



## **OXLEY HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No. 201005612G)

(The "Company")

Unaudited Second Quarter and Half Year Financial Statements  
and Dividend Announcement For the Financial Period Ended  
31 December 2013

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-13 S\$'000	31-Dec-12 S\$'000		31-Dec-13 S\$'000	31-Dec-12 S\$'000	
<b>Revenue</b>	202,215	59,765	238%	888,170	109,800	709%
Cost of Sales	(152,253)	(43,670)	249%	(510,105)	(82,291)	520%
<b>Gross Profit</b>	49,962	16,095	210%	378,065	27,509	1274%
<b>Other Items of Income</b>						
Other Income	1,277	2,400	-47%	2,886	3,847	-25%
Interest Income	315	21	1400%	525	34	1444%
Other Credits	17,510	170	10200%	16,802	220	7537%
<b>Other Items of Expense</b>						
Marketing and Distribution Costs	(1,346)	(116)	1060%	(2,246)	(275)	717%
Administrative Expenses	(4,808)	(1,816)	165%	(21,621)	(2,953)	632%
Finance Costs	(7,465)	(1,639)	355%	(11,602)	(3,098)	274%
Other Charges	(15,789)	-	N.M.	(15,789)	-	N.M.
Share of Profit From an Equity-Accounted Joint Venture	6,139	176	3388%	6,062	435	1294%
<b>Profit Before Tax from Continuing Operations</b>	<b>45,795</b>	<b>15,291</b>	<b>199%</b>	<b>353,082</b>	<b>25,719</b>	<b>1273%</b>
Income Tax Expense	(9,183)	(2,456)	274%	(65,067)	(4,426)	1370%
<b>Profit Net of Tax</b>	<b>36,612</b>	<b>12,835</b>	<b>185%</b>	<b>288,015</b>	<b>21,293</b>	<b>1253%</b>
<b>Other Comprehensive Income:</b>						
Exchange Differences on Translating Foreign Operations, Net of Tax	218	-	N.M.	361	-	N.M.
Other Comprehensive Income for the Period	218	-	N.M.	361	-	N.M.
<b>Total Comprehensive Income</b>	<b>36,830</b>	<b>12,835</b>	<b>187%</b>	<b>288,376</b>	<b>21,293</b>	<b>1254%</b>
Profit Net of Tax Attributable to:						
-Owners of the Parent	25,092	11,379	121%	275,875	17,999	1433%
-Non-Controlling Interests	11,520	1,456	691%	12,140	3,294	269%
<b>Profit Net of Tax</b>	<b>36,612</b>	<b>12,835</b>	<b>185%</b>	<b>288,015</b>	<b>21,293</b>	<b>1253%</b>
Total Comprehensive Income Attributable to:						
-Owners of the Parent	25,314	11,379	122%	276,238	17,999	1435%
-Non-Controlling Interests	11,516	1,456	691%	12,138	3,294	268%
<b>Total Comprehensive Income</b>	<b>36,830</b>	<b>12,835</b>	<b>187%</b>	<b>288,376</b>	<b>21,293</b>	<b>1254%</b>

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

	Group Second Quarter Ended		% Change Increase/ (Decrease)	Group Half Year Ended		% Change Increase/ (Decrease)
	31-Dec-13 S\$'000	31-Dec-12 S\$'000		31-Dec-13 S\$'000	31-Dec-12 S\$'000	
Rental Income	1,278	2,378	-46%	2,594	3,803	-32%
Interest Expenses (including interest expense accounted for in cost of sales)	(9,669)	(2,578)	275%	(15,934)	(4,790)	233%
Depreciation of Plant and Equipment	(15)	(14)	7%	(38)	(27)	41%
Foreign Exchange Adjustment Gains	17,400	-	N.M.	16,125	-	N.M.
Fair Value Losses on Financial Instruments	(15,789)	-	N.M.	(15,789)	-	N.M.

Note:

(1) N.M. = Not Meaningful

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-13 S\$'000	30-Jun-13 S\$'000	31-Dec-13 S\$'000	30-Jun-13 S\$'000
<b>ASSETS</b>				
<b>Non-Current Assets:</b>				
Plant and Equipment	638	68	72	68
Investment Properties	415,747	61,107	-	-
Investments in Joint Ventures	11,014	5,110	7,159	1,097
Investments in Subsidiaries	-	-	25,035	24,035
Deferred Tax Assets	2,765	4,988	-	-
<b>Total Non-Current Assets</b>	<b>430,164</b>	<b>71,273</b>	<b>32,266</b>	<b>25,200</b>
<b>Current Assets:</b>				
Development Properties	1,429,440	1,293,471	-	-
Trade and Other Receivables	774,806	750,128	965,213	430,562
Other Assets	36,010	125,069	90	90
Cash and Cash Equivalents	437,884	436,460	61,587	53,410
<b>Total Current Assets</b>	<b>2,678,140</b>	<b>2,605,128</b>	<b>1,026,890</b>	<b>484,062</b>
<b>Total Assets</b>	<b>3,108,304</b>	<b>2,676,401</b>	<b>1,059,156</b>	<b>509,262</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity Attributable to Owners of the Parent</b>				
Share Capital	163,880	163,880	163,880	163,880
Foreign Currency Translation Reserve	368	5	-	-
Retained Earnings	332,972	74,786	2,158	3,499
<b>Equity, Attributable to Owners of the Parent</b>	<b>497,220</b>	<b>238,671</b>	<b>166,038</b>	<b>167,379</b>
Non-Controlling Interests	46,680	49,836	-	-
<b>Total Equity</b>	<b>543,900</b>	<b>288,507</b>	<b>166,038</b>	<b>167,379</b>
<b>Non-Current Liabilities:</b>				
Other Financial Liabilities	1,874,221	1,173,192	607,581	146,929
Deferred Tax Liabilities	9,202	5,905	-	-
<b>Total Non-Current Liabilities</b>	<b>1,883,423</b>	<b>1,179,097</b>	<b>607,581</b>	<b>146,929</b>
<b>Current Liabilities:</b>				
Income Tax Payable	78,142	26,065	-	-
Trade and Other Payables	242,146	234,100	285,537	194,954
Other Financial Liabilities	145,369	396,764	-	-
Other Liabilities	215,324	551,868	-	-
<b>Total Current Liabilities</b>	<b>680,981</b>	<b>1,208,797</b>	<b>285,537</b>	<b>194,954</b>
<b>Total Equity and Liabilities</b>	<b>3,108,304</b>	<b>2,676,401</b>	<b>1,059,156</b>	<b>509,262</b>

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 2013		As At 30 June 2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
145,369	-	396,764	-

Amount repayable after one year

As At 31 December 2013		As At 30 June 2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,266,640	591,792	1,026,263	146,929

Details of collaterals

**The above bank borrowings are secured by:**

- First legal mortgage on the relevant development properties.
- Legal assignment of all rights, title and interests in the construction contract, insurance policies and performance bonds (if any), in respect of the proposed developments.
- Joint and several guarantees from directors and a shareholder of the Company and non-controlling shareholders of the subsidiaries (which are not wholly owned by the Company).
- Corporate guarantees by the Company, fellow subsidiaries and a company owned by a director of the Company.

**Note:**

The above borrowings do not include interest bearing advances from directors and a substantial shareholder of the Company and interest bearing or non-interest bearing advances from non-controlling shareholders of the subsidiaries (which are not wholly owned by the Company) of S\$124.8 million as at 31 December 2013 and S\$124.0 million as at 30 June 2013. These advances were included in trade and other payables and they were unsecured and without fixed repayment terms. Some of the advances were subordinated to the bank borrowings.

Unsecured borrowings repayable after one year refer to the S\$600.0 million medium term notes due 2015, 2016, 2017 and 2018, net of issuing expenses as at 31 December 2013 and S\$150.0 million medium term notes due 2017, net of issuing expenses as at 30 June 2013.

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		Group	
	Second Quarter Ended		Half Year Ended	
	31-Dec-13 S\$'000	31-Dec-12 S\$'000	31-Dec-13 S\$'000	31-Dec-12 S\$'000
<b><u>Cash Flows From Operating Activities:</u></b>				
Profit Before Income Tax	45,795	15,291	353,082	25,719
Adjustment for:				
Depreciation of Plant and Equipment	15	14	38	27
Interest Income	(315)	(47)	(525)	(34)
Interest Expense	7,465	1,639	11,602	3,098
Fair Value Losses on Financial Instruments	15,789	-	15,789	-
Share of Profit from an Equity-Accounted Joint Venture	(6,139)	(176)	(6,062)	(435)
Net Effect of Exchange Rate Changes	377	-	520	-
Operating Cash Flows Before Changes in Working Capital	62,987	16,721	374,444	28,375
Development Properties	(407,627)	(266,203)	(121,126)	(278,538)
Trade and Other Receivables	113,216	(16,566)	(33,591)	(24,074)
Other Assets	(4,034)	(6,689)	89,059	(17,682)
Trade and Other Payables	4,050	7,531	7,233	(1,722)
Other Liabilities	(27,111)	107,912	(336,544)	167,004
Net Cash Flows Used in Operations	(258,519)	(157,294)	(20,525)	(126,637)
Income Taxes Paid	(7,478)	(235)	(7,470)	(445)
<b>Net Cash Flows Used in Operating Activities</b>	<b>(265,997)</b>	<b>(157,529)</b>	<b>(27,995)</b>	<b>(127,082)</b>
<b><u>Cash Flows From Investing Activities:</u></b>				
Purchase of Plant and Equipment	(582)	-	(608)	(9)
Acquisition of Investment Properties	(12,131)	(56,710)	(354,640)	(56,710)
Interest Income	315	47	525	34
<b>Net Cash Flows Used in Investing Activities</b>	<b>(12,398)</b>	<b>(56,663)</b>	<b>(354,723)</b>	<b>(56,685)</b>
<b><u>Cash Flows From Financing Activities:</u></b>				
Rights Issue, Net of Expenses	-	45,435	-	45,435
Capital Contribution by Non-Controlling Interests	-	490	6	490
Dividends Paid to Non-Controlling Interests	-	-	(15,300)	-
Dividends Paid to Equity Owners	(17,689)	(6,998)	(17,689)	(6,998)
(Repayment to) Advances from Non-Controlling Interests	(8,450)	19,447	9,726	21,432
Repayment to Shareholder	-	(6,947)	-	(5,324)
Repayment to Directors	-	(30,455)	-	(30,455)
Increase in Borrowings	194,865	240,411	720,293	253,884
Repayment of Borrowings	(72,750)	(45,525)	(286,449)	(132,474)
Interest Paid	(17,402)	(9,965)	(26,445)	(13,302)
<b>Net Cash Flows From Financing Activities</b>	<b>78,574</b>	<b>205,893</b>	<b>384,142</b>	<b>132,688</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(199,821)</b>	<b>(8,299)</b>	<b>1,424</b>	<b>(51,079)</b>
Cash and Cash Equivalents at Beginning of Period	637,705	162,355	436,460	205,135
<b>Cash and Cash Equivalents at End of Period</b>	<b>437,884</b>	<b>154,056</b>	<b>437,884</b>	<b>154,056</b>

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 S\$'000	Foreign Currency Translation Reserve S\$'000	Total S\$'000		
<b>Current Period:</b>						
Balance as at 1 July 2013	163,880	74,786	5	238,671	49,836	288,507
Capital Contribution by Non-Controlling Interests	-	-	-	-	6	6
Dividends Paid	-	-	-	-	(15,300)	(15,300)
Total Comprehensive Income for the Period	-	250,783	141	250,924	622	251,546
<b>Balance as at 30 September 2013</b>	<b>163,880</b>	<b>325,569</b>	<b>146</b>	<b>489,595</b>	<b>35,164</b>	<b>524,759</b>
Dividends Paid	-	(17,689)	-	(17,689)	-	(17,689)
Total Comprehensive Income for the Period	-	25,092	222	25,314	11,516	36,830
<b>Balance as at 31 December 2013</b>	<b>163,880</b>	<b>332,972</b>	<b>368</b>	<b>497,220</b>	<b>46,680</b>	<b>543,900</b>
<b>Previous Period:</b>						
Balance as at 1 July 2012	118,445	21,785	-	140,230	14,277	154,507
Total Comprehensive Income for the Period	-	6,620	-	6,620	1,838	8,458
<b>Balance as at 30 September 2012</b>	<b>118,445</b>	<b>28,405</b>	<b>-</b>	<b>146,850</b>	<b>16,115</b>	<b>162,965</b>
Rights Issue, Net of Expenses	45,435	-	-	45,435	-	45,435
Capital Contribution by Non-Controlling Interests	-	-	-	-	490	490
Dividends Paid	-	(6,998)	-	(6,998)	-	(6,998)
Total Comprehensive Income for the Period	-	11,379	-	11,379	1,456	12,835
<b>Balance as at 31 December 2012</b>	<b>163,880</b>	<b>32,786</b>	<b>-</b>	<b>196,666</b>	<b>18,061</b>	<b>214,727</b>

COMPANY	Share Capital S\$'000	Retained Earnings S\$'000	TOTAL EQUITY S\$'000
<b>Current Period:</b>			
Balance as at 1 July 2013	163,880	3,499	167,379
Total Comprehensive Income for the Period	-	17,937	17,937
<b>Balance as at 30 September 2013</b>	<b>163,880</b>	<b>21,436</b>	<b>185,316</b>
Dividends Paid	-	(17,689)	(17,689)
Total Comprehensive Loss for the Period	-	(1,589)	(1,589)
<b>Balance as at 31 December 2013</b>	<b>163,880</b>	<b>2,158</b>	<b>166,038</b>
<b>Previous Period:</b>			
Balance as at 1 July 2012	118,445	5,507	123,952
Total Comprehensive Income for the Period	-	4,003	4,003
<b>Balance as at 30 September 2012</b>	<b>118,445</b>	<b>9,510</b>	<b>127,955</b>
Rights Issue, Net of Expenses	45,435	-	45,435
Dividends Paid	-	(6,998)	(6,998)
Total Comprehensive Income for the Period	-	5,618	5,618
<b>Balance as at 31 December 2012</b>	<b>163,880</b>	<b>8,130</b>	<b>172,010</b>

**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**

There had been no changes in the Company's share capital since 30 September 2013.

There were no outstanding convertibles or treasury shares held by the Company as at 31 December 2013 and 31 December 2012.

**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 December 2013	As At 30 June 2013
No. of issued shares excluding treasury shares	2,948,219,971	2,948,219,971

**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 ("FRS") which come into effect for the financial year ending 30 June 2014, 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 for the financial year ended 30 June 2013.

**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 of the Group for the financial year ending 30 June 2014.



**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 is computed based on profit, net of tax and total comprehensive income attributable to owners of the parent:-

	<b>Group</b>			
	<b>Second Quarter Ended</b>		<b>Half Year Ended</b>	
	31-Dec-13	31-Dec-12	31-Dec-13	31-Dec-12
Earnings per ordinary share				
(a) Based on the weighted average number of ordinary shares in issue	0.85 cents	0.42 cents	9.36 cents	0.67 cents
Weighted average number of ordinary shares in issue	2,948,219,971	2,738,467,521	2,948,219,971	2,702,177,614
(b) On a fully diluted basis				
Weighted average number of ordinary shares in issue	0.85 cents	0.42 cents	9.36 cents	0.67 cents
	2,948,219,971	2,738,467,521	2,948,219,971	2,702,177,614

**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-13	30-Jun-13	31-Dec-13	30-Jun-13
Net asset value per ordinary share based on total number of issued shares	16.87 cents	8.10 cents	5.63 cents	5.68 cents
Number of shares in issue	2,948,219,971	2,948,219,971	2,948,219,971	2,948,219,971

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**

###### 2Q2014 vs 2Q2013

The revenue of S\$202.22 million for 2Q2014 was mainly driven by revenue recognition, based on completion of construction method, from the Group's 131-unit commercial and industrial development, The Commerze@Irving. Revenue was also recognised, using the percentage of completion method, from progress made in the construction of 12 mixed-residential projects namely, Viva Vista, RV Point, Loft@Holland, Vibes@Kovan, Devonshire Residences, Suites@Braddell, Vibes@East Coast, The Promenade@Pelikat, Vibes@Upper Serangoon, Presto@Upper Serangoon, Oxley Edge and NEWest.

###### HY2014 vs HY2013

The revenue of S\$888.17 million for HY2014 was mainly driven by revenue recognition, based on completion of construction method, from the Group's 728-unit industrial development, Oxley Bizhub and 131-unit commercial and industrial development, The Commerze@Irving. Revenue was also recognised, using the percentage of completion method, from progress made in the construction of 12 mixed-residential projects namely, Viva Vista, RV Point, Loft@Holland, Vibes@Kovan, Devonshire Residences, Suites@Braddell, Vibes@East Coast, The Promenade@Pelikat, Vibes@Upper Serangoon, Presto@Upper Serangoon, Oxley Edge and NEWest.

##### **Cost of Sales**

###### 2Q2014 vs 2Q2013

The cost of sales of S\$152.25 million for 2Q2014 was mainly due to cost recognition, based on the completion of construction method, from the Group's 131-unit commercial and industrial development, The Commerze@Irving. Cost of sales was also recognised, using the percentage of completion method, from progress made in the construction of 12 mixed-residential projects namely, Viva Vista, RV Point, Loft@Holland, Vibes@Kovan, Devonshire Residences, Suites@Braddell, Vibes@East Coast, The Promenade@Pelikat, Vibes@Upper Serangoon, Presto@Upper Serangoon, Oxley Edge and NEWest.

###### HY2014 vs HY2013

The cost of sales of S\$510.11 million for HY2014 was mainly due to cost recognition, based on the completion of construction method, from the Group's 728-unit industrial development, Oxley Bizhub and 131-unit commercial and industrial development, The Commerze@Irving. Cost of sales was also recognised, using the percentage of completion method, from progress made in the construction of 12 mixed-residential projects namely, Viva Vista, RV Point, Loft@Holland, Vibes@Kovan, Devonshire Residences, Suites@Braddell, Vibes@East Coast, The Promenade@Pelikat, Vibes@Upper Serangoon, Presto@Upper Serangoon, Oxley Edge and NEWest.

##### **Other Items of Income**

###### 2Q2014 vs 2Q2013

Other income decreased by S\$1.12 million mainly due to the decrease in rental income of S\$1.10 million. The increase in interest income of S\$0.29 million was mainly attributed to the increase in late payment interest and fixed deposit interest income. Other credits increased by S\$17.34 million mainly due to increase in foreign exchange adjustment gains of S\$17.40 million (mainly arising from loans in overseas subsidiaries denominated in non-functional currency), partly offset by decrease in customer deposit forfeited of S\$0.06 million.

###### HY2014 vs HY2013

Other income decreased by S\$0.96 million mainly due to the decrease in rental income of S\$1.21 million. The increase in interest income of S\$0.49 million was mainly attributed to the increase in late payment interest and fixed deposit interest income. Other credits increased by S\$16.58 million mainly due to increase in foreign exchange adjustment gains of S\$16.12 million (mainly arising from loans in overseas subsidiaries denominated in non-functional currency) and customer deposit forfeited of S\$0.46 million.

##### **Other Items of Expense**

###### 2Q2014 vs 2Q2013

Marketing and distribution expenses increased by S\$1.23 million mainly due to the increase in showflat expenses of S\$1.13 million and increase in advertisement expenses of S\$0.10 million. Administrative expenses increased by S\$2.99 million mainly due to the increase in accruals of Chief Executive Officer's ("CEO") incentive bonus of S\$0.82 million, increase in professional fees of S\$0.87 million and increase in donation of S\$0.98 million. Finance costs increased by S\$5.83 million mainly due to increase in interest on medium term notes of S\$5.15 million and increase in amortisation of medium term notes issue expenses of S\$0.66 million. Other charges increased by S\$15.79 million mainly due to increase in fair value losses on financial instruments (arising from mark-to-market position of the currency swaps at the end of the quarter).

###### HY2014 vs HY2013

Marketing and distribution expenses decreased by S\$1.97 million mainly due to the increase in showflat expenses of S\$1.76 million and increase in advertisement expenses of S\$0.18 million. Administrative expenses increased by S\$18.67 million, mainly due to the increase in accruals of CEO's incentive bonus of \$16.37 million, increase in professional fees of S\$0.85 million and increase in donation of S\$0.96 million. Finance costs increased by S\$8.50 million mainly due to increase in interest on bank loans and medium term notes of S\$7.55 million and increase in amortisation of medium term notes issue expenses of S\$0.95 million. Other charges increased by S\$15.79 million mainly due to increase in fair value losses on financial instruments (arising from mark-to-market position of the currency swaps at the end of the quarter).

**Profit before tax**

2Q2014 vs 2Q2013

The profit before income tax increased to S\$45.80 million for 2Q2014 from S\$15.29 million for 2Q2013, was mainly achieved by profits recognition, based on the completion of construction method, from the Group's 131-unit commercial and industrial development, The Commerze@Irving. Profit was also recognised using the percentage of completion method, from progress made in the construction of 12 mixed-residential projects namely, Viva Vista, RV Point, Loft@Holland, Vibes@Kovan, Devonshire Residences, Suites@Braddell, Vibes@East Coast, The Promenade@Pelikat, Vibes@Upper Serangoon, Presto@Upper Serangoon, Oxley Edge and NEWest. The increase was also due to the increase in other items of income of S\$16.51 million and increase in share of profit from an equity-accounted joint venture of S\$5.96 million, partly offset by increase in other items of expense of S\$25.84 million.

HY2014 vs HY2013

The profit before income tax increased to S\$353.08 million for HY2014 from S\$25.72 million for HY2013, was mainly achieved by profits recognition, based on the completion of construction method, from the Group's 728-unit industrial development, Oxley Bizhub and 131-unit commercial and industrial development, The Commerze@Irving. Profit was also recognised using the percentage of completion method, from progress made in the construction of 12 mixed-residential projects namely, Viva Vista, RV Point, Loft@Holland, Vibes@Kovan, Devonshire Residences, Suites@Braddell, Vibes@East Coast, The Promenade@Pelikat, Vibes@Upper Serangoon, Presto@Upper Serangoon, Oxley Edge and NEWest.

**Statement of Financial Position Review**

**31 December 2013 vs 30 June 2013**

**Non-Current Assets**

Non-current assets increased by S\$358.89 million mainly due to increase in investment properties of S\$354.64 million and the share of profit from an equity-accounted joint venture of S\$6.06 million, partly offset by the decrease in deferred tax assets of S\$2.22 million. The investment properties comprised long-term investment in industrial property at Tampines Industrial Crescent and commercial property at Stevens Road.

**Current Assets**

Current assets increased by S\$73.01 million mainly due to the increase in development properties of S\$135.97 million, trade and other receivables of S\$24.68 million and cash and cash equivalents of S\$1.42 million, partly offset by the decrease in other assets of S\$89.06 million.

**Non-Current Liabilities**

Non-current liabilities increased by S\$704.33 million due to the increase in bank loans, medium term notes and derivative swaps of S\$701.03 million and deferred tax liabilities of S\$3.30 million.

**Current Liabilities**

Current liabilities decreased by S\$527.82 million due to the decrease in bank loans of S\$251.40 million and other liabilities of S\$336.55 million, partly offset by the increase in trade and other payables of S\$8.05 million and income tax payable of S\$52.08 million.

**Cash Flow Review**

2Q2014

The net cash flows used in operating activities for 2Q2014 was S\$266.00 million and this was mainly due to increase in development properties of S\$407.63 million, decrease in other liabilities of S\$27.11 million, increase in other assets of S\$4.03 million and tax paid of S\$7.48 million, partly offset by decrease in trade and other receivables of S\$113.22 million, increase in trade and other payables of S\$4.05 million, and profit before income tax of S\$45.80 million. Net cash flows used in investing activities was mainly due to an increase in investment property of S\$12.13 million and acquisition of plant and equipment of S\$0.58 million, and partly offset by interest income of S\$0.32 million. Net cash flows from financing activities of S\$78.57 million was mainly due to the increase in bank loans and medium term notes of S\$194.87 million, partly offset by the repayment of bank loans of S\$72.75 million, repayment to non-controlling interests of S\$8.45 million, dividends paid to equity owners of S\$17.69 million and interest paid of S\$17.40 million.

HY2014

The net cash flows used in operating activities for HY2014 was S\$28.00 million and this was mainly due to increase in development properties of S\$121.13 million, trade and other receivables of S\$33.59 million, tax paid of S\$7.47 million, and decrease in other liabilities of S\$336.54 million, partly offset by decrease in other assets of S\$89.06 million, increase in trade and other payables of S\$7.23 million and profit before income tax of S\$353.08 million. Net cash flows used in investing activities was mainly due to an increase in investment property of S\$354.64 million and acquisition of plant and equipment of S\$0.61 million, and partly offset by interest income of S\$0.53 million. Net cash flows from financing activities of S\$384.14 million was mainly due to the increase in bank loans and medium term notes of S\$720.29 million and advances from non-controlling interests of S\$9.73 million, partly offset by the repayment of bank loans of S\$286.45 million, dividends paid to equity owners of S\$17.69 million, dividends paid to non-controlling interests of S\$15.30 million and interest paid of S\$26.45 million.

**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:

- i. The cumulative impact of the various cooling measures introduced by the Singapore government, including the introduction of total debt servicing ratio by MAS, in June 2013.
- ii. The state of the Singapore economy.
- iii. The rate of recovery of the global economy, especially in China, Europe and USA.
- iv. The economic and political climate of the countries of our overseas property projects.

To-date, the Group has launched 27 projects as set out below. The percentage (%) sold is computed based on the number of units sold as of 7 February 2014.

No	Project Name	Type of Development	Unit sold (%)
1	Loft@Holland	Residential	100%
2	Loft@Stevens	Residential	100%
3	Suites@Braddell	Residential	100%
4	Presto@Upper Serangoon	Residential	100%
5	Vibes@Upper Serangoon	Residential	100%
6	Devonshire Residences	Residential	100%
7	Suites@Katong	Residential and Commercial	100%
8	Parc Somme	Residential and Commercial	100%
9	Loft@Rangoon	Residential and Commercial	100%
10	Viva Vista	Residential and Commercial	100%
11	RV Point	Residential and Commercial	100%
12	Vibes@Kovan	Residential and Commercial	100%
13	Vibes@East Coast	Residential and Commercial	100%
14	The Promenade@Pelikat	Residential and Commercial	100%
15	Arcsphere	Industrial	100%
16	Oxley Bizhub	Industrial	99%
17	Oxley Bizhub 2	Industrial	99%
18	The Commerze@Irving	Commercial and Industrial	100%
19	Robinson Square	Commercial	97%
20	Oxley Tower	Commercial	95%
21	Oxley Edge	Residential and Commercial	92%
22	The Midtown & Midtown Residences	Residential and Commercial	94%
23	NEWest	Residential and Commercial	82%
24	kap & kap Residences	Residential and Commercial	99%
25	The Flow	Commercial	50%
26	Floraville	Residential	50%
27	Eco-Tech@Sunview	Industrial	62%

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

**11 If a decision regarding dividend has been made:-**

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

A second interim dividend in respect of the financial year ending 30 June 2014 has been declared.

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

0.30 Singapore cent per ordinary share.

**(ii) Previous corresponding period**

0.10 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 where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

The dividend is tax exempt in the hands of shareholders.

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

To be announced at later date.

**(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.**

To be announced at later date.

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

Not applicable.

**13 Interested Person Transactions**

Name of interested 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)	
	2Q2014 S\$'000	HY2014 S\$'000	2Q2014 S\$'000	HY2014 S\$'000
"Oxley Construction Pte. Ltd." for construction of property development projects and construction of showflats	-	-	10,281	18,624

**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 second quarter and half year ended 31 December 2013 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ching Chiat Kwong  
Executive Chairman and CEO  
Date: 8th February 2014

Low See Ching  
Deputy CEO  
Date: 8th February 2014