



OXLEY HOLDINGS LIMITED

(Company Registration No. 201005612G)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF YEAR ENDED 31 DECEMBER 2023 (UNAUDITED)

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group		Change %
		First Half Ended		
		31-Dec-23 \$'000	31-Dec-22 \$'000	
Revenue	5	164,353	438,353	-63
Cost of sales		(121,027)	(372,567)	-68
Gross profit		43,326	65,786	-34
Other income		785	691	14
Interest income		2,642	5,866	-55
Other gains		2,157	16,513	-87
Marketing and distribution costs		(2,949)	(1,706)	73
Administrative expenses		(14,677)	(16,561)	-11
Other losses		(4,053)	(5,728)	-29
Finance costs		(52,818)	(74,220)	-29
Share of results from joint ventures and associates, net of tax		4,214	13,995	-70
(Loss)/profit before tax	6	(21,373)	4,636	N.M.
Income tax	7	10,943	(2,430)	N.M.
(Loss)/profit for the period		(10,430)	2,206	N.M.
<u>Other comprehensive income/(loss)</u>				
<i>Items that will not be reclassified to profit or loss</i>				
Net fair value loss on equity investments measured at FVTOCI		(45)	(1,013)	-96
Gain on revaluation of properties, net of tax		313	4,351	-93
		268	3,338	-92
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations		(12,521)	(23,649)	-47
Other comprehensive loss, net of tax		(12,253)	(20,311)	-40
Total comprehensive loss for the period		(22,683)	(18,105)	25
(Loss)/profit for the period attributable to:				
Owners of the Company		(1,076)	277	N.M.
Non-controlling interests		(9,354)	1,929	N.M.
		(10,430)	2,206	N.M.
Total comprehensive (loss)/income for the period attributable to:				
Owners of the Company		(12,566)	(18,552)	-32
Non-controlling interests		(10,117)	447	N.M.
		(22,683)	(18,105)	25

N.M. - Not meaningful

A. Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

	Group		Change
	First Half Ended		
	31-Dec-23	31-Dec-22	
	\$'000	\$'000	%
Basic and diluted (loss)/earnings per share attributable to owners of the Company			
Weighted average number of shares (excluding treasury shares) ('000)			
- Basic	4,251,120	4,230,949	
- Diluted*	4,251,120	4,616,898	
Basic (loss)/earnings per share (cents)	<u>(0.03)</u>	<u>0.01</u>	
Diluted (loss)/earnings per share (cents)*	<u>(0.03)</u>	<u>0.01</u>	

* For computation of diluted (loss)/earnings per share, the weighted average number of ordinary shares has been adjusted for any dilutive effect arising from the conversion of all the convertible notes and unexercised warrants to ordinary shares.

B. Condensed interim consolidated statements of financial position

	Note	Group		Company	
		31-Dec-23 \$'000	30-Jun-23 \$'000	31-Dec-23 \$'000	30-Jun-23 \$'000
Assets					
Non-current assets					
Property, plant and equipment	10	956,374	963,678	122	125
Investment properties	11	378,210	379,444	-	-
Investments in subsidiaries		-	-	23,207	23,207
Investments in joint ventures		78,109	75,704	3,767	3,767
Investments in associates		15,334	28,046	490	490
Deferred tax assets		5,360	4,551	2,950	2,950
Other financial assets, non-current		6,530	6,658	98	143
Other receivables, non-current		-	-	369,940	360,630
Other non-financial assets, non-current		95	112	66	77
Total non-current assets		1,440,012	1,458,193	400,640	391,389
Current assets					
Assets classified as held for sale	12	31,012	31,757	-	-
Inventories		50	55	-	-
Development properties	13	890,213	974,849	-	-
Trade and other receivables		329,864	528,239	769,977	943,788
Other non-financial assets, current		8,553	9,412	1,005	1,026
Cash and cash equivalents		48,917	124,956	2,643	59,428
Total current assets		1,308,609	1,669,268	773,625	1,004,242
Total assets		2,748,621	3,127,461	1,174,265	1,395,631
Equity and liabilities					
Equity					
Share capital	14	312,897	312,897	312,897	312,897
Treasury shares	15	(14,108)	(12,822)	(14,108)	(12,822)
Retained earnings		401,188	402,264	143,578	287,586
Other reserves	16	177,185	188,675	2,763	2,807
Equity attributable to owners of the Company		877,162	891,014	445,130	590,468
Non-controlling interests		34,110	47,673	-	-
Total equity		911,272	938,687	445,130	590,468
Non-current liabilities					
Deferred tax liabilities		48,873	48,870	-	-
Other financial liabilities, non-current	17	346,866	1,123,450	100,590	101,220
Other non-financial liabilities, non-current		3,334	3,332	-	-
Total non-current liabilities		399,073	1,175,652	100,590	101,220

B. Condensed interim consolidated statements of financial position (cont'd)

	Note	Group		Company	
		31-Dec-23 \$'000	30-Jun-23 \$'000	31-Dec-23 \$'000	30-Jun-23 \$'000
Current liabilities					
Liabilities classified as held for sale	12	123	131	-	-
Income tax payable		7,747	32,350	-	-
Trade and other payables, current		350,169	387,470	498,063	463,570
Other financial liabilities, current	17	1,071,338	579,370	130,482	240,373
Other non-financial liabilities, current		8,899	13,801	-	-
Total current liabilities		1,438,276	1,013,122	628,545	703,943
Total liabilities		1,837,349	2,188,774	729,135	805,163
Total equity and liabilities		2,748,621	3,127,461	1,174,265	1,395,631

C. Condensed interim consolidated statements of changes in equity

	Attributable to Owners of the Company						
	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Other reserves \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interest \$'000	Total equity \$'000
Group							
Current period							
Balance at 1 July 2023	312,897	(12,822)	402,264	188,675	891,014	47,673	938,687
Dividends on ordinary shares (Note 9)	-	-	-	-	-	(4,500)	(4,500)
Purchase of treasury shares (Note 15)	-	(1,286)	-	-	(1,286)	-	(1,286)
Liquidation of subsidiaries	-	-	-	-	-	(359)	(359)
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	1,413	1,413
Total comprehensive loss for the year	-	-	(1,076)	(11,490)	(12,566)	(10,117)	(22,683)
Balance at 31 December 2023	<u>312,897</u>	<u>(14,108)</u>	<u>401,188</u>	<u>177,185</u>	<u>877,162</u>	<u>34,110</u>	<u>911,272</u>
Previous period							
Balance at 1 July 2022	305,078	(8,063)	520,494	189,520	1,007,029	55,312	1,062,341
Distribution of equity investments measured at FVTOCI to owners of the Company	-	-	(4,183)	-	(4,183)	-	(4,183)
Dividends on ordinary shares (Note 9)	-	-	-	-	-	(757)	(757)
Transfer from equity investments measured at fair value reserve (Note 16.3)	-	-	(18,843)	18,843	-	-	-
Transfer from warrants reserve upon expiry (Note 16.4)	-	-	7,201	(7,201)	-	-	-
Purchase of treasury shares (Note 15)	-	(2,221)	-	-	(2,221)	-	(2,221)
Capital reduction of a subsidiary	-	-	-	-	-	(4,347)	(4,347)
Total comprehensive loss for the year	-	-	277	(18,829)	(18,552)	447	(18,105)
Balance at 31 December 2022	<u>305,078</u>	<u>(10,284)</u>	<u>504,946</u>	<u>182,333</u>	<u>982,073</u>	<u>50,655</u>	<u>1,032,728</u>

C. Condensed interim consolidated statements of changes in equity (cont'd)

	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Other reserves \$'000	Total equity \$'000
Company					
Current period					
Balance at 1 July 2023	312,897	(12,822)	287,586	2,807	590,468
Purchase of treasury shares (Note 15)	-	(1,286)	-	-	(1,286)
Total comprehensive loss for the year	-	-	(144,008)	(44)	(144,052)
Balance at 31 December 2023	312,897	(14,108)	143,578	2,763	445,130
Previous period					
Balance at 1 July 2022	305,078	(8,063)	324,935	(7,788)	614,162
Distribution of equity investments measured at FVTOCI to owners of the Company	-	-	(4,183)	-	(4,183)
Transfer from equity investments measured at fair value reserve (Note 16.3)	-	-	(18,843)	18,843	-
Transfer from warrants reserve upon expiry (Note 16.4)	-	-	7,201	(7,201)	-
Purchase of treasury shares (Note 15)	-	(2,221)	-	-	(2,221)
Total comprehensive loss for the year	-	-	(13,178)	(1,013)	(14,191)
Balance at 31 December 2022	305,078	(10,284)	295,932	2,841	593,567

OXLEY HOLDINGS LIMITED
First Half Year Ended 31 December 2023

D. Condensed interim consolidated statement of cash flows

	Group	
	First Half Ended	
	31-Dec-23	31-Dec-22
	\$'000	\$'000
<u>Cash flows from operating activities</u>		
(Loss)/profit before tax, total	(21,373)	4,636
Adjustments for:		
Interest income	(2,642)	(5,866)
Finance costs	52,818	74,220
Depreciation of property, plant and equipment	6,272	8,363
(Gain)/loss on liquidation of subsidiaries	(370)	152
Property, plant and equipment written off	874	-
<u>Impairment loss:</u>		
Impairment loss on development properties	-	808
Impairment loss on receivables	-	713
<u>Fair value:</u>		
Fair value loss on derivative financial instruments	-	3,421
Fair value gain on investment properties	-	(3,819)
Gains on disposal of other non-financial assets	-	(3,903)
Share of results from joint ventures and associates, net of tax	(4,214)	(13,995)
Net effect of exchange rate changes	(2,557)	(30,592)
Operating cash flows before changes in working capital	28,808	34,138
Inventories	5	(38)
Development properties	73,167	182,243
Trade and other receivables	69,986	(30,830)
Other non-financial assets	3,203	2,430
Trade and other payables	(19,433)	37,135
Other non-financial liabilities	(4,722)	(22,857)
Cash flows from operations	151,014	202,221
Income taxes paid	(1,811)	(7,107)
Net cash flows from operating activities	149,203	195,114
<u>Cash flows from investing activities</u>		
Additions of property, plant and equipment (Note 10)	(203)	(298)
Other non-financial assets, current	-	(627)
Proceeds from disposal of other assets	-	20,336
Dividends from joint ventures and associates	5,700	-
Advances from associates	2,143	23,170
Advances from/(to) joint ventures	105,403	(5,738)
Interest income received	2,642	5,866
Net cash flows from investing activities	115,685	42,709

D. Condensed interim consolidated statement of cash flows (cont'd)

	Group	
	Full Year Ended	
	31-Dec-23 \$'000	31-Dec-22 \$'000
Cash flows from financing activities:		
Proceeds from new borrowings	26,686	679,950
Proceeds from derivative financial instruments	-	1,335
Repayment of borrowings	(315,707)	(845,957)
Cash restricted in use	(1,081)	(16)
Dividends paid to non-controlling interests	(4,500)	(757)
Purchase of treasury shares	(1,286)	(2,221)
Advances from non-controlling shareholders	-	81
Capital reduction of a subsidiary	-	(4,347)
Increase in capital contribution by non-controlling interests of subsidiaries	1,413	-
Interest expense paid	(47,381)	(56,918)
Net cash flows used in financing activities	(341,856)	(228,850)
Net (decrease)/increase in cash and cash equivalents	(76,968)	8,973
Cash and cash equivalents at beginning of reporting period	101,330	122,317
Effects of exchange rate changes on cash and cash equivalents	(152)	8
Cash and cash equivalents at end of reporting period (Note A)	24,210	131,298
Note A		
Cash and cash equivalents at end of reporting period	24,210	131,298
Cash restricted in use	24,707	21,572
Cash and cash equivalents on the Statements of Financial Position	48,917	152,870

E. Notes to the condensed interim consolidated financial statements

1. General

Oxley Holdings Limited (the "Company") is incorporated in Singapore with limited liability. It is listed on the Main Board of the Singapore Exchange Securities Trading Limited. The registered office and principal place of business is located at 138 Robinson Road, #30-01 Oxley Tower, Singapore 068906.

The condensed interim financial statements cover the Company and its subsidiaries and the Group's interests in joint ventures and associates (collectively the "Group"). All financial information are presented in Singapore Dollar ("\$") and have been rounded to the nearest thousand ("\$'000") unless otherwise indicated.

The principal activities of the Group are property development, property investment, the provision of hospitality and corporate services and investment holding.

2. Basis of preparation

The condensed interim financial statements for the first six months ended 31 December 2023 have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s"), 1-34 Interim Financial Reporting issued by the Singapore Accounting Standards Council.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group's financial position and performance of the Group since the last financial statements for the financial year ended 30 June 2023.

The accounting policies adopted are consistent with those disclosed in the Group's financial statements for the financial year ended 30 June 2023.

The new or revised SFRS(I)s and the related Interpretations to SFRS(I) ("SFRS(I) INT"), which became mandatory for the Group as of 1 July 2023, did not result in substantial changes to the Group's accounting policies.

The Group has not early adopted any other SFRS(I)s, interpretation or amendment to SFRS(I)s that have been issued but are not yet effective.

The Group's operations are generally not significantly affected by seasonality. However, property markets in which the Group operates may fluctuate from period to period, resulting from fluctuations in property prices, lease rates and general global economic conditions, thereby affecting the Group's financial condition and results of operations. Accordingly, the Group expects its results of operations to vary from period to period.

2.1 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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 financial year ended 30 June 2023.

E. Notes to the condensed interim consolidated financial statements (cont'd)

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the condensed interim financial statements is included in the following note:

Note 10 Classification of properties under hotel segment

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities during the financial year is included in the following notes:

Note 10 Fair value of properties classified as property, plant and equipment

Note 11 Fair value of investment properties

Note 13 Allowance for foreseeable losses on development properties

3. Related party transactions

In addition to the transactions disclosed elsewhere in the notes to the condensed interim consolidated financial statements, the following significant related party transactions took place between the Group and related parties during the financial period on terms agreed between the parties.

Related parties refer to the entities which the controlling shareholders and directors of the Company, as well as their family members, have a controlling interest in.

	Group	
	First Half Ended	
	31-Dec-23	31-Dec-22
	\$'000	\$'000
<u>Non-controlling interests</u>		
Interest expense	(84)	(84)
<u>Joint ventures</u>		
Interest income	2,200	4,942
<u>Associates</u>		
Interest income	-	195
<u>Related parties</u>		
Interest expense	(435)	(414)

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Operating segments

4.1 Business segments

For management purposes, the Group is organised into the following major business segments that offer different products and services. The Group has four reportable operating segments as follows:

- Property development – development of properties for sale
- Property investment – leasing of commercial properties
- Hotel – operation of owned hotels
- Corporate – provision of corporate and investment services, and treasury functions

The structure is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance of each segment. They are managed separately because each business requires different strategies.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the Group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the significant accounting policies.

Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	Property development \$'000	Property investment \$'000	Hotel^(a) \$'000	Corporate \$'000	Total \$'000
Six months period from <u>1 July 2023 to 31 December 2023</u>					
Segment revenue:					
Revenue from external parties	125,516	-	30,079	-	155,595
Rental income	-	8,758	-	-	8,758
Total revenue	125,516	8,758	30,079	-	164,353

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E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Operating segments (cont'd)

4.1 Business segments (cont'd)

	Property development \$'000	Property investment \$'000	Hotel^(a) \$'000	Corporate \$'000	Total \$'000
Six months period from 1 July 2023 to 31 December 2023 (cont'd)					
Segment result	17,102	7,012	8,941	(8,836)	24,219
Gain on liquidation of subsidiaries	-	-	-	370	370
Interest income	257	9	155	2,221	2,642
Operating profit/(loss)	17,359	7,021	9,096	(6,245)	27,231
Finance costs	(9,328)	(4,137)	(19,888)	(19,465)	(52,818)
Share of results from joint ventures and associates, net of tax	4,214	-	-	-	4,214
Profit/(loss) before tax	12,245	2,884	(10,792)	(25,710)	(21,373)
Income tax reversal/(provision)	646	-	(279)	10,576	10,943
Profit/(loss) for the year	12,891	2,884	(11,071)	(15,134)	(10,430)
Other significant items:					
Depreciation expense	(371)	-	(3,956)	(1,945)	(6,272)
Additions:					
Property, plant and equipment	-	-	124	79	203
<u>31 December 2023</u>					
Assets and reconciliations:					
Segment assets	1,017,243	383,681	892,963	361,291	2,655,178
Investments in joint ventures and associates	93,443	-	-	-	93,443
Total assets	1,110,686	383,681	892,963	361,291	2,748,621
Liabilities and reconciliations:					
Segment liabilities	459,024	178,605	659,151	540,569	1,837,349

(a) Hotel segment for the six months ended 31 December 2023 reported Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of \$13,053,000. EBITDA included foreign exchange losses of \$1,345,000.

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E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Operating segments (cont'd)

4.1 Business segments (cont'd)

	Property development \$'000	Property investment \$'000	Hotel^(a) \$'000	Corporate \$'000	Total \$'000
Six months period from <u>1 July 2022 to 31 December 2022</u>					
Segment revenue:					
Revenue from external parties	408,109	-	21,942	-	430,051
Rental income	-	8,302	-	-	8,302
Total revenue	408,109	8,302	21,942	-	438,353
Segment result	50,091	6,593	5,159	(6,284)	55,559
Loss on liquidation of a subsidiary	-	-	-	(152)	(152)
Impairment loss on receivables	(620)	-	-	(93)	(713)
Fair value gain/(loss) on derivative financial instruments	-	-	632	(4,053)	(3,421)
Gain on disposal of other non-financial asset	3,903	-	-	-	3,903
Fair value gain on investment properties	-	3,819	-	-	3,819
Interest income	516	1	20	5,329	5,866
Operating profit/(loss)	53,890	10,413	5,811	(5,253)	64,861
Finance costs	(9,516)	(2,621)	(16,932)	(45,151)	(74,220)
Share of results from joint ventures and associates, net of tax	13,995	-	-	-	13,995
Profit/(loss) before tax	58,369	7,792	(11,121)	(50,404)	4,636
Income tax provision	(1,145)	-	(93)	(1,192)	(2,430)
Profit/(loss) for the year	57,224	7,792	(11,214)	(51,596)	2,206
Other significant items:					
Depreciation expense	(603)	-	(5,194)	(2,566)	(8,363)
Impairment loss on development properties	(808)	-	-	-	(808)
Additions:					
Property, plant and equipment	699	-	119	156	974
<u>31 December 2022</u>					
Assets and reconciliations:					
Segment assets	1,848,974	353,576	881,356	492,910	3,576,816
Investments in joint ventures and associates	110,019	-	-	-	110,019
Total assets	1,958,993	353,576	881,356	492,910	3,686,835
Liabilities and reconciliations:					
Segment liabilities	750,782	168,350	656,992	1,077,983	2,654,107

(a) Hotel segment for the first six months ended 31 December 2022 reported Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of \$11,006,000. EBITDA included foreign exchange gains of \$1,827,000.

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Operating segments (cont'd)

4.2 Geographical information

	Group			
	Revenue		Non-current assets	
	First Half Ended			
	31-Dec-23	31-Dec-22	31-Dec-23	30-Jun-23
	\$'000	\$'000	\$'000	\$'000
Singapore	61,160	393,653	1,298,569	1,307,832
United Kingdom	647	1,915	38,544	35,473
Cambodia	7,543	28,470	75,698	81,206
Malaysia	95,003	14,315	6,985	7,190
Others	-	-	8,326	15,283
Total	164,353	438,353	1,428,122	1,446,984

Non-current assets information presented above consists of property, plant and equipment, investment properties, investments in joint ventures and associate companies and other non-financial assets.

5. Revenue

	Group	
	First Half Ended	
	31-Dec-23	31-Dec-22
	\$'000	\$'000
Revenue from sale of development properties:		
- recognised at point in time	28,485	29,101
- recognised over time	97,031	379,008
	125,516	408,109
Revenue from hotel ownership and operations:		
- recognised at point in time	6,518	4,321
- recognised over time	23,561	17,621
	30,079	21,942
Rental income from investment properties	8,758	8,302
	164,353	438,353

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E. Notes to the condensed interim consolidated financial statements (cont'd)

6. (Loss)/profit before tax from continuing operations is stated after crediting/(charging):

	Group	
	First Half Ended	
	31-Dec-23	31-Dec-22
	\$'000	\$'000
Rental income#	9,159	8,714
Government grant income	67	59
Depreciation of property, plant and equipment	(6,272)	(8,363)
Gain/(loss) on liquidation of subsidiaries	370	(152)
Impairment loss on development properties	-	(808)
Impairment loss on receivables	-	(713)
Fair value loss on derivative financial instruments	-	(3,421)
Gain on disposal of other non-financial asset	-	3,903
Fair value gain on investment properties	-	3,819
Net foreign exchange gain	209	7,158

#Including rental income in other income

7. Income tax

	Group	
	First Half Ended	
	31-Dec-23	31-Dec-22
	\$'000	\$'000
Current tax		
- Current period	(9,968)	2,618
- (Over)/under provision in respect of prior years	(157)	763
	(10,125)	3,381
Deferred tax expense		
- Origination and reversal of temporary differences	87	69
- Over provision in respect of prior years	(905)	(1,020)
	(818)	(951)
	(10,943)	2,430

8. Net asset value per ordinary share

	Group		Company	
	31-Dec-23	30-Jun-23	31-Dec-23	30-Jun-23
Total number of issued shares (excluding treasury shares) ('000)	4,245,582	4,257,830	4,245,582	4,257,830
Net asset value (total equity) per ordinary share (excluding treasury shares) (cents)	21.46	22.05	10.48	13.87

E. Notes to the condensed interim consolidated financial statements (cont'd)

9. Dividends

Dividends to non-controlling interests of subsidiaries

During the six months period ended 31 December 2023, tax exempt (1-tier) dividends amounting to \$4,500,000 (six months period ended 31 December 2022: \$757,000) were declared and paid by subsidiaries of the Group to their non-controlling shareholders.

10. Property, plant and equipment

- (a) For the reporting period ended 31 December 2023, the Group acquired property, plant and equipment amounting to \$203,000 (30 June 2023: \$1,483,000), of which the additions arising from right-of-use assets amounted to \$Nil (30 June 2023: \$667,000).
- (b) At the end of the reporting period, the freehold land, hotel buildings and improvements and certain freehold properties of the Group are pledged to third party lenders as securities for credit facilities.
- (c) Hotel property and freehold properties are carried at revalued amounts based on the valuations performed by independent valuers as at 30 June 2023, less any subsequent accumulated depreciation and impairment losses. Management assessed their fair value on a half yearly basis and was of the view that there was no indication of significant deterioration or material changes to the carrying value of the hotel and freehold properties as at 31 December 2023.
- (d) Management applies judgement in determining the classification of hotels owned by the Group. In determining whether a hotel property owned by the Group is classified as investment property or property, plant and equipment, management considers, among other qualitative factors, the business model, whether the Group could intervene in operating and financial decisions regarding the operations of the property, whether the Group's returns would represent a percentage of the hotels' actual results and whether the Group could terminate the management agreements signed with the operators. Such consideration requires significant judgement.
- (e) Right-of-use assets are carried at cost less any accumulated depreciation and any accumulated impairment losses. The recoverable amounts are based on valuations performed by independent valuers as at 30 June 2023. Management assessed their recoverable amounts on a half yearly basis and was of the view that there was no indication of significant deterioration or material changes to the carrying value of the right-of-use assets as at 31 December 2023.

E. Notes to the condensed interim consolidated financial statements (cont'd)

11. Investment properties

	Group	
	31-Dec-23	30-Jun-23
	\$'000	\$'000
At fair value:		
At beginning of the period	379,444	342,922
Transfer from development properties	-	22,110
Fair value gain included in profit or loss under other gains	-	14,526
Foreign exchange adjustments	(1,234)	(114)
At end of the period	<u>378,210</u>	<u>379,444</u>

- (a) At the end of the reporting period, certain investment properties of the Group were pledged to financial institutions as securities for credit facilities.
- (b) Investment properties are carried at fair value based on the valuations performed by independent valuers as at 30 June 2023. Management assessed their fair value on a half yearly basis and was of the view that there was no indication of significant deterioration or material changes to the carrying value of the investment properties as at 31 December 2023.

12. Assets and liabilities held for sale

In April 2022, management committed to a plan to dispose of the Group's entire 80% equity interest in Phu Thinh Land Co., Ltd. ("Phu Thinh"). This has resulted in the reclassification of Phu Thinh's assets and liabilities to assets and liabilities classified as held for sale at 31 December 2023 and 30 June 2023.

12.1 Assets and liabilities of disposal group held for sale

At 31 December 2023, the transaction was stated at fair value less costs to sell and comprised the following assets and liabilities:

	Group	
	31-Dec-23	30-Jun-23
	\$'000	\$'000
Other receivables, non-current	2	2
Development properties	25,427	25,840
Trade and other receivables, current	629	666
Other non-financial assets	4,954	5,249
Assets held for sale	<u>31,012</u>	<u>31,757</u>
Trade and other payables	(123)	(131)
Liabilities held for sale	<u>(123)</u>	<u>(131)</u>

12.2 Cumulative income or expenses recognised in other comprehensive income

There are no cumulative income or expenses included in other comprehensive income relating to the transaction.

E. Notes to the condensed interim consolidated financial statements (cont'd)

13. Development properties

At the end of the reporting period, certain development properties of the Group are mortgaged to financial institutions as securities for credit facilities.

The allowance for foreseeable losses is determined by the management after taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices for the development project or comparable projects and prevailing property market conditions. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred.

The Group had reviewed the estimated selling prices of its development properties and is of the view that no further allowance for foreseeable losses is considered necessary as at 31 December 2023.

14. Share capital

	Group and Company			
	Number of shares issued		31-Dec-23	30-Jun-23
	31-Dec-23	30-Jun-23		
	'000	'000	'000	'000
At beginning of the period	4,322,254	4,267,118	312,897	305,078
Shares issued under the Scrip Dividend Scheme	-	55,136	-	7,819
At end of the period	<u>4,322,254</u>	<u>4,322,254</u>	<u>312,897</u>	<u>312,897</u>

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income.

On 1 February 2023, the Company issued 55,135,975 ordinary shares of no par value at an issue price of \$0.143 per ordinary share to eligible shareholders who elected to participate in the Company's Scrip Dividend Scheme.

As at 31 December 2023, the Company had 4,245,582,314 (30 June 2023: 4,257,829,714) ordinary shares, excluding treasury shares.

The Company had no outstanding convertibles and no subsidiary holdings as at 31 December 2023 and 30 June 2023.

15. Treasury shares

	Group and Company			
	Number of shares		31-Dec-23	30-Jun-23
	31-Dec-23	30-Jun-23		
	'000	'000	'000	'000
At beginning of the period	64,424	30,034	12,822	8,063
Purchased during the period	12,248	34,390	1,286	4,759
At end of the period	<u>76,672</u>	<u>64,424</u>	<u>14,108</u>	<u>12,822</u>

Treasury shares relate to ordinary shares of the Company that are held by the Company. For the first six months ended 31 December 2023, the purchase prices of the treasury shares ranged from \$0.095 to \$0.130 per share.

As at 31 December 2023, the Company's treasury shares constituted 1.77% (30 June 2023: 1.49%) of the total number of ordinary shares outstanding.

There were no sales, transfer, cancellation and/or use of subsidiary holdings or treasury shares during the reporting period ended 31 December 2023 (30 June 2023: Nil).

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E. Notes to the condensed interim consolidated financial statements (cont'd)

16. Other reserves

	Group		Company	
	31-Dec-23	30-Jun-23	31-Dec-23	30-Jun-23
	\$'000	\$'000	\$'000	\$'000
Foreign currency translation reserve (Note 16.1)	(57,431)	(45,673)	-	-
Asset revaluation reserve (Note 16.2)	231,854	231,541	-	-
Fair value reserve (Note 16.3)	(867)	(822)	(866)	(822)
Other reserve (Note 16.4)	3,629	3,629	3,629	3,629
	177,185	188,675	2,763	2,807

16.1 Foreign currency translation reserve

The translation reserve represents exchange differences arising from the translation of financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group.

16.2 Asset revaluation reserve

The asset revaluation reserve arises from the revaluation of properties classified as property, plant and equipment. It is not distributable until it is reclassified to retained earnings upon disposal of the assets.

16.3 Fair value reserve

The fair value reserve arises from the revaluation of financial assets measured at FVTOCI. It is not distributable until it is reclassified to retained earnings upon disposal of the assets.

16.4 Other reserve

Other reserve arises from the excess of proceeds over cost of placing the treasury shares.

17. Other financial liabilities

	Group		Company	
	31-Dec-23	30-Jun-23	31-Dec-23	30-Jun-23
	\$'000	\$'000	\$'000	\$'000
Amount repayable in one year or less, or on demand				
Secured	869,712	466,853	129,210	239,092
Unsecured	195,652	104,129	1,260	1,260
	1,065,364	570,982	130,470	240,352
Amount repayable after one year				
Secured	294,244	876,701	100,000	100,000
Unsecured	590	195,157	590	1,220
	1,360,198	1,642,840	231,060	341,572
Total bank borrowing and debt securities				
Lease liabilities	58,006	59,980	12	21
	1,418,204	1,702,820	231,072	341,593
Non-current portion	346,866	1,123,450	100,590	101,220
Current portion	1,071,338	579,370	130,482	240,373
	1,418,204	1,702,820	231,072	341,593

E. Notes to the condensed interim consolidated financial statements (cont'd)

17. Other financial liabilities (cont'd)

Details of collaterals

- (a) Legal mortgages on certain properties classified as property, plant and equipment, investment properties and development properties.
- (b) Legal assignment of all rights, titles and interests in the construction contracts, insurance policies, and performance bonds (if any), tenancy agreements and sale and purchase agreements with respect to the proposed developments, property, plant and equipment and investment properties.
- (c) Fixed and floating charges on relevant present and future assets.
- (d) Charge over shares held by the Company in certain subsidiaries.
- (e) Assignment and/or subordination of all shareholder loans.
- (f) Corporate guarantees by the Company.
- (g) Corporate guarantees by non-controlling shareholders of non-wholly owned subsidiaries for bank borrowings amounting to \$49.0 million (30 June 2023: \$45.3 million).
- (h) Deed of subordination of loans from shareholders and related companies of the subsidiaries.

Note:

The above borrowings do not include advances from non-controlling shareholders of certain subsidiaries of \$53.5 million as at 31 December 2023 (30 June 2023: \$54.1 million). These advances, included in trade and other payables, are unsecured and without fixed repayment terms. Some of the advances are subordinated to the loans and bank borrowings.

Unsecured borrowings include medium term notes of \$194.4 million as at 31 December 2023 (30 June 2023 medium term notes: \$296.8 million), due in financial years 2024 to 2025.

18. Categories of financial assets and liabilities

	Group		Company	
	31-Dec-23	30-Jun-23	31-Dec-23	30-Jun-23
	\$'000	\$'000	\$'000	\$'000
<u>Financial assets:</u>				
At amortised cost	501,315	781,611	1,142,560	1,363,846
At FVTOCI (equity instruments)	6,530	6,658	98	143
	<u>507,845</u>	<u>788,269</u>	<u>1,142,658</u>	<u>1,363,989</u>
<u>Financial liabilities:</u>				
At amortised cost	1,768,373	2,090,290	729,135	805,163

E. Notes to the condensed interim consolidated financial statements (cont'd)

19. Litigation cases

19.1 Legal proceedings against Oxley Sanctuary Pte Ltd ("Oxley Sanctuary")

In May 2019, the owners of 19 units (the "Plaintiffs") at KAP Mall commenced legal proceedings against Oxley Sanctuary, a 55%-owned subsidiary of the Company. The Plaintiffs alleged that the marketing agent which Oxley Sanctuary had appointed ("marketing agent") and/or other co-broke agents, acting on behalf of Oxley Sanctuary, had represented to each of the Plaintiffs that McDonald's and/or Cold Storage were returning as stores at the KAP Mall ("alleged misrepresentations") and further claim that Oxley Sanctuary is vicariously liable for the alleged misrepresentations. Trial for the case is scheduled to commence in March 2024.

Oxley Sanctuary has refuted the Plaintiff's claims and has in turn commenced a third party claim against the marketing agent on the basis that if the alleged misrepresentations were made, they would have been made in breach of the contractual obligations, tortious duties and fiduciary duties owed by the marketing agent to Oxley Sanctuary.

As the proceeding is on-going, based on external legal advice, management held the view that it is possible, but not probable nor practicable to estimate the financial effect, if any. Accordingly, no provision for any liability has been made in these financial statements.

F. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed interim statements of financial position of the Group and the Company as at 31 December 2023 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the financial year then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Profit or loss review

Revenue

Group revenue for first half year ended 31 December 2023 ("1H FY2024") decreased by 63% to \$164.4 million, compared with \$438.4 million in first half year ended 31 December 2022 ("1H FY2023"). This was mainly due to lower revenue recognised for the Singapore property development projects in 1H FY2024, partially offset by higher revenue recognition from Oxley Towers KLCC in Malaysia and hotel operations.

Gross profit

The Group's gross profit for 1H FY2024 decreased by \$22.5 million or 34% to \$43.3 million mainly due to lower revenue (as described above) in 1H FY2024, partially offset by higher gross profit recorded by hotel operations.

Interest income

Interest income for 1H FY2024 decreased by 55% to \$2.6 million. This was primarily due to lower interest income charged on lower advances to joint ventures and associates.

Other gains

Other gains for 1H FY2024 at \$2.2 million was lower as compared to \$16.5m for 1H FY2023. This was mainly due to lower foreign exchange gain from translation of US\$ denominated borrowings as a result of lower appreciation of Singapore dollar against US dollar, and absence of fair value gain on investment properties and gain on disposal of land use rights and assets at Thao Dien Vietnam.

Marketing and distribution costs

Marketing and distribution costs for 1H FY2024 increased to \$2.9 million from \$1.7 million for 1H FY2023, mainly due to higher advertising and promotional expenses incurred for hotel operations.

Administrative expenses

Administrative expenses for 1H FY2024 decreased to \$14.7 million from \$16.6 million for 1H FY2023. This was primarily due to lower repair and maintenance expenses incurred for 1H FY2024.

Other losses

Other losses of \$4.1 million for 1H FY2024 was lower than that for 1H FY2023 by \$1.7 million, mainly due to absence of mark-to-market fair value valuation loss on derivative financial instruments, partially offset by defect and settlement costs incurred by development projects during the period.

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

2. Review of performance of the Group (cont'd)

Profit or loss review (cont'd)

Finance costs

Finance costs for 1H FY2024 decreased by 29% to \$52.8 million, mainly due to reduced bank borrowings.

Share of results from joint ventures and associates, net of tax

Share of results from joint ventures and associates for 1H FY2024 was lower than that for 1H FY2023 by 70%. This was mainly due to lower profit contribution from the joint ventures and associates for Riverfront Residence and Affinity at Serangoon projects as substantial share of profit was recognised prior to 1H FY2024, partially offset by higher share of profit recognised for Riverscape project.

(Loss)/profit before tax

Loss before tax for 1H FY2024 was \$21.4 million, compared with profit of \$4.6 million for 1H FY2023, due to the reasons stated above.

Income tax

The Group recorded income tax reversal of \$10.9 million for 1H FY2024 as compared to income tax provision of \$2.4 million in 1H FY2023, mainly due to reversal of income tax.

Statement of financial position review

Net assets and gearing

As at 31 December 2023, total equity of \$911.3 million represented a decrease of 3% or \$27.4 million from the amount as at 30 June 2023. The net asset value (total equity) per share of 21.46 cents as at 31 December 2023 was marginally lower than the amount of 22.05 cents as at 30 June 2023.

Excluding derivative financial liabilities and lease liabilities, the Group's gearing ratio as at 31 December 2023 was 1.44 times (30 June 2023: 1.62 times). The net borrowings (total loans and borrowings less cash and cash equivalents) decreased by \$0.2 billion to \$1.3 billion.

Current assets

The decrease in current assets by \$360.7 million or 22% as at 31 December 2023, compared with that as at 30 June 2023, was mainly attributable to (i) decrease in trade and other receivables due to repayment of loans from Singapore joint ventures and lower trade receivables from customers (ii) decrease in carrying value of development properties as the cost had been progressively taken up as cost of sales in the statement of profit or loss upon recognition of revenue and (iii) lower cash and cash equivalents due to repayment of bank and debt obligations.

Non-current liabilities

The decrease in non-current liabilities by \$776.6 million or 66% as at 31 December 2023, compared with that as at 30 June 2023, was mainly due to the reclassification of borrowings from non-current liabilities to current liabilities in accordance with the repayment schedule based on the maturity period.

Current liabilities

The increase in current liabilities by \$425.2 million or 42% as at 31 December 2023, compared with that as at 30 June 2023, was mainly due to the reclassification of borrowings from non-current liabilities to current liabilities in accordance with the repayment schedule based on the maturity period, offset by (i) net repayment of borrowings of approximately \$0.3 million during the period, and (ii) reclassification of income tax payable to current asset.

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

Cash flow review

Net cash flows from operating activities of \$149.2 million for 1H FY2024 was mainly from the proceeds from completion of certain property development projects.

Net cash flows from investing activities for 1H FY2024 was \$115.7 million, mainly due to repayments from joint ventures and associates, and dividend from an associate.

Net cash flows used in financing activities for 1H FY2024 was \$341.9 million, mainly due to net repayment of bank loans arising from the settlement of borrowings for the completed Singapore property development projects.

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

The Company has not previously disclosed any forecast or prospect statements.

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

4. 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.

Global economic growth is expected to be moderate, with the International Monetary Fund ("IMF") forecasting global growth rate to be 3.1% in 2024, up 0.2 percentage points from its October forecast, and 3.2% in 2025, which are below the historical average for 2000-2019 of 3.8%. With global inflation falling faster than expected in most regions, the outlook anticipated a "soft landing" to be in sight and inflation rate to fall to 5.8 percent in 2024 and to 4.4 percent in 2025. However, economies cautioned that the base of expansion was slow and risks remained, including geopolitical tensions in the Middle East and attacks in the Red Sea that could disrupt commodity prices and supply chains¹.

With the significant progress against inflation, the Federal Reserve is widely expected to begin holding or cutting interest rates by mid-2024. The timing and pace of those rate cuts would be determined by a number of factors, including inflation, employment, GDP growth and financial market conditions². Such trend should be favourable to our property development business.

International visitor arrivals reached 12.4 million between January and November 2023, within the 12 million to 14 million arrivals forecasted by Singapore Tourism Board for the full year. Positive outlook for the global tourism sector and strong recovery in Singapore's international visitor arrivals are expected to drive increased hotel rates, occupancy rates and revenue for the Group's hotels. However, rising operational costs and potential labour shortages continue to pose challenges to the hotels' performance. Overall, this should be positive for our business segment.

For the Group's projects in Cambodia, the Palms project has been completed while construction and fitting out of the Shangri-La Hotel at The Peak is on-going and expected to be completed in 1Q2024.

In Malaysia, the Group's flagship project, Oxley Towers, Kuala Lumpur City Centre ("Oxley Towers KLCC"), has received good buying interests. Currently more than 49% of the units at Oxley Towers KLCC has been sold. Trinity Wellness, a mass-market residential project in Ampang North, has 90% units sold as at 10 January 2024. The projects in Malaysia are expected to be completed progressively in 2024 and 2025 respectively.

With the completion of its development projects in Singapore, the Group will focus on progressively completing its property development projects overseas, as well as seek potential divestment opportunities for non-core assets to further strengthen its cash flow position.

¹ IMF. "IMF says global 'soft landing' in sight, lifts 2024 growth outlook." 30 January 2024

² 2024 Federal Reserve Outlook. <https://www.forbes.com/advisor/investing/fed-outlook-2024/>

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

5. If a decision regarding dividend has been made:-

- (a) **Whether an interim (final) ordinary dividend has been declared (recommended)**

None

- (b) (i) **Amount per share**

None

- (ii) **Previous corresponding period**

None

- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country whether the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable

- (d) **The date the dividend is payable**

Not applicable

- (e) **The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable

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

No dividend has been declared or recommended for the first half year ended 31 December 2023 in order to preserve the Group's working capital.

7. Interested person transactions

There were no transactions under the general mandate from shareholders for interested person transactions during the first half year ended 31 December 2023.

During the six months ended 31 December 2023, there were the following interested person transactions:

- (a) finance costs amounting to \$375,380 for the six months ended 31 December 2023, payable to Oxley Construction Pte. Ltd., a company wholly-owned by Mr Ching Chiat Kwong (Executive Chairman and CEO and controlling shareholder of the Company), in respect of a loan granted to the Company; and
- (b) finance costs amounting to \$60,074 for the six months ended 31 December 2023, payable to GMTC Private Limited, a company wholly-owned by Mr Low See Ching (Deputy CEO and controlling shareholder of the Company), in respect of a loan granted to the Company.

8. Confirmation pursuant to rule 720(1) of the listing manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7 of the Listing Manual) pursuant to Rule 720(1) of the Listing Manual.

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

9. Confirmation by the board pursuant to Rule 705(5) of the Listing Manual

We, Ching Chiat Kwong and Low See Ching, being Directors of the Company, do hereby confirm, on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the first half year ended 31 December 2023 to be false or misleading in any material aspect.

By order of the Board

Ching Chiat Kwong
Executive Chairman and CEO
8 February 2024

Low See Ching
Deputy CEO
8 February 2024