



OXLEY HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 201005612G)

(The "Company")

Unaudited Half Year Financial Statements
and Dividend Announcement For the Financial Period Ended
31 December 2020

1(a) Statement of Comprehensive Income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group First Half Ended		Change %
	31-Dec-20 S\$'000	31-Dec-19 S\$'000	
Revenue	745,346	594,038	25%
Cost of sales	(641,640)	(498,795)	29%
Gross profit	103,706	95,243	9%
Other income	3,837	727	428%
Interest income	4,746	5,118	-7%
Other gains	36,390	32,655	11%
Marketing and distribution costs	(4,193)	(6,812)	-38%
Administrative expenses	(32,082)	(33,703)	-5%
Other losses	(10,612)	(1,851)	473%
Finance costs	(56,393)	(80,881)	-30%
Share of results from associates and joint ventures, net of tax	2,205	12,290	-82%
Profit before tax	47,604	22,786	109%
Income tax expense	(7,573)	(9,868)	-23%
Profit for the period	40,031	12,918	210%
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Net fair value gain on equity instruments at FVTOCI	15,706	9,034	74%
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations	12,137	5,497	121%
Total other comprehensive income, net of tax	27,843	14,531	92%
Total comprehensive income for the period	67,874	27,449	147%
Profit for the period attributable to:			
- Owners of the Company	34,122	15,716	117%
- Non-controlling interests	5,909	(2,798)	N.M.
	40,031	12,918	210%
Total comprehensive income for the period attributable to:			
- Owners of the Company	61,965	30,247	105%
- Non-controlling interests	5,909	(2,798)	N.M.
	67,874	27,449	147%

1(a)(i) Profit for the period is arrived after crediting/ (charging) the following:

	Group First Half Ended		Change %
	31-Dec-20 S\$'000	31-Dec-19 S\$'000	
Rental income ⁽²⁾	6,763	6,775	0%
Amortisation of intangible assets	(1,918)	-	N.M.
Depreciation of property, plant and equipment and right-of-use asset	(8,730)	(7,865)	11%
Net fair value gain on investment property	-	23,870	N.M.
Gain on disposal of investment property	-	1,327	N.M.
Gain on striking off of a subsidiary	340	-	N.M.
Impairment loss on receivables	(5,013)	-	N.M.
Net fair value (loss)/gain on derivative financial instruments	(1,044)	4,044	N.M.
Loss on disposal of investment in associates	-	(140)	N.M.
Net foreign exchange gain	32,149	574	5501%
Government grant income	3,128	34	N.M.
Over-provision of tax in prior years	2,134	2,814	N.M.

Note:

(1) N.M. = Not Meaningful

(2) Including rental income in other income

1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group as At		Company as At	
	31-Dec-20 S\$'000	30-Jun-20 S\$'000	31-Dec-20 S\$'000	30-Jun-20 S\$'000
Assets				
Non-current assets				
Property, plant and equipment	1,008,025	944,555	567	1,033
Investment properties	327,619	329,749	-	-
Intangible assets	25,264	27,182	-	-
Investments in subsidiaries	-	-	37,078	37,078
Investments in joint ventures	51,963	50,518	4,321	4,321
Investments in associates	34,803	28,367	490	490
Investments in securities	30,421	14,791	44,050	6,587
Deferred tax assets	24,788	24,164	-	-
Trade and other receivables	184,521	178,175	1,367,890	1,282,907
Other non-financial assets	226	610	-	-
Total non-current assets	1,687,630	1,598,111	1,454,396	1,332,416
Current assets				
Inventories	1,761	1,626	-	-
Development properties	2,267,338	2,488,751	-	-
Trade and other receivables	462,960	629,973	718,222	661,877
Other non-financial assets	52,344	44,435	1,821	762
Cash and cash equivalents	232,589	384,722	57,855	205,783
Total current assets	3,016,992	3,549,507	777,898	868,422
Total assets	4,704,622	5,147,618	2,232,294	2,200,838
Equity and liabilities				
Equity				
Share capital	300,700	300,700	300,700	300,700
Treasury shares	(7,638)	(7,638)	(7,638)	(7,638)
Retained earnings	548,890	578,045	342,894	399,884
Other reserves	208,006	176,291	5,805	(13,773)
Equity attributable to owners of the Company	1,049,958	1,047,398	641,761	679,173
Non-controlling interests	23,693	18,124	-	-
Total equity	1,073,651	1,065,522	641,761	679,173
Non-current liabilities				
Deferred tax liabilities	48,228	45,151	-	-
Trade and other payables	-	-	66,336	64,259
Other financial liabilities	1,791,369	1,266,222	69,130	5,070
Total non-current liabilities	1,839,597	1,311,373	135,466	69,329
Current liabilities				
Income tax payable	38,149	55,038	53	384
Trade and other payables	510,999	558,295	1,253,168	1,028,250
Other financial liabilities	926,338	1,759,633	201,846	423,702
Other non-financial liabilities	315,888	397,757	-	-
Total current liabilities	1,791,374	2,770,723	1,455,067	1,452,336
Total liabilities	3,630,971	4,082,096	1,590,533	1,521,665
Total equity and liabilities	4,704,622	5,147,618	2,232,294	2,200,838

1(b)(ii) Aggregate amount of group's bank borrowings and debt securities

Amount repayable in one year or less, or on demand

As At 31 December 2020		As At 30 June 2020	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
261,616	651,451	1,016,861	733,601

Amount repayable after one year

As At 31 December 2020		As At 30 June 2020	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,496,366	227,984	1,037,883	228,216

Total bank borrowings and debt securities above amounted to \$2,637.4 million (30 June 2020: \$3,016.6 million).

The total bank borrowings and debt securities above exclude the carrying amounts of derivatives of \$8.2 million (30 June 2020: \$9.1 million) and lease liabilities related to a right-of-use asset of \$72.1 million (30 June 2020: \$0.2 million) classified under other financial liabilities.

Details of collaterals

The above bank borrowings are secured by:

- a) First legal mortgages on the relevant property, plant and equipment, investment properties and development properties.
- b) Legal assignment of all rights, title and interests in the construction contracts, insurance policies and performance bonds (if any), tenancy agreements and sale and purchase agreements in respect of the proposed developments., property, plant and equipment and investment properties.
- c) Corporate guarantees by the Company.
- d) Corporate guarantees by non-controlling shareholders of non-wholly owned subsidiaries for bank borrowings amounting to \$50.0 million (30 June 2020: \$50.8 million).

Note:

The above borrowings do not include advances from non-controlling shareholders of certain subsidiaries of \$51.8 million as at 31 December 2020 (30 June 2020: \$52.9 million). These advances, included in trade and other payables, are unsecured and without fixed repayment terms. Some of the advances are subordinated to the bank borrowings.

Unsecured borrowings include medium term notes of \$671.3 million as at 31 December 2020 (30 June 2020 medium term notes and retail bonds: \$716.7 million), due in financial years 2021 to 2023.

Convertible Notes

On 6 January 2021, the Company entered into a subscription agreement with an investor in relation to the proposed issue by the Company of up to US\$80,000,000 in aggregate principal amount of 4.50% secured convertible notes ("Convertible Notes"), convertible in whole or in part into fully-paid ordinary shares in the capital of the Company at any time on or after the date when approval-in-principal is obtained from SGX-ST for the listing and quotation of the new shares. On 19 January 2021, the Company completed the issuance of US\$72,000,000 in aggregate principal amount of Tranche A Convertible Notes to the subscriber. On 3 February 2021, approval-in-principle was obtained from SGX-ST.

1(c) A Statement of Cash Flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	First Half Ended	
	31-Dec-20 S\$'000	31-Dec-19 S\$'000
Cash flows from operating activities:		
Profit before tax	47,604	22,786
Adjustments for:		
Interest income	(4,746)	(5,118)
Finance costs	56,393	80,881
Amortisation of intangible assets	1,918	-
Depreciation of property, plant and equipment	8,730	7,865
Gain on striking off of a subsidiary	(340)	-
Impairment loss on receivables	5,013	-
Fair value loss/(gain) on derivative financial instruments	1,044	(4,044)
Loss on disposal of property, plant and equipment	229	-
Gain on sale of investment property	-	(1,327)
Gain on fair value changes in investment property	-	(23,870)
Loss on disposal of investment in associate	-	140
Share of results from associates and joint ventures, net of tax	(2,205)	(12,290)
Net effect of exchange rate changes	(13,825)	(102)
Operating cash flows before changes in working capital	99,815	64,921
Inventories	(135)	(48)
Development properties	224,816	5,391
Trade and other receivables	179,638	(45,636)
Other non-financial assets	(8,534)	(4,332)
Trade and other payables	(129,835)	(136,234)
Other non-financial liabilities	(75,422)	29,103
Cash flows from/(used in) from operations	290,343	(86,835)
Income taxes paid	(22,228)	(219)
Net cash flows generated from/(used in) operating activities	268,115	(87,054)
Cash flows from investing activities:		
Additions of property, plant and equipment	(1,960)	(3,445)
Additions of investment properties	-	(90,176)
Other receivables, non-current	131	1,442
Proceeds from disposal of investments in associates	-	1,872
Proceeds from disposal of investments in securities	201	342,844
Proceeds from disposal of property, plant and equipment	3,786	-
Proceeds from sale of investment properties	-	238,307
Investments in associates	-	(2,835)
Investments in joint ventures	(63)	-
Net cash inflow on acquisition of a subsidiary	-	5,749
Dividends from associates and joint ventures	-	13,741
Advances (to)/from associates	(940)	396
Advances to joint ventures	(18,587)	(2,844)
Interest income received	4,746	5,118
Net cash flows (used in)/generated from investing activities	(12,686)	510,169
Cash flows from financing activities:		
Proceeds from borrowings	220,500	832,831
Repayment of borrowings	(585,507)	(1,337,440)
Cash restricted in use	35,180	4,753
Dividends paid to equity owners	-	(4,918)
Dividends paid to non-controlling interests	-	(531)
Advances from non-controlling shareholders	159	408
Interest expense paid	(43,828)	(64,367)
Net cash flows used in financing activities	(373,496)	(569,264)
Net decrease in cash and cash equivalents	(118,067)	(146,149)
Effects of exchange rate changes on cash and cash equivalents	1,114	250
Cash and cash equivalents at beginning of year	305,967	381,441
Cash and cash equivalents at end of period (Note A)	189,014	235,542
Note to Consolidated Statement of Cash Flows:		
A Cash and cash equivalents at end of period	189,014	235,542
Cash restricted in use	43,575	88,213
Cash and cash equivalents on the Statement of Financial Position	232,589	323,755

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Share capital	Treasury shares	Retained earnings	Other reserves ⁽¹⁾	Total	Non-controlling interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current year							
Balance at 1 July 2020	300,700	(7,638)	578,045	176,291	1,047,398	18,124	1,065,522
Striking off of a subsidiary	-	-	-	-	-	(340)	(340)
Total comprehensive income for the period	-	-	34,122	27,843	61,965	5,909	67,874
Dividends on ordinary shares	-	-	(63,277)	3,872	(59,405)	-	(59,405)
Balance as at 31 December 2020	300,700	(7,638)	548,890	208,006	1,049,958	23,693	1,073,651
Previous year							
Balance as at 1 July 2019	275,922	(3,943)	898,790	235,124	1,405,893	4,674	1,410,567
Issue of shares under the scrip dividend scheme	23,341	-	-	-	23,341	-	23,341
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	-	7,359	7,359
Transfer upon disposal of investment in equity instruments at FVTOCI	-	-	1,599	(1,599)	-	-	-
Total comprehensive income/(loss) for the period	-	-	15,716	14,531	30,247	(2,798)	27,449
Dividends on ordinary shares	-	-	(28,259)	-	(28,259)	(531)	(28,790)
Balance as at 31 December 2019	299,263	(3,943)	887,846	248,056	1,431,222	8,704	1,439,926

Company	Share capital	Treasury shares	Retained earnings	Other reserves ⁽²⁾	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current year					
Balance as at 1 July 2020	300,700	(7,638)	399,884	(13,773)	679,173
Total comprehensive income for the period	-	-	6,287	15,706	21,993
Dividends on ordinary shares	-	-	(63,277)	3,872	(59,405)
Balance as at 31 December 2020	300,700	(7,638)	342,894	5,805	641,761
Previous year					
Balance as at 1 July 2019	275,922	(3,943)	447,701	(19,273)	700,407
Issue of shares under the scrip dividend scheme	23,341	-	-	-	23,341
Transfer upon disposal of investment in equity instruments at FVTOCI	-	-	1,599	(1,599)	-
Total comprehensive income for the period	-	-	4,779	9,034	13,813
Dividends on ordinary shares	-	-	(28,259)	-	(28,259)
Balance as at 31 December 2019	299,263	(3,943)	425,820	(11,838)	709,302

(1) Includes foreign currency translation reserve, asset revaluation reserve, fair value reserve and other reserves.

(2) Includes fair value reserve and other reserves.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, 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.

Total number of issued shares as at 31 December 2020 was 4,245,902,914 ordinary shares (30 June 2020: 4,245,902,914 ordinary shares).

As at 31 December 2020, the Company held 27,429,300 (30 June 2020: 27,429,300) treasury shares, constituting 0.65% (30 June 2020: 0.65%) of the total number of ordinary shares outstanding.

The Company had no outstanding convertible and no subsidiary holdings as at 31 December 2020 and 31 December 2019.

There were no changes in the Company's share capital as at 31 December 2020 and 30 June 2020.

On 19 January 2021, the Company issued an aggregate of US\$72,000,000 in principal amount of Convertible Notes. Total number of shares that may be issued on conversion under the terms of the Convertible Notes is 383,040,000 ordinary shares, based on the initial conversion price of S\$0.25, and assuming (a) an USD: SGD exchange rate of US\$1:S\$1.33, (b) full conversion of the issued Convertible Notes and (c) no adjustment events.

1(d)(iii) 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

	As at 31-Dec-2020	As at 30-Jun-2020
Total number of issued shares, excluding treasury shares ('000)	4,218,474	4,218,474

1(d)(iv) 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 by the Company during the half-year period ended 31 December 2020.

1(d)(v) 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 period ended 31 December 2020.

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

The figures have not been audited or reviewed by auditors.

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

Not applicable.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

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 same accounting policies and methods of computation in the FY2020 audited annual financial statements have been applied for the current reporting period.

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

Not applicable.

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

Earnings per ordinary share is computed based on profit, net of tax, attributable to owners of the Company:-

	Group	
	First Half Ended	
	31-Dec-20	31-Dec-19
Earnings per ordinary share for the period		
(a) Basic ⁽¹⁾	0.81 cents	0.37 cents
(b) Fully diluted ⁽¹⁾	0.81 cents	0.37 cents
⁽¹⁾ Calculated based on weighted average number of shares (excluding treasury shares) ('000)	-	
(a) Basic	4,218,474	4,228,695
(b) Fully diluted	4,218,474	4,228,695

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group As At		Company As At	
	31-Dec-20	30-Jun-20	31-Dec-20	30-Jun-20
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares)	25.45 cents	25.26 cents	15.21 cents	16.10 cents
Total number of issued shares (excluding treasury shares) ('000)	4,218,474	4,218,474	4,218,474	4,218,474

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

Profit or loss review

Revenue

Group revenue for the half-year ended 31 December 2020 ("1H2021") increased by 25% to \$745.3 million compared with the half-year ended 31 December 2019 ("1H2020") mainly due to higher revenue contribution from a wholly-owned subsidiary in Australia that was consolidated into the Group results from October 2019. Excluding revenue from the Australia subsidiary, Group revenue for 1H2021 would be 9.0% or \$47.9 million higher than 1H2020, primarily due to higher revenue from the developments projects in Cambodia, Singapore and the United Kingdom, partially offset by lower revenue from the project in Ireland and hotels in Singapore.

Gross profit margin

Gross profit margin for 1H2021 was 2 percentage points lower than that for 1H2020, primarily due to lower margins from the subsidiary group in Australia, and the development projects in the United Kingdom and Ireland, partially offset by higher margin from the development project in Cambodia.

Other income

Other income was \$3.8 million for 1H2021 compared with \$0.7 million in 1H2020, primarily due to government grants received during 1H2021.

Other gains

Other gains for 1H2021 comprised mainly unrealised foreign exchange gain from translation of US\$ denominated EMTNs and bank borrowings, arising from depreciation of US\$ against S\$ during 1H2021. Other gains for 1H2020 comprised mainly fair value gain on an investment property in Cambodia.

Marketing and distribution costs

Marketing and distribution costs for 1H2021 decreased by 38% to \$4.2 million as compared with \$6.8 million in 1H2020, mainly due to lower expenses incurred for show flats, advertisements, exhibitions, and project launches for Singapore and overseas projects.

Administrative expenses

Administrative expenses for 1H2021 decreased by 5% to \$32.1 million as compared with \$33.7 million in 1H2020. Excluding expenses from the Australia subsidiary, administrative expenses incurred by the Group dropped 26% or \$6.2 million year-on-year, mainly due to lower consultancy fees incurred for the overseas projects and drop in administrative expenses at the Singapore hotels.

Other losses

Other losses of \$10.6 million for 1H2021 comprised mainly impairment loss on receivable of S\$5.0 million and cost of rental support provided to the retail and commercial units at 30 Raffles Place.

Finance costs

The decrease in finance costs for 1H2021 by 30% to \$56.4 million, compared with \$80.9 million in 1H2020 was mainly due to repayments of retail bonds and bank borrowings, and drop in average interest rates.

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

Share of results from associates and joint ventures for 1H2021 was lower than 1H2020 mainly due to absence of share of profit from an associated company in the United Kingdom. The Group's interest in the associated company was divested in the second half of FY2020. In 1H2021, the share of results of \$2.2 million comprised share of profits from the joint ventures in Singapore, partially offset by share of loss from a joint venture in Cambodia.

8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. (continued)**

Profit or loss review (continued)

Profit before tax

The profit before tax for 1H2021 was more than doubled compared with the profit for 1H2020 due to the reasons stated above.

Income tax expense

The income tax expenses for 1H2021 comprised (a) corporate taxes on the profits earned from the projects in Singapore, Malaysia and the United Kingdom, and (b) withholding taxes (i) on the interest income earned from the overseas subsidiaries, and (ii) incurred by the overseas subsidiaries for the offshore payments, partially offset by the write-back of over-provision of prior years' corporate and withholding taxes.

Statement of financial position review

Net assets and gearing

As at 31 December 2020, the shareholders' fund of \$1,073.7 million represented an increase of 1% or \$8.1 million from 30 June 2020 primarily due to profit and other comprehensive income generated during 1H2021, partially offset by approved dividends which were paid after 31 December 2020. The net asset value per share of 25.45 cents as at 31 December 2020 was higher than 25.26 cents as at 30 June 2020, due to the aforesaid reason.

The Group's net borrowings decreased to \$2.7 billion as at 31 December 2020 from \$3.0 billion as at 30 June 2020. The Group's gearing ratio as at 31 December 2020 and 30 June 2020 was 2.31 and 2.48 times respectively. Excluding lease liabilities of \$72.1 million (30 June 2020: \$0.2 million), gearing ratio would be 2.25 times as at 31 December 2020, compared with 2.48 times as at 30 June 2020.

Non-current assets

The increase in non-current assets of \$89.5 million or 6% as at 31 December 2020 compared with 30 June 2020 was mainly due to recognition of a right-of-use asset at a subsidiary in Cambodia relating to the guaranteed rental program, and increase in value of an investment in quoted securities.

Current assets

The decrease in current assets of \$532.5 million or 15% as at 31 December 2020 compared with 30 June 2020 was mainly attributable to (i) decrease in carrying value of the overseas development properties as the cost had been progressively taken up as cost of sales in the profit & loss statement when the apartment units were completed and delivered to the buyers, (ii) lower trade and receivables arising from sales collection, and (iii) repayments of debt obligations resulting in lower cash and cash equivalents.

Non-current liabilities

The increase in non-current liabilities of \$528.2 million or 40% as at 31 December 2020 compared with 30 June 2020 was mainly due to (i) reclassification of a bank borrowing from current liabilities to non-current liabilities and (ii) recognition of lease liabilities relating to a right-of-use asset at a subsidiary in Cambodia.

Current liabilities

The decrease in current liabilities of \$979.3 million or 35% as at 31 December 2020 compared with 30 June 2020 was mainly due to lower debt obligations due in the next 12 months arising from (i) reclassification of a bank borrowing from current liabilities to non-current liabilities, and (ii) repayments of bank borrowings during 1H2021.

Cash flow review

Net cash flows from operating activities of \$268.1 million for 1H2021 was mainly generated from sales collection arising from completion of overseas residential developments.

Net cash flows used in investing activities for 1H2021 was \$12.7 million, mainly due to advances made to joint venture companies in Singapore, Cambodia and the United Kingdom.

The cash flows used in financing activities for 1H2021 was \$373.5 million, mainly due to net repayments of bank borrowings.

9 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 / prospect statements.

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.

Year 2020 was a difficult year fraught with challenges and unprecedented Covid-19 lock-downs. Business and social activities came to a standstill in Singapore from April to June 2020. Though Singapore has entered Phase 3 of the re-opening since late December 2020, the activity level has not resumed to pre-COVID times due to constant fears of community spread of the virus. Countries such as Malaysia, Vietnam, the United Kingdom and Ireland where the Group's overseas operations are located, are still in varying degree of lock-down and the virus infection rate has not exhibited signs of abating. The availability of vaccines is not an immediate antidote to the outbreak and widespread vaccination globally is unlikely to happen until mid-late 2022.

Lock-downs have resulted in significant delays in development projects under construction. In Singapore, the COVID-19 (Temporary Measures) Act mandated a universal extension of time of up to 122 days on eligible construction contracts. Though some construction activities can continue in other countries despite the lockdowns, the rate of construction has slowed. The COVID-19 (Temporary Measures) Act also legislated rental rebates to tenants and allowing re-negotiation of certain leasing contracts, adversely impacting the Group's commercial leasing operations.

Visitor arrivals in Singapore dropped 86% to 2.7 million in 2020, compared with 19.1 million in 2019, according to Singapore Tourism Board (STB), due to travel restrictions and border closures. Despite the availability of several vaccines, STB forecast that tourist arrivals will remain weak for 2021. The silver lining is the option for Singapore hotels to function as government quarantine and stay-home notice dedicated facilities, cushioning the economic fallout and job losses in the sector. Since March 2020, the Group's hotels have been functioning as such dedicated facilities and generating positive operating cash flows.

Despite the COVID-19 pandemic that triggered global economic recession and the worst health crisis in recent times, the Singapore property market remains healthy due to low interest rates and attractive offers from certain developers. According to information released by the Urban Redevelopment Authority (URA) in January 2021, private home prices in Singapore rose 2.2% year-on-year while sales volume grew 0.7% to 9,982 units in 2020. This favorable trend does not appear to be in line with the current economic environment. This has resulted in cautionary messages from the Singapore authorities.

Outside Singapore, the Group's ongoing development projects are substantially sold with the exception of Oxley Towers project in Malaysia. COVID-19 pandemic, coupled with unstable political situation in Malaysia have exacerbated the uncertain outlook of the property sector in Malaysia. The Group has partnered with a leading property developer in Malaysia, Pavilion Group, to drive Oxley Towers' project management, construction and sales and marketing activities.

Interest rate cuts and massive quantitative easing by Central Banks across the world have resulted in excessive liquidity in the global financial system leading to low or close to zero short-term interest rates. Although global economic output appears to be recovering from the collapse triggered by COVID-19, it will remain below pre-pandemic trends for a prolonged period. Major economies have committed to keep their interest rates low in the medium-term to build momentum for the recovery. Low interest rates is good for the Group and will continue to keep a lid on the Group's borrowing costs.

As at end-January 2021, the Group's total sales secured for its development portfolio amounted to \$9.1 billion, of which approximately \$3.7 billion and \$5.3 billion were attributable to the projects in Singapore and overseas respectively.

	Sales secured (S\$m)	Recognised billings (S\$m)	Future progress billings (S\$m)
Singapore	3,738	1,124	2,614
Overseas	5,333	4,821	512
Total *	<u>9,071</u>	<u>5,945</u>	<u>3,126</u>

* Includes unbilled contract value of joint ventures and associates

11 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

0.32 Singapore cent per ordinary share.

(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

12 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 2020 in order to preserve the Group's working capital.

13 Interested person transactions

There were no transactions conducted under the general mandate from shareholders for interested person transactions during the first half year ended 31 December 2020.

During the half year ended 31 December 2020, there were interests of \$1,912,417 paid to Blacktip Partners Pte Ltd (a company wholly-owned by Mr. Shawn Ching Wei Hung, a Director of the Company and the son of Mr Ching Chiat Kwong, Executive Chairman and CEO and controlling shareholder of the Company), in respect of advances extended to the Group, all of which had been fully settled by the end of July 2020.

14 Use of proceeds

On 19 January 2021, the Company issued an aggregate of US\$72,000,000 in principal amount of Tranche A Convertible Notes. The status of the use of the net proceeds is as follows:

Use of proceeds	Amount allocated (S\$' million)	Amount utilised as at the date of this announcement (S\$' million)	Balance amount as at the date of this announcement (S\$' million)
Working capital and general corporate purposes	95.68	51.41	44.27

The amount utilised was used to purchase Medium Term Notes issued by Oxley MTN Pte Ltd, some of which are due for redemption in April 2021.

15 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) under Rule 720(1) of the Listing Manual.

16 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 2020 to be false or misleading in any material aspect.

By order of the Board

Ching Chiat Kwong
Executive Chairman and CEO
14 February 2021

Low See Ching
Deputy CEO
14 February 2021