun No. 3 amounting to S\$15.2 million arising from the Group's divestment of its entire 90% equity interest in East Sun No. 3 in April 2022.

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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 was partially offset by property, plant and equipment written off of S\$5.6 million relating to East Sun No. 1.

Net finance costs

Net finance costs for FY2022 of S\$11.6 million comprised S\$4.4 million (FY2021: S\$9.8 million) of interest expense on lease liabilities recorded under IFRS 16.

Share of after-tax profit of associates and joint ventures

The Group recorded a share of after-tax profit of associates and joint ventures of S\$40.1 million in FY2022 compared S\$11.1 million in FY2021. In particular, the contribution by the PRC associates and joint ventures improved from a profit of S\$13.3 million in FY2021 to a profit of S\$39.4 million in FY2022, whilst the contribution from the European associates and joint ventures changed from a loss of S\$2.2 million in FY2021 to a profit of S\$0.9 million in FY2022. The Group recognized a share of profit from the Skyline Garden project company amounting to S\$38.7 million in FY2022 which is mainly contributed by its initial handover of the 4 fully sold residential blocks in December 2022. The European entities' performance improved in FY2022, due mainly to the disposal by FSMC of its entire 95% equity stake in QBN which contributed a share of gain on disposal amounting to S\$21.7 million (€14.9 million). This was partially offset by the share of loss amounting to S\$19.0 million in aggregate from the impairment of the various investment properties held by the investees.

(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 increased by S\$217.0 million or 61.0%, from S\$356.1 million as at 31 December 2021 to S\$573.1 million as at 31 December 2022. The increase was due mainly to the acquisition of the Dutch Bilderberg portfolio on 2 May 2022 which contributed additions of S\$288.7 million for the year and other additions for the year amounting to S\$14.7 million. The increase was partially offset by impairment charge of S\$27.4 million (€18.8 million), depreciation charge for the year amounting to S\$18.7 million, and the effect of the weaker € and RMB against S\$ during the financial year. € and RMB has each depreciated by approximately 6.6% and 9.1% respectively against S\$ from the end of FY2021 to the end of FY2022.

Investment properties increased by S\$50.1 million or 40.0% from S\$125.2 million as at 31 December 2021 to S\$175.3 million as at 31 December 2022. The increase was due mainly to the acquisition of Pudong Mall for S\$56.7 million (RMB276.6 million) through a foreclosure auction held in April 2022 as part of the Group's debt recovery process in respect of the Pudong loan. As at 31 December 2022, a fair value gain on the Pudong Mall of S\$5.1 million (RMB24.7 million) was recorded in the profit or loss based on an external valuation of the property as at 31 December 2022. The increase was partially offset by the fair value loss on Arena Towers of S\$3.8 million (€2.6 million) and the effect of the weaker € and RMB against S\$ during the financial period.

Goodwill of S\$40.2 million (€26.8 million) arose from the Group's acquisition of the entire 95.0% equity interest in QBN from 33.0%-held FSMC on 2 May 2022. This is based on the result of a purchase price allocation exercise carried out as the acquisition was accounted for as a business combination. The goodwill was subject to impairment assessment at the end of the financial year which has resulted in an impairment charge amounting to S\$15.8 million (€10.8 million).

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Interests in associates and joint ventures increased by S\$92.6 million or 9.0%, from S\$1,027.5 million as at 31 December 2021 to S\$1,120.1 million as at 31 December 2022. The increase is due mainly to (i) the capitalisation of interest-free loans granted to the effectively 27.0%-held Wanjiang Luwan Garden project company amounting to S\$126.7 million (RMB618.1 million) to fund the Group's pro-rata share of land costs and pre-development costs for the project, (ii) the Group's share of after-tax profits from the 27.0%-held Skyline Garden project company of S\$38.7 million for FY2022, (iii) the Group's share of FSMC's gain on disposal of QBN amounting to S\$21.7 million (€14.9 million), (iv) additional equity injection of S\$20.3 million (A\$21.1 million) by the Group to fund the 39.9%-held City Tattersalls Club redevelopment project in Sydney, and (v) the investment in a 50.0%-held joint venture of S\$4.9 million (RMB25.5 million) for it to develop the Shijie site. The above was partially offset by the Group's share of fair value loss of the investment properties held by its investees amounting to S\$19.0 million (€13.0 million) in aggregate, and the effect of the depreciation of € and RMB against S\$.

Non-current derivative assets increased by S\$67.2 million or 145.5% from S\$46.2 million as at 31 December 2021 to S\$113.4 million as at 31 December 2022. This was attributable to the increase in value of the € denominated and RMB denominated derivatives due to the depreciation of these currencies against S\$.

Other investments decreased by S\$66.7 million or 33.0%, from S\$202.0 million as at 31 December 2021 to S\$135.3 million as at 31 December 2022. This was due mainly to the early redemption of S\$65.4 million of secured senior convertible bonds due 2024 issued in respect of the 48.2%-held Humen Oasis Mansion project and fair value loss on equity securities of S\$1.3 million.

Non-current trade and other receivables decreased by S\$121.8 million or 24.8%, from S\$491.8 million as at 31 December 2021 to S\$370.0 million as at 31 December 2022. This was due mainly to the repayment of € denominated loans by FSMC to the Group following its disposal of QBN to the Group, which has resulted in a reduction of loans receivable from FSMC of S\$204.8 million. The depreciation of € against S\$ also led to a decrease in the S\$ equivalent amount of the non-current loans due from the Group's other associates and a joint venture. The above-mentioned decrease was partially offset by the reclassification of loan due from FSMC amounting to S\$106.8 million from current receivable upon the completion of the refinancing exercise in December 2022.

Current assets

Development properties increased by S\$228.2 million or 32.4%, from S\$704.7 million as at 31 December 2021 to S\$932.9 million as at 31 December 2022. This was mainly attributable to the Group's acquisition of land in Shilong, Dongguan ("Brilliance Project") through a public land bidding exercise in August 2022, at an all-in cost of S\$198.7 million (RMB1,028.4 million). As at 31 December 2022, S\$97.2 million (RMB502.9 million) was paid, with the remaining S\$101.5 million due in March 2023 accrued under current trade and other payables. In December 2022, the Group has also acquired a plot of freehold land with 4 dated monumental buildings, Prins Hendrikkade, located in the Amsterdam city centre, at a cost of S\$16.4 million (€11.5 million). The development of the Dreeftoren project in Amsterdam, Panyu Primus Bay project in Panyu district of Guangzhou, and Plot E of the Millennium Waterfront Project in Chengdu also increased the development properties balance as at 31 December 2022. The increase was partially offset by the continued handover activity for Plot F of the Millennium Waterfront project, and The Pinnacle project, as well as write-down of the SOHO units of The Pinnacle project and Plot E1 car park lots of the Millennium Waterfront project amounting to S\$5.2 million (RMB25.4 million) and S\$11.2 million (RMB54.9 million) respectively.

Current derivative assets increased by S\$49.6 million or 783.2% from S\$6.3 million as at 31 December 2021 to S\$55.9 million as at 31 December 2022. This is attributable to the increase in value of the € denominated and RMB denominated derivatives due to the depreciation of these currencies against S\$.

Trade and other receivables decreased by S\$419.1 million or 44.3%, from S\$946.1 million as at 31 December 2021 to S\$527.0 million as at 31 December 2022. The decrease was due

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mainly to the effect of the weaker € and RMB against S\$ during the financial year and the following:

- (i) The repayment of PRC property financing loans amounting to S\$251.2 million (RMB1,300.0 million).
- (ii) The repayment of loan receivables from the 36.0%-held Central Mansion project company and the 18.0%-owned Fenggang joint venture company amounting to S\$144.9 million (RMB750.0 million) in aggregate.
- (iii) The reduction in loans due from FSMC amounting to S\$136.0 million due to loan repayment and a reclassification to non-current loan receivable upon the completion of the refinancing exercise in December 2022.
- (iv) The repayment of advances to FSMC, 33%-held NLP1 and 33%-held FSMCR Hilton Rotterdam B.V. amounting to S\$6.6 million (€4.6 million) in aggregate.
- (v) The refund of deposits amounting to S\$15.4 million in aggregate in respect of the purchase of office spaces developed by associates of the Group.
- (vi) The full reduction in loan principal and interest receivable as at 31 December 2021 of S\$74.2 million (RMB383.9 million) in aggregate pertaining to the defaulted loans secured on a villa in Pudong and the Pudong Mall. This is due mainly to the full repayment of the villa loan and interest receivable upon its auction in April 2022 and the set off of the Pudong Mall net auction proceeds of S\$45.1 million (RMB 233.3 million) against part of the Pudong Mall loan principal and interest accrued thereon up to 31 December 2022. A corresponding impairment charge (net of VAT) of S\$26.6 million (RMB129.6 million) was made to fully impair the remaining outstanding balance of the Pudong Mall loan and interest receivable.
- (vii) The reduction in advance payments made to suppliers of S\$20.1 million (RMB103.9 million).

The abovementioned decrease in trade and other receivables was partially offset by additional advances to joint venture project companies amounting to S\$265.1 million (RMB1,371.9 million) in aggregate representing the Group's funding of its pro-rata share of the land acquisition costs and pre-development costs of the various plots of land in Dongguan acquired via public land tender exercises. These comprise 46.6%-held Dalingshan Cuilong Bay project, effectively 27.0%-held Wanjiang Luwan Garden and the 50.0%-held Shijie project.

With the disposal of East Sun No. 3 in April 2022, the assets held-for-sale and liabilities held-for-sale balances reduced to nil as at 31 December 2022 as disclosed in note 10 of the condensed interim consolidated financial statements.

Current liabilities

Contract liabilities decreased by S\$157.6 million or 90.6%, from S\$173.9 million as at 31 December 2021 to S\$16.3 million as at 31 December 2022. This was due mainly to the handover of 2 residential blocks in The Pinnacle project in December 2022 and the continuing handover of SOHO loft units in Plot F of the Millennium Waterfront project which had resulted in a decrease in contract liabilities amounting to S\$154.6 million and S\$2.9 million respectively.

Trade and other payables increased by S\$310.0 million or 36.9% from S\$840.9 million as at 31 December 2021 to S\$1,150.9 million as at 31 December 2022. This was due mainly to the (i) accrual of outstanding land cost and stamp duty of the Shilong site as mentioned above, amounting to S\$101.5 million (RMB525.5 million), (ii) increase in advances from the effectively 17.3%-held Humen Time Zone project company amounting to S\$209.6 million (RMB1,085.0 million), (iii) shareholders' loans granted by the non-controlling interests of the Group amounting to S\$45.9 million (RMB237.6 million) in aggregate, representing their pro-rata funding into the subsidiaries of the Group so as to fund the land costs of the joint venture project companies developing the 46.6%-held Dalingshan Cuilong Bay project and 27.0%-held Wanjiang Luwan

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Garden project, (iv) advance from a non-controlling interest of a subsidiary of S\$2.4 million and (v) increase in balance due to the 49.9%-held associate, FS GBA JV Limited, of \$55.9 million (RMB289.1 million). The increase was partially offset by the Group's net repayment of advances to the 36.0%-owned Central Mansion project joint venture project company and 30%-held Star of East River project company amounting to S\$24.7 million (RMB127.6 million) and S\$15.0 million (RMB77.8 million) respectively, and the settlement of deferred consideration of S\$17.6 million (RMB91.1 million) in relation to the Group's May 2021 acquisition of the 95% equity interest in an entity which indirectly owns the development site for the Panyu Primus Bay project in Panyu.

Loans and borrowings

Gross borrowings decreased by S\$81.5 million or 7.4%, from S\$1,100.2 million as at 31 December 2021 to S\$1,018.7 million as at 31 December 2022. This was due to the repayment of bank borrowings amounting to S\$190.6 million in aggregate mainly attributable to the S\$109.8 million capital reduction proceeds received from a PRC subsidiary in late 2021 and early redemption of S\$65.4 million of secured senior 3 year-convertible bonds due 2024 issued in respect of the 48.2%-held Humen Oasis Mansion project. The decrease was partially offset by additional bank borrowings of (i) S\$22.1 million (€15.5 million) to mainly finance the Dreeftoren development project in Amsterdam, (ii) S\$23.6 million to partially fund the distribution of dividends, (iii) S\$28.0 million (A\$30.7 million) to fund the 39.9%-held City Tattersall's Club redevelopment project in Sydney, Australia, (iv) S\$13.5 million to partially fund the deferred consideration owing to the third party vendor in respect of the Group's acquisition of the Primus Bay project and (v) S\$5.7 million to fund the medium term note coupon and working capital, and (vi) S\$17.2 million (€12.0 million) to fund the acquisition of the Prins Hendrikkade property in Amsterdam.

The Group maintained a net gearing ratio of 0.39 as at 31 December 2022 (2021: 0.38).

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 managed its currency exposure to RMB, including where PRC operations are not funded by onshore RMB assets, RMB/CNH-denominated borrowings would be drawn and/or financial derivatives whereby the end result is to achieve a corresponding RMB liability would be executed as appropriate. The cost of entering into such financial derivatives to manage the Group's exposure to the entire RMB portfolio remains fairly expensive. As such, the Group will continue to monitor and manage its foreign exchange exposure, taking into account the associated costs of RMB/CNH-denominated borrowings and/or financial derivatives, and take appropriate actions when necessary. There is no assurance as to the effectiveness and success of such foreign currency risk exposure management actions 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 managed its currency exposure to Euro by financing all its Dutch and German acquisitions with a combination of Euro-denominated borrowings and/or financial derivatives whereby the end result is to achieve a corresponding Euro liability.

Since 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 fully hedged its Australian dollar cost base.

As at 31 December 2022, the Group had financial derivative contracts outstanding with an aggregate notional amount of €807.4 million, RMB2,757.9 million, US\$72.7 million and A\$77.2 million, with remaining tenures of between approximately 4 months to 51 months. Under these

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financial derivatives, the Group would have to pay the fixed notional amounts denominated in €, CNH, US\$ and A\$ and receive fixed amounts of S\$1,925.9 million and US\$88.1 million in aggregate. The Group would also have to pay S\$113.7 million and receive a fixed notional amount denominated in €. The Group does not practise hedge accounting. These financial derivatives are measured at fair value based on valuations provided by the respective counterparty banks, with changes in fair value recognised in the income statement. The fair values of the financial derivatives are dependent on various factors such as the forward foreign exchange rates, discount rates and yield curves. As such, the Group's income statement would fluctuate from time to time as adjustments are made to the fair value of the financial derivatives. A significant loss in the fair value of the financial derivatives would reduce the profit or loss of the Group. In addition, should there be any material adverse change in the fair value of the financial derivatives when the foreign currency appreciates against the S\$ in the case of financial derivatives with the end result of achieving a corresponding foreign currency liability, the Company is subject to the risk that the counterparty banks for such trades will require it to provide additional financial security, earmark credit facilities for settlement of the financial derivatives, and/or close out or liquidate the financial derivatives at prevailing prices, resulting in a net financial liability owing by the Company to the banks. Conversely, under such a scenario, the Group should expect to record a foreign exchange gain in its income statement on the translation of its foreign currency denominated loan assets which would have appreciated in value in S\$ terms. This would partially mitigate the negative impact of fair value loss on the financial derivatives. To the extent that the Group's internal funding structure is not done fully via foreign currency denominated loan assets, but rather with equity, the appreciation of the foreign currency against S\$ would be recorded as a translation gain which is part of reserves in its shareholders' equity.

As at 31 December 2022, the financial derivatives outstanding were valued by the counterparty banks at S\$168.9 million, comprising S\$169.3 million of derivative assets net of S\$0.4 million of derivative liabilities. This has resulted in a net fair value gain on the financial derivatives recorded in the income statement for the second half year and full year ended 31 December 2022 amounting to S\$70.8 million and S\$146.4 million respectively. In addition, the Group recorded a net foreign exchange loss amounting to S\$51.8 million in the income statement for the full year ended 31 December 2022. This is due mainly to the weaker € and CNH against S\$ from 31 December 2021 to 31 December 2022 which has resulted in the depreciation of € and CNH denominated intercompany loans granted by the Company to its subsidiaries in S\$ terms.

As at 31 December 2022, the Group recorded a cumulative net translation loss of S\$64.1 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 generated from operating activities amounted to S\$285.4 million in FY2022 due mainly to the (i) net repayment of PRC property financing loans of S\$417.0 million, (ii) net auction proceeds of S\$61.6 million (RMB300.8 million) in aggregate received from the court in relation to the foreclosure auction of the Pudong Villa and Pudong Mall, which the Group participated in the live auction of Pudong Mall in April 2022 and won, (iii) receipt of S\$65.4 million from the early redemption of secured senior convertible bonds due 2024 issued in respect of the 48.2%-held Humen Oasis Mansion project (iv) advance from 49.9%-held associate, FS GBA JV Limited, of S\$59.2 million (RMB289.1 million), and (v) interest received of S\$3.8 million. This was partially offset by the (vi) net repayment of bank borrowings of S\$60.6 million, (vii) payment of interest and income tax amounting to S\$100.3 million in aggregate, (viii) payment by the Group of S\$103.0 million (RMB502.9 million) for part of the cost of the land in Shilong, Dongguan ("Brilliance Project") acquired through a public land bidding exercise in August 2022, (ix) acquisition in December 2022 of a plot of freehold land with 4 dated monumental buildings, Prins Hendrikkade, located in Amsterdam city centre for a cost of S\$16.4 million (€11.5 million), and payment of construction costs of the various PRC property development projects.

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Net cash used in investing activities amounted to S\$487.6 million in FY2022. This comprises the (i) net payment made by the Group for the Pudong Mall amounting to S\$59.4 million (RMB290.0 million) which is inclusive of associated taxes, (ii) additional equity investments made to the 36%-owned Humen Central Mansion Project company, 39.9%-held City Tattersalls Club redevelopment project trust and 50.0%-held Shijie project company amounting to S\$50.0 million in aggregate, (iii) advances to the various joint ventures amounting to S\$412.2 million in aggregate to fund the Group's contribution of the land costs of the various joint venture projects namely the 46.6%-held Dalingshan Cuilong Bay project, 27.0%-held Wanjiang Luwan Garden project and 50.0%-held Shijie project, (iv) advances to 27%-held Wanjiang Skyline Garden project company and 39.9%-held City Tattersalls Club redevelopment project trust of S\$16.8 million in aggregate and (v) payment for capital expenditure of S\$12.2 million most of which relates to hotel renovation costs. These cash outflows were partially offset by the (vi) sales proceeds received in relation to the Group's divestment of its entire 90% interest in East Sun No. 3 amounting to S\$23.9 million, (vii) net cash acquired of S\$6.7 million arising mainly from the acquisition of 95.0% equity interest in QBN and (viii) interest received of S\$31.8 million.

Net cash from financing activities amounted to S\$150.1 million in FY2022. This was due mainly to the (i) net advances from associates and joint ventures of S\$226.4 million in aggregate, (ii) equity contributions and advances from non-controlling interests of S\$6.3 million in aggregate, mainly to fund the Humen Time Zone project, and (iii) proceeds from issuance of ordinary shares of S\$3.6 million. These inflows were partially offset by the (iv) payment of FY2021 second interim dividends and FY2022 interim dividends to the shareholders of the Company amounting to S\$31.9 million in aggregate, (v) net repayment of bank borrowings of S\$5.4 million, (vi) interest expense and transaction costs related to borrowings amounting to S\$39.2 million in aggregate, and (viii) payment of lease liabilities of S\$9.8 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 Chinese economy expanded by 2.9% in 4Q2022, pushing the full year growth of 2022 to 3%. This was one of the PRC's worst GDP growth in almost half a century and was also below the official target of 5.5% set in March 2022. However, analysts expect to see a recovery in 2023 which is driven by the post zero-Covid reopening and policy stimulus. Based on estimates from Moody's Analytics, the GDP growth of the PRC is expected to increase to 4.3% and 7.1% in 2023 and 2024 respectively. In terms of inflation, the average CPI for 2022 was 2% higher than 2021, and even though inflation accelerated at the end of 2022, it was still below the government's estimate of around 3%. With the lifting of lockdowns, economists expect inflation to continue accelerating in 1Q2023, with Jones Lang Lasalle estimating CPI to increase by 2.5% in 2023 as compared to 2022.

On 14 December 2022, the Central Committee of the Communist Party and the State Council issued a plan to amplify domestic demand and stimulate consumption and investment until

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2035. As a result, many investment banks have become more optimistic about the PRC's prospects. Goldman Sachs upgraded its 2023 growth estimate to 5.2% from 4.5%, while Morgan Stanley upgraded its forecast to 5.4% from 5%.

According to Reuter's calculations of data released by NBS, new home prices increased 0.1% month-on-month in January 2023 after falling 0.2% in December 2022, marking the first month-on-month increase in 12 months. NBS also reported that among the 70 major cities they surveyed, new home prices increased in 36 cities in January compared to 15 cities in December.

NBS reported that the PRC's property sector fell 7.2% in 4Q2022 compared to 4Q2021, and 5.1% in 2022 compared to 2021. Property investment in 2022 fell 10% from 2021, the first slump since records began in 1999. Property sales plummeted the most since 1992. Due to the decline, in November 2022, the Chinese authorities attempted to ramp up support for the real estate industry in a bid to ease the liquidity squeeze, including lifting a ban on fund raising by listed property firms via equity offering. The Chinese authorities also introduced a 16-point plan in November 2022 to ease the clamp down on lending to the real estate sector. Some key measures include allowing banks to extend maturing loans to developers, supporting property sales by reducing the size of down payments and lowering mortgage rates. Owing to the anticipated rebound in economic activity, consumer confidence and household income arising from the various support measures and the lifting of strict Covid-19 policies, a Reuters survey indicated that economists and analysts expect property sales to drop by an average of 8% in 2023, much lower than the drop of about 25% in 2022.

Netherlands

According to the first quarterly estimate conducted by Statistics Netherlands (CBS), GDP in 4Q2022 increased by 0.6% relative to the previous quarter, and the overall 2022 GDP was up 4.5% relative to 2021. This was due mainly to an increase in household consumption as well as a higher trade balance. ING has forecasted for GDP to grow by 0.4% and 1.4% in 2023 and 2024 respectively. In early February 2023, the European Central Bank (ECB) raised interest rates for the fifth consecutive time, increasing the main interest rate by 0.5 percentage points to 3.0%, with the deposit rate set at 2.5%. The ECB also expressed its intention to hike rates by another half a percentage point in March 2023.

In the Eurozone, CPI hit a record high of 10.6% in the year to October 2022, more than five times the ECB's 2% target, before falling back into single digit of 9.2% in December 2022. In the Netherlands, November 2022 seemed to mark a turning point as annual inflation rate fell to 9.9% , down from 14.3% the previous month and a peak of 17.1% in September 2022. As a result, the NL Times expects the Dutch economy to soon fall into a brief recession with insignificant growth predicted for 2023. The head of the Dutch central bank (DNB), Klaas Knot, is in favour of the rate hikes as it gives the ECB space to monitor the effects of tighter policies on the Eurozone as a whole.

According to CBS, prices of existing owner-occupied homes dropped 2.3% in December 2022 as compared to November 2022, the largest decrease in ten years. Even though prices have been weakening since August 2022, the overall average home prices in 2022 are still 13.6% higher than the previous year. Home prices in December 2022 was 2.7% more expensive compared to December 2021 and this was the smallest annual increase in more than seven years. Rabobank predicts that the overall home prices will fall by 3% in 2023 and another 1.5% in 2024, with the drop in Amsterdam home prices likely to be the most substantial at 4% in 2023. The Dutch central bank predicts that home prices will shrink 6.4% by the end of 2024. Despite this, Bouinvest, a Dutch institutional investor, expects demand for the residential segment to remain strong in urban areas, especially in the affordable segment with demand outstripping supply.

The drop in home prices may not necessarily make homes more affordable due to high interest rates and increased cost of living. As a result, Rabobank expects 188,000 home sales in 2022, 38,000 less than 2021. They predict that home sales will drop further in 2023 to around 179,000, and transactions will pick up again in 2024.

Australia

According to The Guardian, Australia's GDP grew 0.6% in 3Q2022, slower than the 0.9% pace in 2Q2022. On a year-on-year basis, 3Q2022 GDP grew 5.9% due to a low base in 2021 as half the economy was in Covid-related lockdowns. The Reserve Bank of Australia (RBA) forecasted annual GDP to average 4% for 2022 before decreasing to 2% in 2023 and 1.5% in 2024. Inflation in Australia rose 1.9% in 4Q2022, resulting in a 7.8% increase over the twelve months of 2022. This was substantially higher than the RBA's target range of 2% to 3%. As a result, the RBA raised interest rate by another quarter percentage point in February 2023, taking the cash rate to 3.35%, with economists predicting another quarter percentage point increase in March 2023. This would be the highest rate in a decade as the last time Australia recorded an interest rate above 3% was in October 2012.

RBA governor Philip Lowe stated that the bank board expected more hikes in 2023, and also acknowledged that the significant cumulative increase in interest rates would affect household consumption, but was necessary to ensure that the current period of high inflation would be temporary. The minutes from the recent meeting showed that the RBA predicts that inflation will take a few years to return to the 2% to 3% target, even with further increases in the cash rate.

According to The Business Times, Australian home prices dropped 1.1% in December 2022 from the month before, ending the year with the largest drop in 14 years. Prices were down 5.3% in 2022, marking the largest calendar year decline since 2008, when home values fell 6.4% during the global financial crisis. It was also the first time annual prices declined since 2018. Sydney led the fall as prices slid 1.4% in December 2022 and were down 12.1% in 2022, while Melbourne dropped 1.2% in December 2022, erasing post-pandemic gains to only 1.5% above March 2020 levels. Housing values rose in the first four months of the year, but started dropping as the RBA started raising interest rates in May 2022.

The chief economist at global investment manager AMP Capital, Dr Shane Oliver, predicts that the property prices will hit the bottom in 3Q2023 with national home prices falling 20% below their peak in April 2022. The chief economist at the Bank of Queensland Group also expects the real impact of the interest rate hikes to be felt in 2023 as he stated that the maximum impact of higher interest rates has been historically 1 to 2 years after the change in the cash rate.

Company Outlook

Property Development

The Group saw a very significant expansion in the PRC property development business segment with a record purchase, on its own and with joint venture partners, of 4 Dongguan development land plots in FY2022. The Group's share of the land purchase consideration is approximately S\$656 million. As a result, the Group will have a record number of development projects under pre-sale in FY2023.

Dongguan, Guangzhou and Chengdu underwent several sporadic Covid-19 related lockdowns during FY2022, especially in 4Q2022. Such lockdowns adversely affected pre-sales of the Group's development projects. Nevertheless, the Group was still able to achieve healthy residential pre-sale results for the 17.3%-owned Humen Time Zone, with 69% of the 1,886 launched units sold as at 31 December 2022, out of which 841 units were sold in FY2022. The 48.2%-owned Humen Oasis Mansion also saw healthy pre-sales with approximately 63% of the 318 launched units (excluding the units of the fourth residential block launched for pre-sale on 31 December 2022) sold in FY2022 since it launched its first pre-sale on 31 March 2022. Sales were more modest for the 36%-owned Humen Central Mansion, which achieved 21 units sold to-date since its first pre-sale launch of two residential apartment blocks comprising 156 units on 31 December 2022.

In the Netherlands, the redevelopment work of the Dreeftoren Amsterdam redevelopment project is on track for completion around late 2024 and 4Q2025 for the office and residential towers respectively. The Group has also executed a letter of intent with the Amsterdam municipality on 21 October 2022 to redevelop the Meerparc property in Amsterdam into a mixed

residential/office property with a higher plot ratio. The Group has been in discussions with the municipality on the design, program and specifications of the building, including the residential mix of social, mid-rent and free market units, with the aim of completing the design process and applying for the building permit in mid-2023.

Property Holding

The property holding business segment of the Group continued its recovery from the Covid-19 pandemic. In particular, the Group's European operating hotels ended FY2022 with a marked improvement compared to FY2021, largely driven by both corporate and leisure businesses. Profitability of the hotels was however adversely impacted by high energy and labour costs as well as the discontinuation of government subsidies. For 2H2022, the European operating hotels recorded earnings before interest, tax, depreciation and amortisation ("EBITDA") of €13.6 million, more than doubling from an EBITDA of €6.4 million in 2H2021. This brings the FY2022 EBITDA to €19.6 million, a significant increase from the FY2021 EBITDA of €1.1 million. In the PRC, although the Chengdu Wenjiang hotels recorded a stronger EBITDA of RMB8.3 million in 2H2022 as compared to RMB4.2 million in 2H2021, the FY2022 EBITDA was RMB11.9 million, slightly lower than the FY2021 EBITDA of RMB12.5 million. The lower FY2022 EBITDA was due to the hotels being used as quarantine hotels on several occasions during FY2022.

The Group's European properties faced challenges from rising energy costs as a result of the European energy crisis in 2022. Even though the energy price inflation had fallen slightly by the end of 2022 due partly to government policy measures such as a cut in energy taxes and price caps, forward prices for 2023 are expected to remain relatively high due to continued uncertainties. In order to mitigate the uncertainty from energy costs, the Group has secured energy purchases for its European hotel portfolio ahead of time. As part of its sustainability effort, the Group also embarked on solar panel installation projects for several European hotels which will also reduce energy costs.

In the Netherlands, the Group further expanded its footprint and completed the acquisition of a dated freehold commercial property located in the city centre of Amsterdam at an all-in purchase price of €11.5 million in December 2022. The property, which has a total lettable floor area of approximately 3,000 sqm, comprises four adjacent monumental buildings. The Group intends to fully renovate the property to enhance its value once the existing lease in respect of the property expires on 31 December 2023.

The annual income contribution from the Dutch office portfolio has decreased by approximately 5.6% in local currency terms due mainly to the exit of anchor tenant, Delta Lloyd from the Mondriaan Tower Amsterdam. This vacancy has been partly filled up by new tenants and the leasing of the remaining vacant space is still ongoing.

Property Financing

Arising from the difficult property market conditions in the PRC during FY2022, the Group has taken a more prudent approach in managing its loan book. However, given the improving economic outlook of the PRC economy, the Group will carefully evaluate the feasibility of increasing its PRC loan book again. The Group's loan book in the Netherlands has also shrunk due to a substantial partial loan repayment by FSMC arising from the sale of its 95% equity interest in the Dutch Bilderberg hotel portfolio to the Group. As such, revenue from the property financing business segment decreased by 41.7% in FY2022 from FY2021.

In relation to the RMB280 million defaulted loan, its aggregate outstanding amount was RMB130.4 million as at 31 December 2022. A net impairment charge of RMB82.0 million, which effectively relates to the interest recognised on the loan but not collected, was recognised in FY2022. No impairment charge for the remaining RMB48.4 million out of the RMB130.4 million was necessary as such amount was not previously recognised as interest income although the Group is legally entitled to claim it from the borrower group. The Shanghai court has, on behalf of the Group, placed several legal caveats on the remaining properties of the borrower group. However, there is no assurance that any part of the RMB130.4 million and associated interest thereon will be recovered. Notwithstanding the above, the Group has already achieved an

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internal rate of return of 13.0% and 1.7% for the RMB50 million and RMB280 million defaulted loans respectively.

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 2022
Dividend Type	Cash
Dividend Amount	1.10 Singapore cents per ordinary share

The Directors are pleased to recommend a final tax-exempt (one-tier) dividend in respect of the financial year ended 31 December 2022 of 2.70 Singapore cents per ordinary share for approval by the ordinary shareholders at the forthcoming Annual General Meeting of the Company.

Name of dividend	Final tax-exempt (one-tier) ordinary dividend
Date of Payment	19 May 2023
Dividend Type	Cash
Dividend Amount	2.70 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	21 September 2021
Dividend Type	Cash
Dividend Amount	1.10 Singapore cents per ordinary share

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

(c) Date payable

Subject to ordinary shareholders' approval at the Annual General Meeting to be held on 27 April 2023, the proposed final tax-exempt (one-tier) ordinary dividends for the financial year ended 31 December 2022 will be payable on 19 May 2023.

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(d) **Record date**

5pm on 4 May 2023.

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 sale of properties decreased by S\$209.2 million or 50.4% from S\$415.1 million in FY2021 to S\$205.9 million in FY2022. This was due mainly to the lower volume of units handed over in the current financial year. The Group commenced first time handover of six residential apartment blocks of The Pinnacle as well as the handover of the SOHO loft units of Plot F of the Millennium Waterfront project in FY2021. The decrease in segment results for FY2022 was partially mitigated by a higher share of profit from associates and joint ventures. Specifically, the initial handover of the 4 fully sold residential blocks of the 27%-owned Skyline Garden project in December 2022 contributed an attributable profit to the Group of S\$39.4 million in FY2022. Pre-tax profit for the segment increased by S\$34.4 million or 34.6%, from S\$99.2 million in FY2021 to S\$133.6 million in FY2022.

Property investment

Rental income from investment properties of S\$10.0 million in FY2022 remained fairly constant compared to FY2021. However, the segment's performance was affected by the reduction in fair value of the investment properties held by the Group and its associates. This has mainly resulted from the higher discount rates and higher exit yields used in the valuation of the properties by the external valuers, in view of the higher € interest rate. The segment reported a pre-tax loss of S\$2.2 million in FY2022 compared to a pre-tax profit of S\$40.8 million in FY2021.

Property financing

Revenue from property financing decreased by S\$45.7 million or 38.4%, from S\$119.0 million in FY2021 to S\$73.3 million in FY2022. This was due mainly to the result of a lower average PRC property financing loan portfolio for the current year compared to the prior year, lower European property financing income arising from the partial repayment of loans granted to FSMC following its disposal of QBN in May 2022, and net impairment loss on the RMB280 million defaulted loan amounting to S\$26.6 million. As a result, pre-tax profit for the segment decreased by S\$40.6 million or 38.1%, from S\$106.7 million in FY2021 to S\$66.1 million in FY2022.

Hotel operations

Revenue from hotel operations increased by S\$93.3 million or 222.0%, from S\$42.0 million in FY2021 to S\$135.3 million in FY2022. This was due mainly to the eight months' contribution by the QBN hotels which were consolidated by the Group with effect from 2 May 2022, as well as the pick-up in performance of the other hotels arising from the lifting of the various Covid-19

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related travel and lockdown restrictions. The segment results for FY2022 were also boosted by the share of FSMC's profit on disposal of QBN amounting to S\$21.7 million. The segment turned around from a pre-tax loss of S\$32.5 million in FY2021 to a pre-tax profit of S\$10.0 million in FY2022. The positive performance was partially impacted by impairment loss on goodwill and certain hotels amounting to S\$43.2 million in aggregate in FY2022.

15. A breakdown of revenue as follows:-

Group	FY2022	FY2021	Increase %
	S\$'000	S\$'000	
(a) Revenue reported for first half year	115,254	156,758	(26.5)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	70,755	68,450	3.4
(c) Revenue reported for second half year	312,239	432,412	(27.8)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	67,118	61,795	8.6

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:-

	FY2022 (S\$'000)	FY2021 (S\$'000)
First interim	10,166	10,129
Second interim	-	21,717
Final	24,952	-
Total	35,118	31,846

The amount of final tax-exempt (one-tier) ordinary dividend for the year ended 31 December 2022 disclosed above is based on 2.70 Singapore cents declared and the number of issued ordinary shares as at 31 December 2022. The declared final tax-exempt dividend is subject to the approval of ordinary shareholders at the forthcoming Annual General Meeting. The actual amount of final dividend payable would be based on the actual number of issued ordinary shares as at the record date which has been set on 4 May 2023. The total amount for FY2022 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

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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
17 February 2023

FIRST SPONSOR GROUP LIMITED

(Registration No. 195714)

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 second half year and the full year ended 31 December 2022 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

17 February 2023