



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 2017

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-17 S\$'000	31-Dec-16 S\$'000		31-Dec-17 S\$'000	31-Dec-16 S\$'000	
Revenue	406,094	605,733	-33%	716,716	732,192	-2%
Cost of Sales	(337,253)	(403,735)	-16%	(594,998)	(482,656)	23%
Gross Profit	68,841	201,998	-66%	121,718	249,536	-51%
Other Items of Income						
Other Income	272	325	-16%	501	668	-25%
Interest Income	744	391	90%	1,356	1,044	30%
Other Gains	3,873	191	N.M.	11,730	224	5137%
Other Items of Expense						
Marketing and Distribution Costs	(2,441)	(2,168)	13%	(4,152)	(5,715)	-27%
Administrative Expenses	(15,184)	(16,904)	-10%	(24,673)	(20,364)	21%
Finance Costs	(15,828)	(12,984)	22%	(24,694)	(22,349)	10%
Other Losses	(16,670)	(6,098)	173%	(17,923)	(19,365)	-7%
Share of Profit From Equity-Accounted Associates and Joint Ventures	60,579	(4,464)	N.M.	74,813	(3,648)	N.M.
Profit Before Income Tax	84,186	160,287	-47%	138,676	180,031	-23%
Income Tax Expense	(15,948)	(37,112)	-57%	(24,507)	(41,517)	-41%
Profit Net of Tax	68,238	123,175	-45%	114,169	138,514	-18%
Other Comprehensive Income:						
Items that will not be reclassified subsequently to profit or loss						
Gain on Revaluation of Properties, Net of Tax	1,627	257	533%	1,627	257	533%
	1,627	257	533%	1,627	257	533%
Items that may be reclassified subsequently to profit or loss						
Fair Value Loss on Available-for-Sale Investments	(6,597)	-	N.M.	(3,754)	-	N.M.
Exchange Differences on Translating Foreign Operations	5,684	3,206	77%	20,555	1,531	1243%
	(913)	3,206	-128%	16,801	1,531	997%
Other Comprehensive Income	714	3,463	-79%	18,428	1,788	931%
Total Comprehensive Income	68,952	126,638	-46%	132,597	140,302	-5%
Profit Net of Tax Attributable to:						
-Owners of the Company	68,023	123,749	-45%	116,765	130,864	-11%
-Non-Controlling Interests	215	(574)	N.M.	(2,596)	7,650	N.M.
Profit Net of Tax	68,238	123,175	-45%	114,169	138,514	-18%
Total Comprehensive Income Attributable to:						
-Owners of the Company	68,712	127,268	-46%	135,283	132,719	2%
-Non-Controlling Interests	240	(630)	N.M.	(2,686)	7,583	-135%
Total Comprehensive Income	68,952	126,638	-46%	132,597	140,302	-5%

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-17 S\$'000	31-Dec-16 S\$'000		31-Dec-17 S\$'000	31-Dec-16 S\$'000	
Rental Income	3,856	2,772	39%	6,711	5,605	20%
Interest Income	744	391	90%	1,356	1,044	30%
Interest Expenses (including interest expense accounted for in cost of sales)	(27,592)	(33,579)	-18%	(37,314)	(43,195)	-14%
Gain on Disposal of Investment Property	-	-	N.M.	500	-	N.M.
Depreciation of Plant and Equipment	(2,870)	(122)	2252%	(3,399)	(244)	1293%
Impairment on Development Properties - Reversal/(Loss)	908	(8,410)	N.M.	(462)	(8,410)	-95%
Foreign Exchange Adjustment (Losses)/Gains, Net	(3,133)	(1,978)	58%	9,232	(9,018)	-202%
Fair Value Gain/(Loss) on Investment Properties	987	-	N.M.	(3,646)	-	N.M.
Fair Value (Losses)/Gains on Financial Instruments, Net	(12,650)	4,291	N.M.	(11,482)	(1,897)	505%
Gain on Disposal of Property, Plant and Equipment	-	-	N.M.	-	6	-100%

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-17 S\$'000	30-Jun-17 S\$'000	31-Dec-17 S\$'000	30-Jun-17 S\$'000
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	944,961	910,639	3,042	2,811
Investment Properties	579,437	484,723	-	-
Investments in Subsidiaries	-	-	35,074	30,074
Investment in Associates	184,864	179,140	490	490
Investments in Joint Ventures	104,290	37,022	16,074	13,074
Deferred Tax Assets	6,071	846	5,224	-
Other Receivables	30,489	31,046	893,083	602,405
Available-For-Sale Financial Assets	268,450	2,239	257,219	-
Total Non-Current Assets	2,118,562	1,645,655	1,210,206	648,854
Current Assets				
Inventories*	1,193	-	-	-
Development Properties	1,791,800	2,012,651	-	-
Trade and Other Receivables	470,303	481,166	853,994	1,163,138
Other Assets	88,868	50,269	23	300
Asset Classified as Held for Sale	4,606	4,606	-	-
Cash and Cash Equivalents	272,186	413,545	35,090	37,181
Total Current Assets	2,628,956	2,962,237	889,107	1,200,619
Total Assets	4,747,518	4,607,892	2,099,313	1,849,473
EQUITY AND LIABILITIES				
Equity				
Share Capital	163,880	163,880	163,880	163,880
Treasury Shares	-	(9,517)	-	(9,517)
Retained Earnings	786,474	690,347	224,801	264,059
Foreign Currency Translation Reserve	(6,572)	(27,217)	-	-
Other Reserves	228,818	227,316	(125)	-
Equity Attributable to Owners of the Company	1,172,600	1,044,809	388,556	418,422
Non-Controlling Interests	41,528	44,072	-	-
Total Equity	1,214,128	1,088,881	388,556	418,422
Non-Current Liabilities				
Deferred Tax Liabilities	87,719	86,498	-	-
Other Financial Liabilities	2,276,354	1,849,558	345,186	344,437
Total Non-Current Liabilities	2,364,073	1,936,056	345,186	344,437
Current Liabilities				
Income Tax Payable	72,567	108,628	-	1,577
Trade and Other Payables	359,135	469,063	1,199,492	919,484
Other Financial Liabilities	269,809	609,565	166,079	165,553
Other Liabilities	467,806	395,699	-	-
Total Current Liabilities	1,169,317	1,582,955	1,365,571	1,086,614
Total Liabilities	3,533,390	3,519,011	1,710,757	1,431,051
Total Equity and Liabilities	4,747,518	4,607,892	2,099,313	1,849,473

* Inventories relating to hotel operations which commenced from Oct 2017.

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 2017		As At 30 June 2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
183,987	84,000	471,444	137,905

Amount repayable after one year

As At 31 December 2017		As At 30 June 2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,323,678	941,776	888,801	959,838

Total bank borrowings and debt securities above amounted to S\$2,533.44 million (30 June 2017: S\$2,457.99 million).

The total bank borrowings and debt securities above exclude the carrying amounts of derivatives of S\$12.72 million (30 June 2017: S\$1.13 million) classified under other financial liabilities.

Details of collaterals

The above bank borrowings are secured by:

- First legal mortgage on the relevant property, plant and equipment, investment properties and development properties.
- 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.
- Corporate guarantees by the Company.
- Corporate guarantees by non-controlling shareholders of non-wholly owned subsidiaries for bank borrowings amounting to S\$57.26 million (30 June 2017: S\$43.94 million).

Note:

The above borrowings do not include interest bearing and non-interest bearing advances from non-controlling shareholders of certain subsidiaries (which are not wholly owned by the Company) of S\$56.10 million as at 31 December 2017 (30 June 2017: \$76.62 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 and retail bonds of S\$917.16 million as at 31 December 2017 (30 June 2017: S\$852.07 million), due in financial years 2020 and 2021.

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-17 S\$'000	31-Dec-16 S\$'000	31-Dec-17 S\$'000	31-Dec-16 S\$'000
Cash Flows From Operating Activities:				
Profit Before Income Tax	84,186	160,287	138,676	180,031
Depreciation of Property, Plant and Equipment	2,870	122	3,399	244
Plant and Equipment Written-Off	20	1	200	1
Impairment (Gain)/Loss on Development Properties	(908)	8,410	462	8,410
Interest Income	(744)	(391)	(1,356)	(1,044)
Finance Costs	15,828	12,984	24,694	22,349
Fair Value Loss/(Gain) on Financial Instruments	12,650	(4,291)	11,482	1,897
Fair Value (Gain)/Loss on Investment Properties	(987)	-	3,646	-
Gain on Disposal of Property, Plant and Equipment	-	-	-	(6)
Gain on Disposal of Investment Properties	-	-	(500)	-
Share of (Profit)/Loss From Equity-Accounted Associates and Joint Ventures	(60,579)	4,464	(74,813)	3,648
Net Effect of Exchange Rate Changes	(9,840)	3,163	(5,748)	2,528
Operating Cash Flows Before Changes in Working Capital	42,496	184,749	100,142	218,058
Inventories	(1,193)	-	(1,193)	-
Development Properties	105,332	361,430	210,290	543,100
Trade and Other Receivables	73,264	(45,062)	39,450	(88,172)
Other Assets	(42,357)	(564)	(38,599)	(1,252)
Trade and Other Payables	(30,361)	47,620	(89,406)	2,910
Other Liabilities	60,445	(172,991)	72,107	(149,638)
Cash Flows From Operations	207,626	375,182	292,791	525,006
Income Taxes Paid	(30,014)	(12,638)	(52,503)	(16,512)
Net Cash Flows Generated From Operating Activities	177,612	362,544	240,288	508,494
Cash Flows From Investing Activities:				
Additions of Property, Plant and Equipment	(71)	(34,183)	(32,913)	(53,918)
Additions of Investment Properties	(36,084)	(3,824)	(66,073)	(11,164)
Increase in Available-for-Sale Financial Assets	(17,181)	-	(265,998)	-
Investments in Associates	-	(33,576)	-	(33,576)
Investments in Joint Ventures	(1,600)	-	(3,000)	-
Dividend from Associates and Joint Ventures	593	536	593	536
Proceeds from Disposal of Property, Plant and Equipment	-	-	-	25
Proceeds from Disposal of Investment Properties	-	-	5,600	3,200
Receivables, Non-current	-	472	-	153
Interest Income Received	744	391	1,356	1,044
Net Cash Flows Used in Investing Activities	(53,599)	(70,184)	(360,435)	(93,700)
Cash Flows From Financing Activities:				
Dividends Paid to Non-Controlling Interests	-	-	-	(14,700)
Purchase of Treasury Shares	-	(192)	-	(1,662)
Placement of Treasury Shares	13,146	-	13,146	-
Dividends Paid to Equity Owners	(20,638)	(7,314)	(20,638)	(7,314)
Net Movement in Balance with Non-Controlling Shareholders	(41,142)	(36,096)	(49,109)	(77,592)
Increase in Capital Contribution by Non-Controlling Shareholders	-	-	142	-
Proceeds from Borrowings	197,363	244,489	639,873	314,669
Repayment of Borrowings	(267,207)	(398,644)	(558,417)	(696,566)
Interest Expense Paid	(27,381)	(24,004)	(47,897)	(43,954)
Net Cash Flows Used in Financing Activities	(145,859)	(221,761)	(22,900)	(527,119)
Net (Decrease)/Increase in Cash and Cash Equivalents	(21,846)	70,599	(143,047)	(112,325)
Effects of Exchange Rate Changes on the Balance of Cash Held in Foreign Currencies	(1,675)	2,380	1,688	1,127
Cash and Cash Equivalents at Beginning of Period	295,707	367,076	413,545	551,253
Cash and Cash Equivalents at End of Period	272,186	440,055	272,186	440,055

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 COMPANY								Non-Controlling Interests S\$'000	TOTAL EQUITY S\$'000
	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Foreign Currency Translation Reserve S\$'000	Assets Revaluation Reserve S\$'000	Fair Value Reserve S\$'000	Other Reserve S\$'000	Total S\$'000		
Current Period:										
Balance as at 1 July 2017	163,880	(9,517)	690,347	(27,217)	227,316	-	-	1,044,809	44,072	1,088,881
Increase in Capital Contributed by Non-Controlling Interest	-	-	-	-	-	-	-	-	142	142
Total Comprehensive Income/(Loss) for the Period	-	-	48,742	14,986	-	2,843	-	66,571	(2,926)	63,645
Balance as at 30 September 2017	163,880	(9,517)	739,089	(12,231)	227,316	2,843	-	1,111,380	41,288	1,152,668
Placement of Treasury Shares	-	9,517	-	-	-	-	3,629	13,146	-	13,146
Dividends Paid	-	-	(20,638)	-	-	-	-	(20,638)	-	(20,638)
Total Comprehensive Income/(Loss) for the Period	-	-	68,023	5,659	1,627	(6,597)	-	68,712	240	68,952
Balance as at 31 December 2017	163,880	-	786,474	(6,572)	228,943	(3,754)	3,629	1,172,600	41,528	1,214,128
Previous Period:										
Balance as at 1 July 2016	163,880	(7,855)	502,959	(28,523)	154,202	-	-	784,663	180,557	965,220
Purchase of Treasury Shares	-	(1,470)	-	-	-	-	-	(1,470)	-	(1,470)
Dividends paid	-	-	-	-	-	-	-	-	(14,700)	(14,700)
Total Comprehensive Income/(Loss) for the Period	-	-	7,115	(1,664)	-	-	-	5,451	8,213	13,664
Balance as at 30 September 2016	163,880	(9,325)	510,074	(30,187)	154,202	-	-	788,644	174,070	962,714
Dividends Paid	-	-	(7,314)	-	-	-	-	(7,314)	-	(7,314)
Purchase of Treasury Shares	-	(192)	-	-	-	-	-	(192)	-	(192)
Issue of Share Capital	-	-	-	-	-	-	-	-	571	571
Total Comprehensive Income/(Loss) for the Period	-	-	123,749	3,262	257	-	-	127,268	(630)	126,638
Balance as at 31 December 2016	163,880	(9,517)	626,509	(26,925)	154,459	-	-	908,406	174,011	1,082,417

COMPANY	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Fair Value Reserve S\$'000	Other Reserve S\$'000	TOTAL EQUITY S\$'000
Current Period:						
Balance as at 1 July 2017	163,880	(9,517)	264,059	-	-	418,422
Total Comprehensive Income for the Period	-	-	9,969	2,843	-	12,812
Balance as at 30 September 2017	163,880	(9,517)	274,028	2,843	-	431,234
Placement of Treasury Shares	-	9,517	-	-	3,629	13,146
Dividends Paid	-	-	(20,638)	-	-	(20,638)
Total Comprehensive Loss for the Period	-	-	(28,589)	(6,597)	-	(35,186)
Balance as at 31 December 2017	163,880	-	224,801	(3,754)	3,629	388,556
Previous Period:						
Balance as at 1 July 2016	163,880	(7,855)	119,657	-	-	275,682
Purchase of Treasury Shares	-	(1,470)	-	-	-	(1,470)
Total Comprehensive Loss for the Period	-	-	(5,778)	-	-	(5,778)
Balance as at 30 September 2016	163,880	(9,325)	113,879	-	-	268,434
Purchase of Treasury Shares	-	(192)	-	-	-	(192)
Dividends Paid	-	-	(7,314)	-	-	(7,314)
Total Comprehensive Income for the Period	-	-	3,653	-	-	3,653
Balance as at 31 December 2016	163,880	(9,517)	110,218	-	-	264,581

* Amount less than S\$1,000.

- 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.**

There had been no changes in the Company's issued share capital since 30 September 2017, save for the bonus issue of 294,821,990 new ordinary shares, fully paid at nil consideration and without capitalisation of the Company's reserves, on 27 November 2017.

The Company had no outstanding convertibles and no subsidiary holdings as at 31 December 2017 and 31 December 2016.

As at 31 December 2017, the Company did not hold any treasury shares. As at 31 December 2016, the Company held 22,745,400 treasury shares, constituting 0.77% of the total number of ordinary shares outstanding.

- 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 2017	As At 30 June 2017
No. of issued shares excluding treasury shares	3,243,041,961	2,925,474,571

- 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 for the current financial period ended 31 December 2017, save for the sale of all 22,745,400 treasury shares held by the Company on 17 October 2017.

- 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 for the current financial period ended 31 December 2017.

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") in Singapore which came into effect from the financial year beginning 1 July 2017, 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 2017.

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 does not result in material adjustments to the financial position, results of operations, or cash flows of the Group for the financial period ended 31 December 2017.

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, attributable to owners of the parent:-

	Group			
	Second Quarter Ended		Half Year Ended	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
Earnings per ordinary share				
(a) Based on the weighted average number of ordinary shares in issue	2.10 cents	3.84 cents	3.62 cents	4.06 cents
Weighted average number of ordinary shares in issue (excluding treasury shares)	3,238,418,713	3,220,305,352	3,228,220,370	3,221,633,709
(b) On a fully diluted basis				
Weighted average number of ordinary shares in issue (excluding treasury shares)	3,238,418,713	3,220,305,352	3,228,220,370	3,221,633,709

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-17	30-Jun-17	31-Dec-17	30-Jun-17
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares)	36.16 cents	35.71 cents	11.98 cents	14.30 cents
Number of shares in issue (excluding treasury shares)	3,243,041,961	2,925,474,571	3,243,041,961	2,925,474,571

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

2Q2018 vs 2Q2017

The revenue of S\$406.09 million for 2Q2018 was mainly due to recognition of revenue using the completion of construction method upon the handover of certain plots in The Royal Wharf Phase 1A and 1B. Revenue was also recognised using the percentage of completion method on sold units in 1 mixed-residential project in Singapore namely, The Rise @ Oxley-Residences, due to progress made in the construction of the development. The revenue also included rental income from investment properties and revenue from hotel operations.

HY2018 vs HY2017

The revenue of S\$716.72 million for HY2018 was mainly due to recognition of revenue using the completion of construction method upon the handover of certain plots in The Royal Wharf Phase 1A and 1B. Revenue was also recognised using the percentage of completion method on sold units in 2 mixed-residential projects in Singapore namely, Floraville/Floraview/ Floravista and The Rise @ Oxley-Residences, due to progress made in the construction of these developments. The revenue also included rental income from investment properties and revenue from hotel operations.

Cost of Sales

2Q2018 vs 2Q2017

The cost of sales of S\$337.25 million for 2Q2018 was mainly due to recognition of construction costs using the completion of construction method in relation to certain plots in The Royal Wharf Phase 1A and 1B. Cost of sales also included recognition of construction costs using the percentage of completion method relating to the sold units in 1 mixed-residential project namely, The Rise @ Oxley- Residences, due to progress made in the construction of the development, and direct expenses incurred on investment properties and hotel operations.

HY2018 vs HY2017

The cost of sales of S\$595.00 million for HY2018 was mainly due to recognition of construction costs using the completion of construction method in relation to certain plots in The Royal Wharf Phase 1A and 1B. Cost of sales also included recognition of construction costs using the percentage of completion method relating to the sold units in 2 mixed-residential projects namely, Floraville/Floraview/ Floravista and The Rise @ Oxley- Residences, due to progress made in the construction of these developments, and direct expenses incurred on investment properties and hotel operations.

Other Items of Income

2Q2018 vs 2Q2017

Other income decreased by S\$0.05 million mainly due to decrease in rental income.

The increase in interest income by S\$0.35 million was mainly due to increase in interest income from advances to joint ventures of the Company and advances to non-controlling shareholders of the subsidiaries.

Other gains increased by S\$3.68 million mainly due to an increase in customer's deposit forfeited of S\$1.98 million, an increase in fair value gain on investment properties of S\$0.99 million and reversal of provision for impairment of development properties of S\$0.91 million.

HY2018 vs HY2017

Other income decreased by S\$0.17 million mainly due to decrease in rental income.

The increase in interest income by S\$0.31 million was mainly due to increase in interest income from advances to joint ventures of the Company and increase in bank interest income.

Other gains increased by S\$11.51 million mainly due to an increase in foreign exchange gain of S\$9.23 million recorded in other losses in 2017, an increase in customer's deposit forfeited of S\$2.00 million and a one-off S\$0.50 million gain on disposal of a long-term investment in 1Q2018.

Other Items of Expense

2Q2018 vs 2Q2017

Marketing and distribution expenses increased by S\$0.27 million mainly due to higher advertisement expenses and showflat expenses.

Administrative expenses decreased by S\$1.72 million mainly due to a decrease in executive directors' remuneration of S\$0.53 million and bank charges of S\$4.78 million charged by bank for the re-financing of loan, partially offset by increase in salaries of S\$1.77 million.

Finance costs increased by S\$2.84 million mainly due to increase in interest expenses on bank loans, fixed rate notes and interest charged by non-controlling shareholders of subsidiaries and joint venture of S\$5.03 million, partially offset by decrease in amortisation of transaction cost of S\$2.37 million.

Other losses increased by S\$10.57 million mainly due to foreign exchange adjustment of S\$1.16 million and fair value loss of S\$16.94 million on financial instrument arising from marked-to-market position, partially offset by decrease in impairment on development properties of S\$8.40 million.

HY2018 vs HY2017

Marketing and distribution expenses decreased by S\$1.56 million mainly due to lower advertisement expenses and showflat expenses.

Administrative expenses increased by S\$4.31 million mainly due to an increase in executive directors' remuneration of S\$4.32 million and increase in salaries of S\$2.88 million, partially offset by bank charges of S\$4.78 million charged by bank for the re-financing of loan.

Finance costs increased by S\$2.35 million mainly due to increase in interest expenses on bank loans, fixed rate notes and interest charged by non-controlling shareholders of subsidiaries and joint venture of S\$4.78 million, partially offset by decrease in amortisation of transaction cost of S\$2.37 million.

Other losses decreased by S\$1.44 million which is the net effect of foreign exchange adjustment, impairment on development properties, fair value on financial instrument arising from marked-to-market position and fair value on investment property.

Profit before income tax

2Q2018 vs 2Q2017

Profit before income tax for 2Q2018 was S\$84.18 million compared with S\$160.29 million for 2Q2017. The decrease was mainly attributable to the reasons given above, partially offset by an increase in share of profits from equity-accounted joint ventures and associates by S\$60.58 million. The increase in share of profits from equity-accounted joint ventures and associates was mainly contributed by Galliard and The Bridge, a joint venture project in Cambodia, which amounted to S\$4.80 million and S\$61.65 million respectively.

HY2018 vs HY2017

Profit before income tax for HY2018 was S\$138.67 million compared with S\$180.03 million for HY2017. The decrease was mainly attributable to the reasons given above, partially offset by an increase in share of profits from equity-accounted joint ventures and associates by S\$74.81 million. The increase in share of profits from equity-accounted joint ventures and associates was mainly contributed by Galliard and The Bridge, a joint venture project in Cambodia, which amounted to S\$10.43 million and S\$68.92 million respectively.

Statement of Financial Position Review

31 December 2017 vs 30 June 2017

Non-Current Assets

Non-current assets increased by S\$472.91 million due to increase in available-for-sale financial assets of S\$266.21 million mainly due to acquisition of equity shares in United Engineers Limited, increase in investment properties of S\$94.71 million mainly due to transfer from development property for Floravista project, increase in property, plant and equipment of S\$34.32 million mainly for the new hotel operations, increase in investment in associates of S\$5.72 million, increase in deferred tax assets of S\$5.23 million and increase in investment in joint ventures of S\$67.27 million, partially offset by decrease in other receivables of S\$0.56 million.

Current Assets

Current assets decreased by S\$333.28 million due to decrease in development properties of S\$220.85 million and decrease in cash and cash equivalents of S\$141.36 million, partially offset by increase in other assets of S\$38.60 million, increase in trade and other receivables of S\$10.86 million which was mainly due to the increase in accrued receivables from projects which have obtained Temporary Occupation Permits, and increase in inventories of S\$1.19 million.

Non-Current Liabilities

Non-current liabilities increased by S\$428.02 million due to the increase in other financial liabilities of S\$426.80 million which was mainly due to new borrowings, and increase in deferred tax liabilities of S\$1.22 million.

Current Liabilities

Current liabilities decreased by S\$413.64 million due to decrease in other financial liabilities of S\$339.76 million, decrease in trade and other payables of S\$109.93 million and decrease in income tax payable of S\$36.06 million, partially offset by increase in other liabilities of S\$72.11 million.

Cash Flow Review

2Q2018

The net cash flows generated from operating activities for 2Q2018 was S\$177.61 million. This was mainly due to profit before tax of S\$84.18 million, decrease in development properties of S\$105.33 million, decrease in trade and other receivables of S\$73.26 million and increase in other liabilities of S\$60.45 million, partly offset by increase in other assets of S\$42.36 million, increase in inventories of S\$1.19 million, decrease in trade and other payables of S\$30.36 million and income tax paid of S\$30.01 million.

The net cash flows used in investing activities for 2Q2018 was S\$53.60 million. This was mainly due to additions of investment properties of S\$36.08 million, increase in available-for-sale financial assets of S\$17.18 million, investment in joint venture of S\$1.60 million and, additions of property, plant and equipment of S\$0.07 million which mainly for hotel operations, partially offset by dividend from associates and joint venture of S\$0.59 million and interest income received of S\$0.74 million.

The net cash flows used in financing activities for 2Q2018 was S\$145.86 million. This was mainly due to repayment of borrowings of S\$267.21 million, payment to non-controlling shareholders of S\$41.14 million, interest expense paid of S\$27.38 million and, dividend paid to equity owners of S\$20.64 million, partially offset by proceeds from borrowings of S\$197.36 million and proceeds from placement of treasury shares of S\$13.15 million.

HY2018

The net cash flows generated from operating activities for HY2018 was S\$240.29 million. This was mainly due to profit before tax of S\$138.68 million, decrease in development properties of S\$210.29 million, decrease in trade and other receivables of S\$39.45 million and increase in other liabilities of S\$72.11 million, partly offset by increase in other assets of S\$38.60 million, increase in inventories of S\$1.19 million, decrease in trade and other payables of S\$89.41 million and income tax paid of S\$52.50 million.

The net cash flows used in investing activities was S\$360.44 million. This was mainly due to increase in available-for-sale financial assets of S\$266.00 million, additions in investment properties of S\$66.07 million, additions of property plant and equipment of S\$32.91 million which mainly for hotel operations and, investment in joint venture of S\$3.00 million, partially offset by proceeds from disposal of investment property of S\$5.60 million, interest income received of S\$1.36 million and dividend from associates of S\$0.59 million.

The net cash flows used in financing activities was S\$22.90 million. This was mainly due to the repayment of borrowings of S\$558.42 million, payment to non-controlling shareholders of S\$49.11 million, interest expense paid of S\$47.90 million and, dividend paid to equity owners of S\$20.64 million, partially offset by proceeds from borrowings of S\$639.87 million, proceeds from placement of treasury shares of S\$13.15 million and increase in capital contribution by non-controlling shareholders of S\$0.14 million.

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

The Group's results for the second quarter ended 31 December 2017 are in line with the Company's commentary in paragraph 10 of the announcement of the results for the first quarter ended 30 September 2017 reported on 1 November 2017.

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 growth of the economy, especially in Singapore, China, Europe and USA.
- ii. The political climate and economic and regulatory policies of the countries where the Group's overseas property development projects are located, including the impact from Brexit, and the risks associated with investing in emerging markets.
- iii. The fluctuations of the various currencies, especially the British Pound, United States dollar, Malaysian Ringgit, and Euro against the Singapore dollar.
- iv. The expected increase of interest rates and the impact on interest costs in respect of debts and borrowings.

To-date, the Group has launched 34 projects and has completed 29 projects. The percentage (%) sold as shown below is computed based on the number of units sold as of 31 December 2017.

No	Project Name	Type of Development	Revenue recognition method	As at 31 December 2017
Singapore				
1	T-Space	Industrial	Completion of construction	66%
Overseas				
2	Royal Wharf - Phase 1A	Residential	Completion of construction	99%
	- Phase 1B	Residential	Completion of construction	94%
	- Phase 2	Residential	Completion of construction	93%
	- Phase 3	Residential	Completion of construction	76%
3	The Bridge - Phase 1 - Residential units	Residential	Completion of construction	95%
	- SOHO units	SOHO	Completion of construction	71%
	- Retail units	Retail	Completion of construction	72%
4	The Peak - Phase 1	Residential	Completion of construction	45%
	The Peak - Phase 2	Residential	Completion of construction	24%
	The Peak - Phase 2	Office	Completion of construction	93%
5	Oxley Convention City - Residential	Residential	Completion of construction	25%
	- Commercial	Commercial	Completion of construction	31%

As at 31 December 2017, subject to cancellation of contracts and excluding projects for which contract value had been fully accounted, the Group's total unbilled contract value amounted to S\$1.78 billion, of which approximately S\$0.15 billion is attributable to the projects in Singapore and approximately S\$1.63 billion is attributable to overseas projects.

	Singapore S\$'000	Overseas S\$'000	Total S\$'000
Unbilled contract value at 1 Oct 2017	297,404	1,999,621	2,297,025
Add : New sales in 2Q2018	24,348	6,194	30,542
Less : Progress billing in 2Q2018	(171,634)	(345,706)	(517,340)
Currency alignment	-	(27,426)	(27,426)
Unbilled contract value at 31 Dec 2017	150,118	1,632,683	1,782,801
Revenue to be recognised on the sold units #	160,588	821	161,409

The sold units include those of joint ventures/associates of the Group.

For HY2018, the Group had achieved a revenue and GPM of S\$716 million and 17% respectively. The results of The Bridge, a 50% joint venture of The Group, had been accounted for as share of profit from associates and joint ventures. The revenue and GPM of The Bridge for the same period were S\$178 million and 38% respectively and the GPM of the Group had we consolidated The Bridge's revenue and cost, would be 21%.

	Group S\$'000	The Bridge S\$'000	Total S\$'000
Revenue	716,716	356,069	1,072,785
Gross Profit	121,718	135,241	256,959
Gross Profit Margin (GPM)	17%	38%	24%

10 The Group expects that the followings will have a positive impact on its financial performance for the next 12 months:

- (i) The projects which are expected to obtain Temporary Occupation Permit (“TOP”) or Completion in the next 12 months are as follows:

Project Name	Quarter Estimated to achieve TOP * / Completion * (based on calendar year)
Royal Wharf	
- Phase 1A	1Q2018 - 2Q2018
- Phase 1B	1Q2018 - 2Q2018
- Phase 2	1Q2018 - 1Q2019
Dublin Landings - Block D	1Q2018
T-Space	2Q2018

* subject to approval granted by the relevant authorities.

- (ii) The above projects which are expected to obtain their TOPs in the next twelve months have a cumulative unbilled contract value of S\$1.13 billion, of which S\$0.09 billion relates to Singapore projects, S\$0.88 billion relates to the Royal Wharf project and S\$0.16 billion relates to The Bridge.

- (iii) Some of the Group's major acquisitions of landbank in Singapore which are to be launched in next 12 months:

Project Name	Land size sqm	Land Cost S\$'000
Rio Casa	36,811	575,000 [#]
Serangoon Ville	27,584	499,000 [#]
Vista Park	29,659	418,000
Mayfair Gardens	19,368	311,000
Lotus @ Pasir Panjang	8,326	121,000

[#] Joint ventures with other shareholders.

11 If a decision regarding dividend has been made:-

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

An interim dividend in respect of the financial year ending 30 June 2018 has been declared.

(b) (i) Amount per share

0.72 Singapore cent per ordinary share.

(ii) Previous corresponding period

0.50 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).

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)	
	2Q2018 S\$'000	HY2018 S\$'000	2Q2018 S\$'000	HY2018 S\$'000
"Oxley Construction Pte. Ltd." for construction of property development projects.	N.A.	N.A.	-	227
Purchase of property at Balestier Road - Owen Private Limited	38,000	38,000	N.A.	N.A.

14. USE OF PROCEEDS

The Company raised net proceeds of S\$12.95 million from the sale of 22,745,400 treasury shares at S\$0.59 per share on 17 October 2017. 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	12.95	-	12.95

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 second quarter ended 31 December 2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ching Chiat Kwong
Executive Chairman and CEO
Date: 18th Jan 2018

Low See Ching
Deputy CEO
Date: 18th Jan 2018