



OXLEY HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201005612G)

Unaudited Second Quarter and Half Year Financial Statements and Dividend Announcement For the Financial Period Ended 31 December 2010

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Collins Stewart Pte. Limited for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Collins Stewart Pte. Limited has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement. The contact person for the Sponsor is Mr. Alex Tan, Managing Director, Corporate Finance, Collins Stewart Pte. Limited at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.

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

(The figures have not been audited or reviewed by the auditors)

| | Group Second Quarter Ended | | % Change Increase/ (Decrease) | Group Half Year Ended | | % Change Increase/ (Decrease) |
|---|-------------------------------|----------------------|-------------------------------------|--------------------------|----------------------|-------------------------------------|
| | 31-Dec-10 S\$'000 | 31-Dec-09 S\$'000 | | 31-Dec-10 S\$'000 | 31-Dec-09 S\$'000 | |
| Revenue | 5,957 | - | N.M. | 15,885 | - | N.M. |
| Cost of Sales | (4,079) | - | N.M. | (10,939) | - | N.M. |
| Gross Profit | 1,878 | - | | 4,946 | - | |
| <u>Other Items of Income</u> | | | | | | |
| Other Income | 232 | 1,516 | -85% | 397 | 1,666 | -76% |
| Interest Income | 6 | - | N.M. | 6 | - | N.M. |
| <u>Items of Expense</u> | | | | | | |
| Administrative Expenses | (1,084) | (67) | 1518% | (1,960) | (117) | 1575% |
| Finance Cost | (45) | - | N.M. | (45) | - | N.M. |
| Profit Before Income Tax | 987 | 1,449 | -32% | 3,344 | 1,549 | 116% |
| Income Tax Expense | (253) | - | N.M. | (778) | - | N.M. |
| Profit, Net of Tax and Total Comprehensive Income for The Period | 734 | 1,449 | -49% | 2,566 | 1,549 | 66% |
| Profit, Net of Tax and Total Comprehensive Income Attributable to: | | | | | | |
| -Owners of the Parent | 458 | 1,449 | -68% | 1,603 | 1,549 | 3% |
| -Non-Controlling Interests | 276 | *- | N.M. | 963 | *- | N.M. |
| Total Comprehensive Income | 734 | 1,449 | -49% | 2,566 | 1,549 | 66% |

1(a)(i) Profit Before Income Tax is arrived after crediting / (charging) the following :

| | Group | | % Change Increase/ (Decrease) | Group | | % Change Increase/ (Decrease) |
|---|----------------------|----------------------|-------------------------------------|----------------------|----------------------|-------------------------------------|
| | 31-Dec-10 S\$'000 | 31-Dec-09 S\$'000 | | 31-Dec-10 S\$'000 | 31-Dec-09 S\$'000 | |
| Rental Income | 122 | 263 | -54% | 248 | 413 | -40% |
| Interest Income | 6 | - | N.M. | 6 | - | N.M. |
| Gain on Disposal of a Property | - | 1,251 | N.M. | - | 1,251 | N.M. |
| Interest Expenses (include interest expense classified in cost of sales) | (60) | - | N.M. | (89) | - | N.M. |
| Depreciation of Plant and Equipment | (11) | - | N.M. | (21) | - | N.M. |

Notes:

(1) All consolidated financial statements of the Group have been prepared using the "pooling of interests" method.

(2) N.M. = Not Meaningful

* Amount is less than S\$1,000.

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 | | Company | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 31-Dec-10 S\$'000 | 30-Jun-10 S\$'000 | 31-Dec-10 S\$'000 | 30-Jun-10 S\$'000 |
| ASSETS | | | | |
| Non-Current Assets: | | | | |
| Plant and Equipment | 146 | 120 | 146 | 120 |
| Investment in an Associate | - | (2) | - | - |
| Investment in Subsidiaries | - | - | 13,175 | - |
| Total Non-Current Assets | 146 | 118 | 13,321 | 120 |
| Current Assets: | | | | |
| Development Properties | 376,493 | 57,903 | - | - |
| Trade and Other Receivables | 13,669 | 23,204 | 118,985 | 792 |
| Other Assets | 25,520 | 6,677 | - | 10 |
| Cash and Cash Equivalents | 68,487 | 12,865 | 19,640 | 6 |
| Total Current Assets | 484,169 | 100,649 | 138,625 | 808 |
| Total Assets | 484,315 | 100,767 | 151,946 | 928 |
| EQUITY AND LIABILITIES | | | | |
| Equity Attributable to Owners of the Parent | | | | |
| Share Capital | 118,445 | 8,576 | 118,445 | 1,000 |
| Retained Earnings / (Accumulated Losses) | 1,295 | (308) | (1,752) | (306) |
| Equity, Attributable to Owners of the Parent | 119,740 | 8,268 | 116,693 | 694 |
| Non-Controlling Interests | 4,838 | 1,475 | - | - |
| Total Equity | 124,578 | 9,743 | 116,693 | 694 |
| Non-Current Liabilities: | | | | |
| Deferred Tax Liabilities | 778 | - | - | - |
| Other Financial Liabilities | 332,585 | 64,316 | - | - |
| Total Non-Current Liabilities | 333,363 | 64,316 | - | - |
| Current Liabilities: | | | | |
| Income Tax Payable | 207 | 207 | - | - |
| Trade and Other Payables | 26,167 | 26,501 | 35,253 | 234 |
| Total Current Liabilities | 26,374 | 26,708 | 35,253 | 234 |
| Total Equity and Liabilities | 484,315 | 100,767 | 151,946 | 928 |

Notes:

- (1) The consolidated financial statements of the Group have been prepared using the "pooling of interests" method.
- (2) The share capital in the consolidated statements of financial position of the Group as at 30 June 2010 represents the Group's share capital after taking into consideration the effect of the Share Swap Agreement dated 24 September 2010 as disclosed in the Company's Offer Document dated 21 October 2010.

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 2010 | | As at 30 June 2010 | |
|------------------------|-----------|--------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| - | - | - | - |

Amount repayable after one year

| As at 31 December 2010 | | As at 30 June 2010 | |
|------------------------|-----------|--------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 332,585 | - | 64,316 | - |

Details of collaterals

The above bank borrowings are secured by:

- a) First legal mortgage on the relevant development properties.
- b) Legal assignment of all rights, title and interests in the construction contract, insurance policies and performance bonds (if any), in respect of the proposed development.
- c) Joint and several guarantees by substantial shareholders of the Company and non-controlling shareholders of the subsidiaries.
- d) Corporate guarantee by the Company, subsidiaries, non-controlling shareholder of a subsidiary and a company owned by a director of the Company.

Note:

(1) The above borrowings do not include advances from directors and substantial shareholders of the Company and non-controlling shareholders of the subsidiaries of S\$24.2 million as at 31 December 2010 and S\$23.6 million as at 30 June 2010. These advances are unsecured, without fixed repayment terms and non-interest bearing.

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

| | Group | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | Second Quarter Ended | | Half Year Ended | |
| | 31-Dec-10 S\$'000 | 31-Dec-09 S\$'000 | 31-Dec-10 S\$'000 | 31-Dec-09 S\$'000 |
| <u>Cash Flows From Operating Activities:</u> | | | | |
| Profit Before Income Tax | 987 | 1,449 | 3,344 | 1,549 |
| Adjustments for: | | | | |
| Depreciation of Plant and Equipment | 11 | - | 21 | - |
| Gain on Disposal of a Property | - | (1,251) | - | (1,251) |
| Operating Cash Flows Before Working Capital Changes | 998 | 198 | 3,365 | 298 |
| Increase in Development Properties | (147,702) | (28,885) | (246,986) | (53,290) |
| Increase in Trade and Other Receivables | | (901) | (9,046) | (1,441) |
| Decrease/(Increase) in Other Assets | 35,189 | 228 | (18,843) | 2,177 |
| Decrease in Trade and Other Payables | (10,621) | (545) | (846) | (258) |
| Net Cash Flows Used in Operations Before Interest and Tax | (122,136) | (29,905) | (272,356) | (52,514) |
| Income Taxes Paid | - | - | - | - |
| Net Cash Flows Used in Operating Activities | (122,136) | (29,905) | (272,356) | (52,514) |
| <u>Cash Flows From Investing Activities:</u> | | | | |
| Purchase of Plant and Equipment | (20) | - | (47) | - |
| Purchase of a Property | - | (6,129) | - | (6,129) |
| Proceeds on Disposal of a Property | - | 7,380 | - | 7,380 |
| Acquisition of Subsidiary | - | - | (11,915) | - |
| Net Cash Flows Used in Investing Activities | (20) | 1,251 | (11,962) | 1,251 |
| <u>Cash Flows From Financing Activities:</u> | | | | |
| Issuance of Shares at IPO | 82,869 | - | 82,869 | - |
| Capital Contribution by Non-Controlling Interests | - | *- | 2,400 | *- |
| (Repayment to)/Advances From Directors | (37,575) | 3,267 | (1,614) | 7,906 |
| (Repayment to)/Advances From Shareholders | (1,919) | 3,718 | 2,641 | 4,536 |
| Advances From Pre-IPO Investors | - | - | 27,000 | - |
| Increase in Bank Loans | 170,132 | 20,125 | 240,814 | 38,525 |
| Repayment of Bank Loans | (14,170) | - | (14,170) | - |
| Net Cash Flows From Financing Activities | 199,337 | 27,110 | 339,940 | 50,967 |
| Net Increase / (Decrease) in Cash and Cash Equivalents | 77,181 | (1,544) | 55,622 | (296) |
| Cash and Cash Equivalents at Beginning of Period | 17,218 | 1,700 | 12,865 | 452 |
| Cash and Cash Equivalents at End of Period | 94,399 | 156 | 68,487 | 156 |

Notes:

(1) The consolidated financial statements of the Group have been prepared using the "pooling of interests" method.

(2) Oxley Connections Pte. Ltd., an associated company in the Group as at 30 June 2010, increased its share capital on 26 July 2010 by issuing 4,998,998 new ordinary shares of which 2,599,500 new ordinary shares were subscribed by the Company. This resulted in Oxley Connections Pte. Ltd. becoming a subsidiary of the Company on that day. The fair values of the identifiable assets and liabilities of this subsidiary are determined provisionally. The purchase consideration was financed by the directors, substantial shareholders and non-controlling shareholders.

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 | ATTRIBUTABLE TO OWNERS OF THE PARENT | | | NON-CONTROLLING INTERESTS S\$'000 | TOTAL EQUITY S\$'000 |
|---|--------------------------------------|---|------------------|--------------------------------------|-------------------------|
| | Share Capital S\$'000 | Retained Earnings/ (Accumulated Losses) S\$'000 | Total S\$'000 | | |
| Current Period: | | | | | |
| Opening Balance at 1 July 2010 | 8,576 | (308) | 8,268 | 1,475 | 9,743 |
| Capital Contribution by Non-Controlling Interests | - | - | - | 2,400 | 2,400 |
| Total Comprehensive Income for the Period | - | 1,145 | 1,145 | 687 | 1,832 |
| Balance at 30 September 2010 | 8,576 | 837 | 9,413 | 4,562 | 13,975 |
| Issue of Shares to Pre-IPO Investors | 27,000 | - | 27,000 | - | 27,000 |
| Issuance of Shares at IPO | 85,120 | - | 85,120 | - | 85,120 |
| Share Issue Expenses | (2,251) | - | (2,251) | - | (2,251) |
| Total Comprehensive Income for the Period | - | 458 | 458 | 276 | 734 |
| Balance at 31 December 2010 | | 1,295 | 119,740 | 4,838 | 124,578 |
| Previous Period: | | | | | |
| Balance at 1 July 2009 | - | 195 | 195 | - | 195 |
| Total Comprehensive Income for the Period | - | 100 | 100 | *- | 100 |
| Balance at 30 September 2009 | - | 295 | 295 | *- | 295 |
| Total Comprehensive Income for the Period | - | 1,449 | 1,449 | *- | 1,449 |
| Balance at 31 December 2009 | - | 1,744 | 1,744 | *- | 1,744 |

| COMPANY | Share Capital S\$'000 | Accumulated Losses S\$'000 | TOTAL EQUITY S\$'000 |
|--|--------------------------|-------------------------------|-------------------------|
| Current Period: | | | |
| Opening Balance at 1 July 2010 | 1,000 | (306) | 694 |
| Total Comprehensive Loss for the Period | - | (850) | (850) |
| Balance at 30 September 2010 | 1,000 | (1,156) | (156) |
| Issue of Shares Pursuant to the Restructuring Exercise | 7,576 | - | 7,576 |
| Issuance of Shares to Pre-IPO Investors | 27,000 | - | 27,000 |
| Issuance of Shares at IPO | 85,120 | - | 85,120 |
| Share Issue Expenses | (2,251) | - | (2,251) |
| Total Comprehensive Loss for the Period | - | (596) | (596) |
| Balance at 31 December 2010 | 118,445 | (1,752) | 116,693 |
| Previous Period: | | | |
| Balance at 1 July 2009 | - | - | - |
| Total Comprehensive Income for the Period | - | - | - |
| Balance at 30 September 2009 | - | - | - |
| Total Comprehensive Income for the Period | - | - | - |
| Balance at 31 December 2009 | - | - | - |

* Amount less than S\$1,000.

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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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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

| | Company | |
|--|---------------|-------------|
| | Shares | S\$ |
| Issued and paid up shares as at date of incorporation | 3 | 3 |
| Issue of shares on 5 April 2010 | 999,997 | 999,997 |
| Number of shares as at 30 September 2010 | 1,000,000 | 1,000,000 |
| Issue of shares on 7 October 2010 pursuant to the restructuring exercise | 8,000,000 | 7,575,590 |
| Issue of shares to Pre-IPO investors on 8 October 2010 | 1,000,000 | 27,000,000 |
| | 10,000,000 | 35,575,590 |
| Sub-division | 1,265,000,000 | 35,575,590 |
| Issuance of shares on 28 October 2010 pursuant to IPO, net of share issue expenses | 224,000,000 | 82,869,450 |
| Closing balance | 1,489,000,000 | 118,445,040 |
| | | |

Note:

The company was incorporated on 16 March 2010 in Singapore in accordance with The Companies Act (Chapter 50) of Singapore as a private limited company with an issued and paid up capital of S\$3 comprising three shares. On 5 April 2010, the issued and paid-up capital of the our company was increased to S\$1,000,000 comprising 1,000,000 shares.

Pursuant to a share swap agreement dated 24 September 2010, the Company acquired its interests in certain subsidiaries from their shareholders. The consideration was based on the audited NTA (excluding non-controlling interests) of the subsidiaries as at 30 June 2010 of S\$7,575,590. The acquisition was completed on 7 October 2010. The consideration was satisfied by the issue of 8,000,000 shares of the Company, credited as fully paid to the shareholders.

Pursuant to an investment agreement dated 25 August 2010, the Pre-IPO investors collectively subscribed for 1,000,000 shares in our Company, constituting 10.0% of the pre-Invitation share capital of our Company, for an aggregate consideration of S\$27.0 million. The shares were issued to the Pre-IPO investors on 8 October 2010. On 12 October 2010, our shareholders approved the sub-division of 10,000,000 shares in the issued and paid-up share capital of our Company into 1,265,000,000 shares.

In connection with the listing of the Company on the Catalist, 224,000,000 new shares were issued at S\$0.38 per share on 28 October 2010. The share capital is net of share issue expenses payable by the Company in connection with the Invitation, such treatment being in accordance with applicable accounting standards.

There were no outstanding convertibles or treasury shares held by the Company as at 31 December 2010.

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 immediately preceding year

| 31 December 2010 | 30 June 2010 |
|------------------|--------------|
| 1,489,000,000 | 1,000,000 |

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

Not Applicable

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.

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

Other than the adoption of the new and revised Financial Reporting Standards which come into effect for the current financial year, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements as at 30 June 2010.

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 transfer to the new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the financial year ending 30 June 2011.

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 for the period based on total comprehensive income attributable to owners of the parent:-

| | Group | | | |
|---|----------------------|---------------|-----------------|---------------|
| | Second Quarter Ended | | Half Year Ended | |
| | 31-Dec-10 | 31-Dec-09 | 31-Dec-10 | 31-Dec-09 |
| Earnings per ordinary share | | | | |
| (a) Based on the weighted average number of ordinary shares in issue; and | 0.03 cents | 0.11 cents | 0.11 cents | 0.12 cents |
| Number of ordinary shares in issue | 1,489,000,000 | 1,265,000,000 | 1,489,000,000 | 1,265,000,000 |
| (b) On a fully diluted basis | | | | |
| Number of ordinary shares in issue | 1,489,000,000 | 1,265,000,000 | 1,489,000,000 | 1,265,000,000 |

Notes:

- (1) The consolidated financial statements of the Group have been prepared using the "pooling of interests" method.
- (2) The number of ordinary shares used in the calculation of earnings per ordinary share of the Group for the second quarter and half year ended 31 December 2009 has been restropectively adjusted to reflect the sub-divison of shares on 12 October 2010.

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7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

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

| | Group | | Company | |
|--|---------------|---------------|---------------|---------------|
| | 31-Dec-10 | 30-Jun-10 | 31-Dec-10 | 30-Jun-10 |
| Net asset value per ordinary share based on issued capital | 8.04 cents | 0.65 cents | 7.84 cents | 0.05 cents |
| Number of shares in issue | 1,489,000,000 | 1,265,000,000 | 1,489,000,000 | 1,265,000,000 |

Notes:

- (1) The consolidated financial statements of the Group have been prepared using the "pooling of interests" method.
- (2) The number of ordinary shares used in the calculation of net asset value per ordinary share of the Group has been retrospectively adjusted to reflect the sub-division of shares on 12 October 2010.

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.

Material factors that affected turnover, costs and earnings

Profit or Loss Review

Revenue

2Q2011 vs 2Q2010

The revenue of S\$5.96 million for 2Q2011 was due to the recognition of revenue from the sale of our property development projects, namely Parc Somme, Loft @ Rangoon and Suites @ Katong, using the percentage of completion method.

HY2011 vs HY2010

The revenue of S\$15.89 million for HY2011 was due to the recognition of revenue from the sale of our property development projects, namely Parc Somme, Loft @ Rangoon and Suites @ Katong, using the percentage of completion method.

Cost of Sales

2Q2011 vs 2Q2010

The cost of sales of S\$4.08 million for 2Q2011 was due to the recognition of property development costs for our development projects, namely Parc Somme, Loft @ Rangoon and Suites @ Katong, using the percentage of completion method.

HY2011 vs HY2010

The cost of sales of S\$10.94 million for HY2011 was due to the recognition property development costs for our development projects, namely Parc Somme, Loft @ Rangoon and Suites @ Katong, using the percentage of completion method.

Other Items of Income

2Q2011 vs 2Q2010

Other income decreased by S\$1.28 million was mainly due to the one-time gain from disposal of a property of S\$1.25 million in 2Q2010 and a decrease in rental income of S\$0.14 million in 2Q2011.

HY2011 vs HY2010

Other income decreased by S\$1.27 million was mainly due to the one-time gain from disposal of a property of S\$1.25 million in 2Q2010 and a decrease in rental income of S\$0.17 million in 2Q2011.

Items of Expenses

2Q2011 vs 2Q2010

Administrative expenses increased by S\$1.02 million was mainly due to the higher expenses of S\$0.31 million associated with the initial public offering (in October 2010), GST expenses of S\$0.34 million and employee benefits expenses of S\$0.15 million. Finance cost of S\$0.05 million was incurred in 2Q2011 in relation to working capital loans.

HY2011 vs HY2010

Administrative expenses increased by S\$1.84 million was mainly due to the higher expenses of S\$0.67 million associated with the initial public offering (in October 2010), GST expenses of S\$0.34 million, employee benefits expenses of S\$0.30 million and donation of S\$0.19 million. Finance cost of S\$0.05 million was incurred in 2Q2011 in relation to working capital loans.

Profit before tax

2Q2011 vs 2Q2010

The profit before tax decreased by S\$0.46 million from S\$1.45 million in 2Q2010 to S\$0.99 million in 2Q2011, mainly due to the one-time gain from disposal of a property in 2Q2010 of S\$1.25 million, offset by the recognition of profit from the sale of our property development projects, namely Parc Somme, Loft @ Rangoon and Suites @ Katong, and higher administrative expenses incurred in 2Q2011.

HY2011 vs HY2010

The profit before tax increased by S\$1.80 million from S\$1.55 million in HY2010 to S\$3.34 million in HY2011, mainly due to the recognition of profit from the sale of our property development projects, namely Parc Somme, Loft @ Rangoon and Suites @ Katong, offset by the one-time gain from disposal of a property in 2Q2010 of S\$1.25 million and higher administrative expenses incurred in HY2011.

Material factors that affected cash flow, working capital, assets or liabilities

Statement of Financial Position Review

31 Dec 2010 vs 30 Jun 2010

Current assets

Current assets increased by S\$383.52 million was mainly due to the increase in development properties of S\$318.59 million, other assets of S\$18.84 million and cash and cash equivalent of S\$55.62 million, offset by the decrease in trade and other receivables of S\$9.54 million.

Non-current liabilities

Non-current liabilities increased by S\$269.05 million was mainly due to increase in bank loans of S\$268.27 million and deferred tax liabilities of S\$0.78 million.

Current liabilities

Current liabilities decreased by S\$0.34 million due to decrease in trade and other payables of \$0.34 million.

Cash Flow Review

2Q2011

The net cash used in operating activities of S\$148.05 million was mainly due to the increase in development properties of S\$147.70 million and increase in trade and other receivables of S\$25.91 million and decrease in trade and other payables of S\$10.62 million, partially offset by the decrease in other assets of S\$35.19 million. Net cash flows used in investment activities of S\$0.02 million was due to the acquisition of plant and equipment. Net cash flows from financing activities of S\$199.34 million was due mainly to the issuance of shares at IPO of S\$82.87 million and increase in bank loans of S\$170.13 million, partly offset by repayment of advances from directors of S\$37.58 million, repayment of advances from shareholders of S\$1.92 million and repayment of bank loans of S\$14.17 million.

HY2011

The net cash used in operating activities of S\$272.36 million was mainly due to the increase in development properties of S\$246.99 million, increase in trade and other receivables of S\$9.05 million and increase in other assets of S\$18.84 million and decrease in trade and other payables of S\$0.85 million. Net cash flows used in investment activities of S\$11.96 million was due mainly to the acquisition of a subsidiary of S\$11.92 million and purchase of plant and equipment of S\$0.05 million. Net cash flows from financing activities of S\$339.94 million was due mainly to the issuance of ordinary shares at IPO of S\$82.87 million, capital contribution by non-controlling interest of S\$2.40 million, advances from shareholders of S\$2.64 million, advances from Pre-IPO investors of S\$27.00 million and bank loans of S\$240.81 million, partly offset by repayment of advances from directors and repayment of bank loans of S\$1.61 million and S\$14.17 million respectively.

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

No forecast or prospect statement has been previously disclosed to 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

The factors that may significantly affect the Group in the next 12 months are as follows:

1. The impact of the recent cooling measures taken by the Singapore government in January 2011 on the property market.
2. The growth of the Singapore economy.
3. The state of the global economy.

To-date the Group has launched seven projects namely, Suites @ Katong (100% sold), Parc Somme (100% sold), Loft @ Rangoon (100% sold), Viva Vista (100% sold), RV Point (96% sold), Loft @ Holland (100% sold) and Vibes @ Kovan (63% sold).

Barring any unforeseen circumstances and subject to factors above, the Group is cautiously optimistic on the business outlook for the next 12 months.

11 Dividend

(a) Current Financial Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the immediately Preceding Financial Year

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

None.

(c) Date Payable

Not Applicable

(d) Books closure date

Not Applicable

12 If no dividend has been declared/recommended, a statement to that effect

No interim dividend has been declared or recommended.

13 Interested Person Transactions

| Name of interest persons | Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) | |
|--|---|-------------------|---|-------------------|
| | 2Q2011 S\$'000 | HY2011 S\$'000 | 2Q2011 S\$'000 | HY2011 S\$'000 |
| Construction contract claim from a related party "Oxley Construction Pte. Ltd." for property development projects. | - | - | 1,489 | 3,811 |

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 results for the second quarter ended 31 December 2010 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ching Chiat Kwong
Executive Chairman and CEO

Low See Ching
Non Executive Director

BY ORDER OF THE BOARD

Ching Chiat Kwong
Executive Chairman and CEO
Date: 28 January 2011