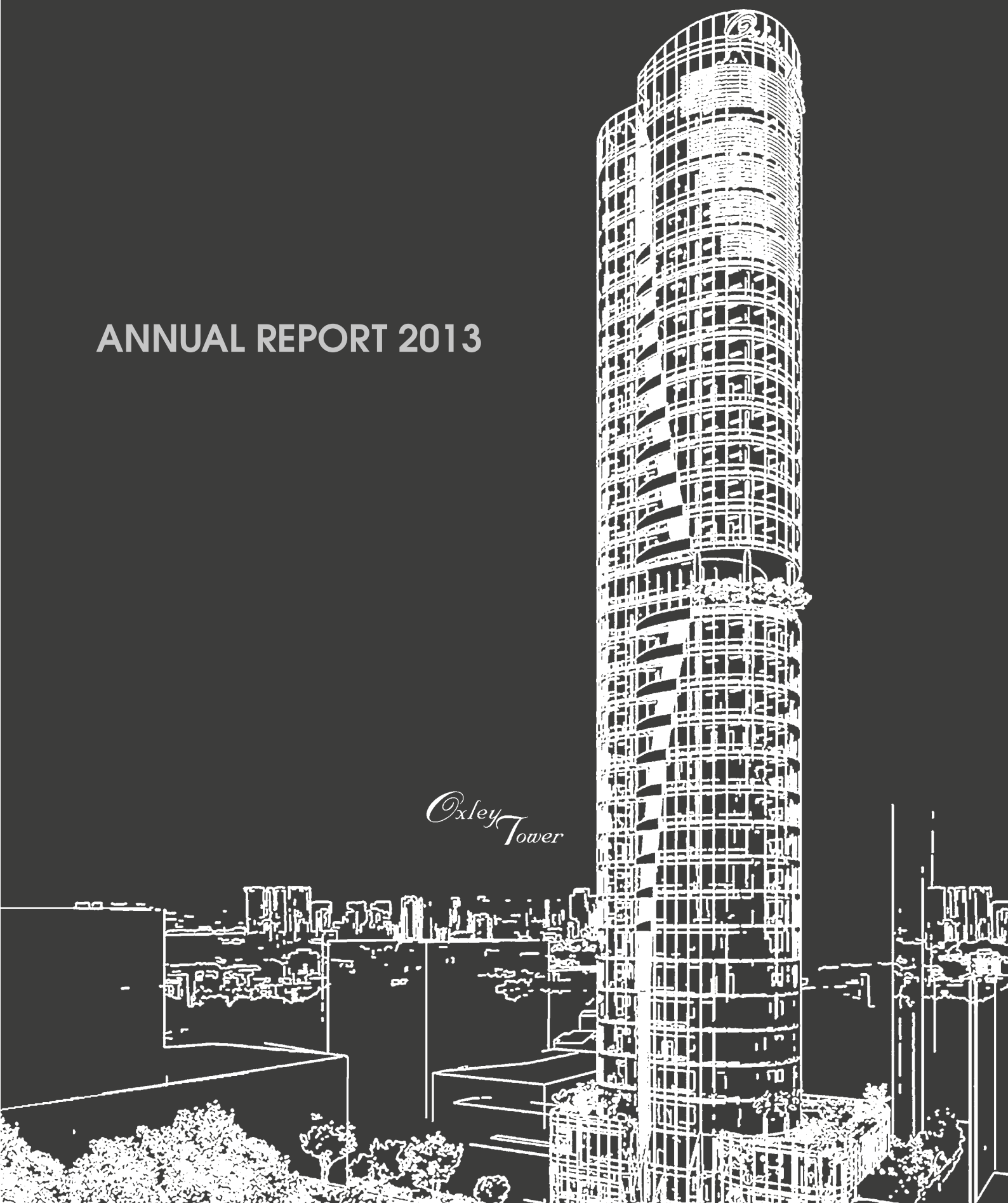




OXLEY HOLDINGS LIMITED

# ANNUAL REPORT 2013

*Oxley Tower*



A nighttime architectural rendering of the Oxley Tower, a tall, cylindrical skyscraper with a glass facade and a central vertical core. The tower is illuminated from within, showing a grid of windows and a central staircase. It stands prominently in a cityscape with other buildings and a river in the background. In the upper left, a Ferris wheel is visible on a bridge. In the upper right, a large, modern building with a curved facade is visible. The overall scene is a vibrant urban nightscape.

# *Oxley Tower*

**NOTE:**

This image, as well as all other images of Oxley's development projects shown in this annual report are artist's impressions, as construction of these projects is currently under progress.

## COMPANY PROFILE

Oxley Holdings Limited (“Oxley” or “Oxley Holdings”) is a property developer specialising in the development of quality residential, commercial and industrial projects at competitive prices.

Oxley’s developments cater to the growing needs of young and trendy home buyers who value quality living and a finer lifestyle, as well as small and medium enterprise owners looking to purchase their own premises. Oxley’s property developments are usually located at prime areas that are easily accessible, with prominent lifestyle elements.

The Company’s distinctive portfolio of developments includes KAP & KAP Residences, The Midtown & Midtown Residences, Devonshire Residences, Loft@Holland, Loft@Rangoon, Loft@Stevens, Viva Vista, Oxley BizHub, Oxley Bizhub 2 as well as Oxley Tower and Robinson Square.

The Company is listed on the Mainboard of the Singapore Exchange Securities Trading Limited.

## CONTENTS

Chairman’s Statement	2
Project Portfolio	4
Board of Directors	6
Key Management	8
Financial Highlights	9
Corporate Information	10
Directors’ Report and Financial Statements	12



# CHAIRMAN'S STATEMENT



*Ching Chiat Kwong*  
Executive Chairman & CEO

## Dear Shareholders,

The financial year ended 30 June 2013 ("FY2013") was a milestone year for Oxley Holdings. Not only has the Company achieved an unprecedented level of growth, we also recorded our best financial performance as a public-listed company since our debut on the Singapore Exchange in October 2010.

Over the last three years, we have worked hard to carve our niche as a lifestyle property developer that delivers quality, sought-after projects of good investment value. FY2013 demonstrated our agility in riding this momentum of growth generated by Oxley's strong profile, even as we consolidated our resources and reinforced Oxley's stalwart market position to tap the opportunities ahead.

### Transfer to Mainboard

To this end, I am pleased to report that we achieved yet another significant milestone in February 2013 with the successful transfer of Oxley's listing from the Catalist to the Mainboard of the Singapore Exchange. The transfer represents more than two years of diligence in executing our business strategy and financial achievement, and

reflects our commitment towards enhancing the future value of Oxley's shares and reaching a wider group of investors.

### Financial Highlights

We posted a 187% increase in revenue to \$457.7 million for FY2013 compared to the previous financial year ("FY2012"). The revenue was recorded based on the percentage of completion method, on construction progress made in our mixed-residential projects, and using the completion of construction method for two of our industrial developments which received their TOP during the course of the financial year.

Net profit attributable to shareholders grew by a significant 309% to \$69.1 million in FY2013, with earnings per share on a fully diluted basis rising to 2.45 Singapore cents. This compares to net profit attributable to shareholders of \$16.9 million in FY2012, and fully diluted earnings per share of 0.63 Singapore cent.

The surge in our FY2013 performance was contributed by construction progress made in 10 of the Group's mixed-residential projects – Viva Vista, RV Point, Loft@Holland,

Vibes@Kovan, Devonshire Residences, Suites@Braddell, Vibes@East Coast, The Promenade@Pelikat, Vibes@Upper Serangoon and Presto@Upper Serangoon, as well as full revenue recognition from the completion of three mixed-residential developments, Suites@Katong, Loft@Rangoon and Loft@Stevens. In addition, revenue recognised from the completion of two industrial developments, Oxley Bizhub 2 and Arcsphere, also boosted revenue reported for the period.

Net profit attributable to shareholders, which rose in line with the increase in revenue, was also boosted in part by a 21% increase in rental income mainly from The Corporate Office and McDonald's Place at King Albert Park, where tenants are still serving lease obligations put in place prior to the Group's acquisition of these two properties. Rental income amounted to \$7.6 million for FY2013 from \$6.3 million a year ago.

At the close of FY2013, total shareholder's equity stood at \$238.7 million, compared to \$140.2 million a year ago, while net asset value per share was 8.1 cents, versus 5.2 cents in FY2012. Cash and cash equivalents reported was \$436.5 million, compared to \$205.1 million in FY2012.

#### **Dividend**

In view of Oxley's positive performance over the financial year, we have proposed a final one-tier tax exempt cash dividend of 0.60 cent per ordinary share for FY2013.

#### **Project Launches and Land Acquisitions**

During the financial year, we launched four mixed residential-cum-commercial developments, namely KAP Residences / KAP, Oxley Edge, Midtown Residences / The Midtown and NEWest which as at 28 August 2013, have been 99%, 82%, 78% and 71% sold respectively. Notably, the 247-unit KAP & KAP Residences was 97% sold within two weeks of its launch and set new record prices for commercial units in the district.

In June 2013, we launched a 56-unit commercial development, The Flow, located at 66 East Coast Road to positive market reception. As at 28 August 2013, about 41% of the units has been sold.

In September 2012, we acquired a 417,643 sq ft industrial site at Tampines Industrial Crescent. This was followed soon after by the acquisition of another industrial site of about 303,251 sq ft at Sunview Road in October 2012. Both industrial land parcels were acquired by way of tender and are valid for a 30-year tenure.

In May 2013, we further acquired The Pines, a 198,886 sq ft commercial-hospitality site located at Stevens Road.

Making our foray beyond Singapore shores in May 2013, we have since acquired four land parcels in Malaysia with a combined land area of about 693,912 sq ft, and a further three sites in Cambodia totalling about 637,433 sq ft. Three of the sites in Malaysia are wholly-owned, while the fourth, as well as all three sites in Cambodia, were acquired via joint-ventures. Oxley also holds developmental rights of 50% and 70% in two land parcels located in Cambodia and Malaysia respectively. We will keep our shareholders posted of our plans for the development of these land parcels as and when the details are finalised.

During the course of the year, we successfully raised \$45.4 million through a rights issue and a further \$150 million pursuant to a multicurrency medium-term note programme. The bulk of the proceeds from the rights issue was used to repay shareholders' loans, while that from the medium-term notes will be used to fund the land acquisition and development projects overseas.

#### **Outlook**

We have worked smart and hard through FY2013 to reap a decent performance. Nonetheless, we are mindful of the sustained impact of cooling measures introduced by the Government in the residential and industrial property segments, which have resulted in softer demand across the local market. Bearing this in mind, we will adopt a prudent approach towards our land acquisition strategy in FY2014.

On a brighter note, 16 of our 27 developments launched to date have been fully sold, with the remaining 11 developments near fully-sold or still receiving keen market interest. We expect progressive revenue contribution from the projects under construction to be sustained. In addition, a good number of our sold residential developments, as well as our 728-unit industrial development, Oxley BizHub, are expected to obtain TOP in FY2014 and should thus contribute positively to our financial performance.

We will continue to explore new opportunities to acquire land parcels in Singapore and the region as we believe that Oxley's brand name and expertise in developing quality lifestyle projects continue to be highly relevant here, and should also resonate well with the yet untapped markets around us.

We have also launched two more developments since the beginning of FY2014, namely Floraville and Eco-tech@Sunview. We are exploring ways to maximize plot potential of the Malaysia and Cambodia land parcels, while monitoring the Singapore market closely for an opportune time to launch our three remaining pipeline projects located at Oxley Rise, Joo Chiat, and Ang Mo Kio Street 66.

#### **Acknowledgements**

My deepest gratitude goes out to our Board of Directors, management team and staff. They have worked very hard through FY2013 and exercised good wisdom, expertise and efficiency towards all of Oxley's undertakings. Their dedication has earned for Oxley a successful FY2013 and given us a firmer footing to tread the future. My heartfelt gratitude also extends to our bankers and principal suppliers for their unwavering support and confidence in Oxley.

Last but not least, I would like to thank our existing and new shareholders who have put their trust in us. As always, we will endeavour to enhance shareholders' value and invite you to journey with us as we strive for a good, long-term yield.

**Ching Chiat Kwong**  
**Executive Chairman & CEO**



# PROJECT PORTFOLIO



Residential	Tenure	No. of units (residential/ shops)	Land Area (sq ft)	GFA (sq ft)	% Sold <sup>(1)</sup>	Expected TOP
<b>Loft@Holland</b>	FH	41 / 0	12,099	17,004	100%	2013
<b>Vibes@East Coast</b>	FH	117 / 28	25,974	76,694	100%	2013
<b>Viva Vista</b>	FH	144 / 106	39,030	97,022	100%	2014
<b>RV Point</b>	999 yrs	36 / 9	5,457	21,934	100%	2014
<b>Vibes@Kovan</b>	FH	36 / 5	7,782	23,219	100%	2014
<b>Suites@Braddell</b>	FH	33 / 0	11,927	16,699	100%	2014
<b>Devonshire Residences</b>	FH	84 / 0	13,401	41,291	100%	2014
<b>Vibes@Upp Serangoon</b>	FH	60 / 0	10,731	32,848	100%	2014
<b>Presto@Upp Serangoon</b>	FH	36 / 0	6,301	19,595	100%	2014
<b>The Promenade@Pelikat</b>	FH	164 / 270	69,552	209,789	100%	2015
<b>Oxley Edge</b>	FH	45 / 5	12,070	34,723	82%	2015
<b>Midtown Residences / The Midtown</b>	99 yrs	160/107	57,047	181,409	78%	2016
<b>NEWest</b>	956 yrs	136 / 141	164,666	270,706	71%	2016
<b>Floraville</b>	FH	50 / 0	27,130	41,582	26%	2016
<b>KAP Residences / KAP</b>	FH	142 / 107	59,576	184,914	99%	2017

<sup>(1)</sup> as at 28 August 2013



Industrial	Tenure	No. of units (industrial/shops)	Land Area (sq ft)	GFA (sq ft)	% Sold <sup>(1)</sup>	Expected TOP
<b>Oxley BizHub</b>	60 yrs	728 / 0	375,158	937,825	99%	2013
<b>The Commerze@Irving</b>	60 yrs	66 / 65	36,092	126,263	100%	2014
<b>Eco-tech@Sunview</b>	30 yrs	425 / 0	303,251	758,126	45%	2016

Commercial	Tenure	No. of units (office/shops)	Land Area (sq ft)	GFA (sq ft)	% Sold <sup>(1)</sup>	Expected TOP
<b>Robinson Square</b>	FH	32 / 6	4,542	51,177	97%	2015
<b>Oxley Tower</b>	FH	104 / 133	16,033	181,252	95%	2017
<b>The Flow</b>	FH	0 / 56	22,147	70,186	41%	2017

## Pipeline Projects

The Group currently has 14 projects in the pipeline. This portfolio comprises the five local projects listed below, as well as another five projects in Malaysia and four in Cambodia.

	Tenure	No. of units (residential/shops)	Land Area (sq ft)	GFA (sq ft)	Expected Launch
<b>Floraview &amp; Floravista</b>	FH	90/28	61,666	92,253	2013
<b>The Rise@Oxley</b>	FH	TBC	25,630	107,648	2013
<b>339 - 339C Joo Chiat Road</b>	FH	TBC	6,383	11,475	2014
<b>30 Stevens Road <sup>(2)</sup></b>	103 years	TBC	198,889	318,222	N/A
<b>Plot 3, Tampines Industrial Crescent <sup>(2)</sup></b>	30 years	TBC	417,643	709,263	N/A

<sup>(1)</sup> as at 28 August 2013

<sup>(2)</sup> investment property which will not be launched for sale

## BOARD OF DIRECTORS



**CHING CHIAT KWONG**  
Executive Chairman & CEO



**LOW SEE CHING**  
Non-Executive Director

### **CHING CHIAT KWONG** Executive Chairman & CEO

Ching Chiat Kwong is the Executive Chairman and CEO of the Group. He is responsible for the overall performance as well as for the formulation of corporate strategies, and the future direction of the Group.

Mr Ching also serves as a Non-Executive Director of Catalyst-listed Artivision Technologies Ltd and ASX-listed NewSat Limited.

Mr Ching possesses more than 15 years of industry experience. Prior to establishing the Group, he invested in, developed and successfully launched 13 residential property projects in various parts of Singapore. His sharp ability to identify market trends and business opportunities has enabled him to chart the course for the Group's expansion towards the development of industrial and commercial projects in addition to residential properties. Under Mr Ching's leadership, the Group completed the largest initial public offering to date on the Catalist of the Singapore Exchange.

Apart from his commitments at Oxley, Mr Ching is also an active supporter of programmes that benefit the elderly and socially disadvantaged. Mr Ching graduated with a Bachelor of Arts degree and a Bachelor of Social Sciences (Hons) degree from the National University of Singapore in 1989 and 1990 respectively.

### **LOW SEE CHING** Non-Executive Director

Low See Ching is the Group's Non-Executive Director. Between 2005 and 2009, Mr Low invested in, developed and launched five property development projects in Singapore, namely Residences@Jansen at Jansen Road, Urban Lofts at Rangoon Road, Vetro at Mar Thoma Road, The Verve at Jalan Rajah and The Aristo@Amber at Amber Road.

Mr Low currently holds the position of CEO at Hafary Holdings Limited, a Mainboard-listed company, where he is responsible for the overall management, operations and charting of its corporate and strategic direction, including its sales, marketing and procurement strategies. Prior to his appointment at Hafary Holdings Limited, he was the sales director of Hafary Pte. Ltd. from 2000 to 2009, where he was responsible for formulating effective sales strategies and plans, providing leadership to the sales teams, developing and rolling out a strong customer relationship management system and building strong relationships with key customers.

Mr Low graduated with a Bachelor of Accountancy degree from the Nanyang Technological University, Singapore in 1999.





**NG WENG SUI, HARRY**  
Lead Independent Director



**PHUA SIAN CHIN**  
Independent Director

**NG WENG SUI, HARRY**  
**Lead Independent Director**

Ng Weng Sui, Harry is currently the Executive Director of HLM (International) Corporate Services Pte. Ltd., a company providing corporate services, including business consultancy, corporate advisory, accounting and secretarial services.

Mr Ng also serves as Independent Director of SGX-listed Q&M Dental Group (Singapore) Limited, Artivision Technologies Ltd and IEV Holdings Limited where he is Chairman of the Audit Committee.

Mr Ng has more than 30 years of experience in accountancy, finance and audit. From October 2008 to April 2010, Mr Ng was Chief Financial Officer and Executive Director of Achieva Limited, a SGX Mainboard-listed company. From August 2004 to July 2008, he was the Chief Financial Officer of Sunmoon Food Company Limited, a SGX Mainboard-listed company.

He is currently a Fellow Chartered Accountant of Singapore with the Institute of Singapore Chartered Accountants and a Fellow of the Association of Chartered Certified Accountants (UK). Mr Ng obtained a Master of Business Administration (General Business Administration) from The University of Hull, UK.

**PHUA SIAN CHIN**  
**Independent Director**

Phua Sian Chin has served as the Chief Financial Officer of Catalyst-listed Teho International Inc Ltd. since August 2008 and has more than 35 years of experience in accounting and corporate finance. He is also the Lead Independent Director of Catalyst-listed Jason Holdings Ltd.

He was, for over 8 years, the CFO of a holding company listed on the Hong Kong Stock Exchange. For over 10 years, he had worked as regional financial controller for multinational corporations in the Asia-Pacific region. He was also the group financial head for property development groups in Singapore and Indonesia for over 6 years.

Mr Phua graduated with a Bachelor of Accountancy degree from the University of Singapore in 1975.

He is currently a Fellow of the Institute of Singapore Chartered Accountants, a Fellow of CPA Australia, a Fellow of the Association of Chartered Certified Accountants (UK) and a registered member of the Singapore Institute of Directors.

## KEY MANAGEMENT



**JUDY CHING CHIAT DEE**  
General Manager

**NG KOK PENG**  
Financial Controller

**NG SUAT KHEUNG, CAROL**  
Administrative Manager

**TAN CHEW GUEK, LINDSAY**  
Quantity Survey Manager

### **JUDY CHING CHIAT DEE** General Manager

As General Manager, Judy Ching is responsible for the general operations of the Group, including the smooth execution of property development projects.

Ms Ching possesses nearly 30 years of experience in the marketing and management of residential, commercial and industrial property. Prior to joining Oxley in June 2011, Ms Ching spent five years with LCD Property Management Pte. Ltd., where her last position held was Senior Manager (Marketing & Leasing).

During her employment at LCD Property, she also spent about 1.5 years holding a concurrent position as General Manager of Paradiz Investment Ltd.

Ms Ching was a Senior Manager with Savills Residential before LCD Property, and spent some 22 years with Tuan Sing Holdings Limited, where her last position held was as Marketing Manager.

Ms Ching is the sister of Mr Ching Chiat Kwong, Executive Chairman and CEO, and a controlling shareholder of Oxley Holdings.

### **NG KOK PENG** Financial Controller

As Financial Controller, Ng Kok Peng is responsible for the overall financial and accounting functions of the Group. Prior to joining Oxley in May 2010, he spent more than three years as Audit Assistant Manager and Audit Senior with Deloitte & Touche LLP and Foo Kon Tan Grant Thornton LLP respectively. He has more than 10 years of combined experience in audit, finance and accounting.

Mr Ng is a member of the Institute of Singapore Chartered Accountants and a Fellow of the Association of Chartered Certified Accountants (UK). He holds a Bachelor of Science degree in Applied Accounting from Oxford Brookes University.

### **NG SUAT KHEUNG, CAROL** Administrative Manager

As Administrative Manager, Carol Ng is responsible for the Group's overall office administration and sales and marketing support activities. She manages the team of office staff and assists in the generation of management reports, liaison with external service providers including suppliers, government authorities, financial institutions and solicitors, and the handling of tax return matters. Prior to joining Oxley in May 2010, Ms Ng was an office manager at Oxley Construction Pte Ltd, where she was responsible for the office operations and administration of construction projects. Ms Ng holds a Diploma in Management Studies from the Singapore Institute of Management.

### **TAN CHEW GUEK, LINDSAY** Quantity Survey Manager

As Quantity Survey Manager, Lindsay Tan is responsible for supporting the Group's quality control effort, preparing handover documents to unit owners as well as handling customers' claims on defects. She is also responsible for liaising with various suppliers and architects for quotations and claims, and for the preparation of building specification details for submission to the Controller of Housing, as well as the publication of marketing brochures.

Prior to joining Oxley in May 2010, Ms Tan was a quantity surveyor at Oxley Construction Pte Ltd, where she was responsible for project tendering, handling of subcontractors' quotations, claims and contracts, as well as preparing and submitting various documents in relation to property construction. Ms Tan holds a Diploma in Civil and Structural Engineering from Singapore Polytechnic.



# FINANCIAL HIGHLIGHTS

	2013	2012
<b>Consolidated Statement of Comprehensive Income (\$'000)</b>		
Revenue	<b>457,693</b>	159,368
Profit Before Income Tax	<b>122,733</b>	29,500
Income Tax Expense	<b>(18,830)</b>	(5,768)
Profit After Income Tax	<b>103,903</b>	23,732
Attributable to:		
Owners of the Parent	<b>69,139</b>	16,903
Non-controlling Interests	<b>34,764</b>	6,829

## **Consolidated Statement of Financial Position (\$'000)**

Plant and Equipment	<b>68</b>	83
Investment Property	<b>61,107</b>	-
Deferred Tax Assets	<b>4,988</b>	1,228
Investment in Joint Ventures	<b>5,110</b>	554
Development Properties	<b>1,293,471</b>	1,019,110
Trade and Other Receivables	<b>750,128</b>	345,293
Other Assets	<b>125,069</b>	34,037
Cash and Cash Equivalents	<b>436,460</b>	205,135
Total Assets	<b>2,676,401</b>	1,605,440
Non-Current Liabilities	<b>(1,179,097)</b>	(815,937)
Current Liabilities	<b>(1,208,797)</b>	(634,996)
Net Assets	<b>288,507</b>	154,507
Shareholder's Equity	<b>238,671</b>	140,230
Non-Controlling Interests	<b>49,836</b>	14,277
Total Equity	<b>288,507</b>	154,507

# CORPORATE INFORMATION

## DIRECTORS

Ching Chiat Kwong	<i>Executive Chairman and CEO</i>
Low See Ching	<i>Non-Executive Director</i>
Ng Weng Sui, Harry	<i>Lead Independent Director</i>
Phua Sian Chin	<i>Independent Director</i>

## MANAGEMENT TEAM

Ching Chiat Kwong  
Judy Ching Chiat Dee  
Ng Kok Peng  
Ng Suat Kheng, Carol  
Tan Chew Guek, Lindsay

## COMPANY SECRETARY

Ng Kok Peng, CPA Singapore

## REGISTERED OFFICE

50 Raffles Place #11-02  
Singapore Land Tower  
Singapore 048623  
Tel: 6438 0202  
Fax: 6438 2020

## SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.  
50 Raffles Place #32-01  
Singapore Land Tower  
Singapore 048623

## EXTERNAL AUDITORS

RSM Chio Lim LLP  
8 Wilkie Road #04-08  
Wilkie Edge  
Singapore 228095  
Partner-in-charge: Lee Mong Sheong  
(since the financial year ended 30 June 2011)  
(Chartered Accountant Singapore, a member of the  
Institute of Singapore Chartered Accountants)

## INTERNAL AUDITORS

Pioneer Management Services Pte. Ltd.  
4 Shenton Way #04-01  
SGX Centre 2  
Singapore 068807  
Director-in-charge: Low Sok Lee Mona

## PRINCIPAL BANKERS

United Overseas Bank Limited  
80 Raffles Place  
UOB Plaza  
Singapore 048624

Hong Leong Finance Limited  
16 Raffles Quay #01-05  
Hong Leong Building  
Singapore 048581

Malayan Banking Berhad  
2 Battery Road  
Maybank Tower  
Singapore 049907



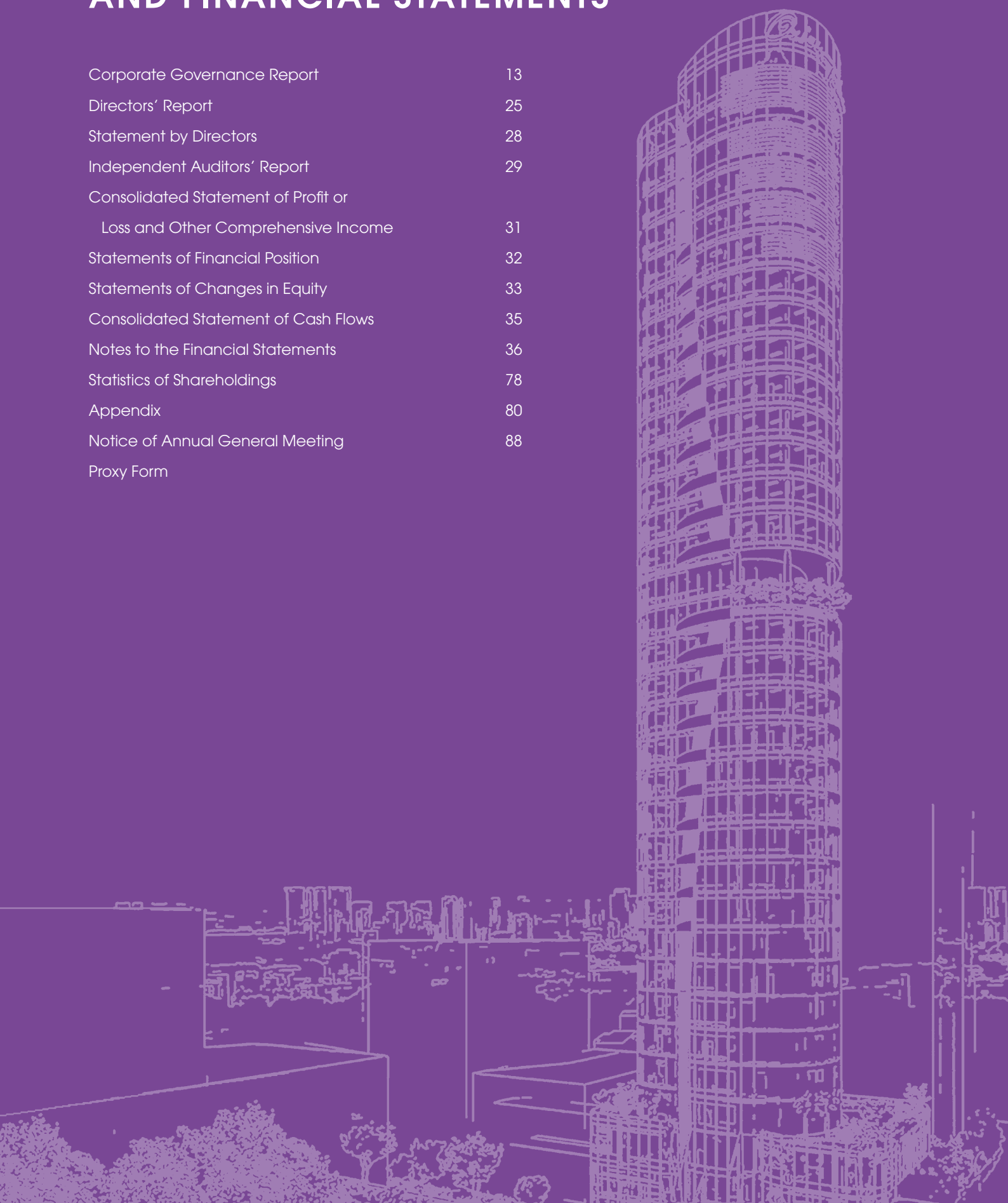


# FINANCIAL REPORT



# DIRECTORS' REPORT AND FINANCIAL STATEMENTS

Corporate Governance Report	13
Directors' Report	25
Statement by Directors	28
Independent Auditors' Report	29
Consolidated Statement of Profit or Loss and Other Comprehensive Income	31
Statements of Financial Position	32
Statements of Changes in Equity	33
Consolidated Statement of Cash Flows	35
Notes to the Financial Statements	36
Statistics of Shareholdings	78
Appendix	80
Notice of Annual General Meeting	88
Proxy Form	





# CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of Oxley Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") recognises the importance of corporate governance and the offering of high standards of accountability to the shareholders of the Company by complying with the benchmark set by the Code of Corporate Governance 2005 (the "**Code**").

This report sets out the corporate governance practices that have been adopted by the Company with specific reference to the principles of the Code, as well as any deviation from any guideline of the Code together with an explanation for such deviation.

## Statement of Compliance

The Board confirms that for the financial year ended 30 June 2013 ("**FY2013**"), the Company has generally adhered to the principles and guidelines as set out in the Code, save as otherwise explained below.

## BOARD MATTERS

### The Board's Conduct of Affairs

**Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with the management of the Company (the "Management") to achieve this and the Management remains accountable to the Board.**

The Board comprises four directors, which include one executive director, one non-executive director and two independent directors, all of whom are from different disciplines and bring with them diversity of experience which will enable them to contribute effectively to the Company.

The principal functions of the Board, apart from its statutory responsibilities, include:-

- to review and oversee the management of the Group's business affairs and financial controls, performance and resource allocation;
- to approve matters such as corporate strategy and business plans, corporate restructuring, mergers and acquisitions, major investments and divestments, material acquisitions and disposals of assets and major corporate policies on key areas of operations;
- to approve the release of the Group's quarterly and full-year financial results and related party transactions of a material nature; and
- to assume the responsibilities for corporate governance.

Every director is expected, in the course of carrying out his duties, to act in good faith to provide insights and objectively take decisions in the interest of the Company.

The Board has established three Board committees, namely, the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") to assist in the execution of its responsibilities. These committees operate within clearly defined terms of reference.

The Board will meet on a quarterly basis and ad-hoc Board meetings will be convened when they are deemed necessary. In between Board meetings, other important matters will be put to the Board's approval by way of circulating resolutions in writing. The Company's Articles of Association provide for meetings of directors to be held by means of telephone conference or other methods of simultaneous communication by electronic or other means.

# CORPORATE GOVERNANCE REPORT

The attendance of the directors at scheduled meetings of the Board and Board committees during FY2013 is disclosed below:-

	Board	Audit Committee	Remuneration Committee	Nominating Committee
Number of meetings held				
	5	4	2	1
Number of meetings attended				
Ching Chiat Kwong	5	4	2	1
Low See Ching	5	4	2	1
Ng Weng Sui Harry	5	4	2	1
Phua Sian Chin	5	4	2	1

Newly appointed directors will be given an orientation of the Group's business strategies and operations. Directors also have the opportunity to visit the Group's development sites and meet with the Management as and when necessary to gain a better understanding of the Group's business operations and governance practices. All directors who had no prior experience as directors of a listed company have undergone training and briefing on the roles and responsibilities as directors of a listed company.

## Board Composition and Guidance

**Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.**

As at the date of this report, the Board comprises the following directors:-

### Executive Director

Ching Chiat Kwong                      Executive Chairman and Chief Executive Officer ("**CEO**")

### Non-Executive Directors

Low See Ching                      Non-Executive Director  
 Ng Weng Sui Harry                Lead Independent Director  
 Phua Sian Chin                      Independent Director

The Board comprises directors who have the right core competencies and diversity of experience to enable them, in their collective wisdom, to contribute effectively.

The independent directors make up more than one-third of the Board. There is a strong independent element on the Board. The Board has adopted the Code's criteria of an independent director in its review. An "independent" director is one who has no relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independent business judgment with a view to the best interests of the Company. The Board is of the view that all its independent non-executive directors have satisfied the criteria of independence as a result of its review. The independence of each independent director will be reviewed annually by the NC.

The Board considers the current Board size appropriate for the nature and scope of the Group's operations.

# CORPORATE GOVERNANCE REPORT

The composition of the Board will be reviewed annually by the NC to ensure that there is an appropriate mix of expertise and experience, which the Group may tap for assistance in furthering its business objectives and shaping its business strategies. Together, the directors as a group provide core competencies in business, accounting, investment, audit and taxation matters.

The independent directors also communicate regularly to discuss matters such as the Group's financial performance, corporate governance initiatives and the remuneration of the executive director and senior management.

## Chairman and Chief Executive Officer

**Principle 3: There should be a clear division of responsibilities at the top of the company - the working of the Board and the executive responsibility of the company's business - which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.**

Mr Ching Chiat Kwong is the Executive Chairman and CEO of the Company and bears executive responsibility for the Group's business performance. He also assumes the responsibility of the chairman of the Board and is responsible for scheduling Board meetings as and when required, setting the agenda for Board meetings and ensuring the quality, quantity and timeliness of the flow of information between the Management, the Board and shareholders. He is also responsible for ensuring compliance with the Company's guidelines on corporate governance.

The Company has not created a separate CEO position as the Board is of the view that the current Board composition is appropriate and effective for the purposes for which the Board's roles and responsibilities are set up. The Board is of the view that with the establishment of the three Board committees, there are adequate safeguards in place to prevent an uneven concentration of power and authority in a single individual.

The Board has appointed Mr Ng Weng Sui Harry as the lead independent director to lead and co-ordinate the activities of the independent directors. The lead independent director will assist the independent directors to review the performance of the Management in meeting agreed goals and objectives, and monitor the reporting of performance. The lead independent director is also available to shareholders where they have concerns which contact through the normal channels of the Executive Chairman and CEO or Financial Controller has failed to resolve or for which such contact is inappropriate.

## Board Membership

**Principle 4: There should be a formal and transparent process for the appointment of new directors to the Board.**

The NC comprises the following members:-

Phua Sian Chin (Chairman)  
Ng Weng Sui Harry  
Low See Ching

The chairman of the NC, Mr Phua Sian Chin, is an independent director, while Mr Ng Weng Sui Harry is the lead independent director and Mr Low See Ching is a non-executive director. Mr Phua Sian Chin is not associated with any substantial shareholder of the Company.



# CORPORATE GOVERNANCE REPORT

For FY2013, the main terms of reference of the NC were as follows:-

- to recommend to the Board on all Board appointments and re-nominations having regard to the director's contribution and performance (such as attendance, preparedness, participation and candour);
- to ensure that all directors submit themselves for re-nomination and re-election at regular intervals and at least once every three years;
- to determine annually whether a director is independent in accordance with paragraph 2.1 of the Code;
- to decide whether a director is able to and has adequately carried out his duties as a director of the Company, in particular, where the director concerned has multiple board representations; and
- to assess the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

The NC is in charge of re-nominating the directors, having regard to their contribution and performance. Pursuant to Article 104 of the Company's Articles of Association, one-third of the directors shall retire from office at least once every three years at the Company's Annual General Meeting ("**AGM**"). In addition, pursuant to Article 106, a retiring director shall be eligible for re-election at the meeting at which he retires.

Article 114 of the Company's Articles of Association provides that a director appointed by the Board must retire and submit himself for re-election at the next AGM following his appointment.

The dates of initial appointment of each director, together with his directorships in other listed companies, are set out below:-

<b>Name of director</b>	<b>Appointment</b>	<b>Date of initial appointment</b>	<b>Date of last re-election</b>	<b>Current directorships in listed companies</b>	<b>Past directorships in listed companies</b>
Ching Chiat Kwong	Executive Chairman and CEO	16 March 2010	30 October 2012	Artivision Technologies Ltd. NewSat Limited	None
Low See Ching	Non-Executive Director	16 March 2010	16 September 2011	Hafary Holdings Limited	None
Ng Weng Sui Harry	Lead Independent Director	28 September 2010	16 September 2011	Artivision Technologies Ltd. IEV Holdings Limited Q&M Dental Group (Singapore) Limited	None
Phua Sian Chin	Independent Director	28 September 2010	30 October 2012	Jason Holdings Limited	None

According to Article 104 of the Company's Articles of Association, Mr Low See Ching and Mr Ng Weng Sui Harry will retire at the Company's forthcoming AGM and will be eligible for re-election.

When a director has multiple board representations, the NC also considers whether or not the director is able to and has adequately carried out his duties as a director of the Company. The NC is satisfied that sufficient time and attention has been given by the directors to the affairs of the Company, notwithstanding that some of the directors have multiple board representations.

# CORPORATE GOVERNANCE REPORT

When the need for a new director arises, or where it is considered that the Board would benefit from the services of a new director with particular skills or to replace a retiring director, the NC, in consultation with the Board, determines the selection criteria and selects candidates with the appropriate expertise and experience for the position. In its search and nomination process for new directors, the NC may rely on search companies, personal contacts and recommendations for the right candidates.

The profiles and key information on the individual directors and their shareholdings in the Company are set out in the "Board of Directors" section and the "Directors' Report" section of this Annual Report.

## Board Performance

**Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.**

The Board's performance is reflected in the overall performance of the Group. The Board ensures compliance with the applicable laws and the Board members act in good faith, with due diligence and care in the best interest of the Company and its shareholders.

The NC is responsible for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual director. The NC proposes objective performance criteria which are approved by the Board. The performance criteria include comparison with industry peers, how the Board has enhanced long-term shareholders' value and the Company's share price performance vis-à-vis the Singapore Straits Times Index or a benchmark index of its industry peers. Other performance criteria may include return on equity. These performance criteria will not be changed from year to year and where circumstances deem it necessary for any of the criteria to be changed, the onus will be on the Board to justify such changes.

The evaluation of individual directors aims to assess whether each director continues to contribute effectively and demonstrate commitment to the role (including commitment of time for Board and committee meetings, and any other duties). The Executive Chairman will be briefed on the results of the performance evaluation, and where appropriate, propose new members be appointed to the Board or seek the resignation of directors, in consultation with the NC.

## Access to Information

**Principle 6: In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.**

The Company recognises the importance of the flow of information for the Board to discharge its duties effectively. The Management provides the Board with quarterly management accounts, as well as relevant background or explanatory information relating to the matters that would be discussed at the Board meetings, prior to the scheduled meetings. All directors are also furnished with updates on the financial position and any material developments of the Group as and when necessary. The Board has separate and independent access to the company secretary and the Management at all times. Under the direction of the chairman, the company secretary facilitates information flow within the Board and its committees and between the Management and non-executive directors. The company secretary attends all meetings of the Board and Board committees and ensures that all Board procedures are followed and applicable rules and regulations are complied with. The minutes of all Board committee meetings are circulated to the Board. The appointment and removal of the company secretary are subject to the approval of the Board as a whole.

The Board will have independent access to professional advice when required, subject to the approval of the chairman. The fees of professional advice will be borne by the Company.

# CORPORATE GOVERNANCE REPORT

## REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

**Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.**

The RC comprises the following members:-

Phua Sian Chin (Chairman)  
Ng Weng Sui Harry  
Low See Ching

The chairman of the RC, Mr Phua Sian Chin, is an independent director, while Mr Ng Weng Sui Harry is the lead independent director and Mr Low See Ching is a non-executive director.

For FY2013, the main terms of reference of the RC were as follows:-

- to recommend to the Board a framework of remuneration for the directors and senior management;
- to determine specific remuneration packages for each executive director, covering all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind;
- to determine the remuneration of non-executive directors, taking into account factors such as effort and time spent, and the responsibilities of the directors;
- in the case of service contracts of directors, to review and to recommend to the Board the terms of renewal of the service contracts; and
- to consider the various disclosure requirements for directors' and key executives' remuneration as required by any regulatory bodies.

The RC's recommendations should be submitted for endorsement by the entire Board. No director shall be involved in deciding his own remuneration. If necessary, the RC will seek expert advice on the remuneration of directors.

### Level and Mix of Remuneration

**Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.**

In setting remuneration packages, the Company takes into consideration the remuneration packages and employment conditions within the industry and in comparable companies. The remuneration package also takes into account the Company's relative performance and the performance of individual directors. The remuneration package is designed to allow the Company to better align the interests of the executive director with those of shareholders and link rewards to corporate and individual performance.

The directors are paid directors' fees, taking into account factors such as effort and time spent, and responsibilities of the directors. Directors' fees are recommended by the Board for approval at the Company's AGM.

# CORPORATE GOVERNANCE REPORT

The remuneration package of the executive director includes a basic salary and an annual incentive bonus based on the audited profit before tax of the Group.

The Company has entered into a service agreement with the Executive Chairman and CEO, Mr Ching Chiat Kwong, for an initial period of three years with effect from 1 May 2010. Upon the expiry of the initial period of three years, the employment of the executive director shall be automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree. The service agreement provides for termination by each party giving not less than six months' notice in writing.

Currently, the Company does not have any long-term incentive schemes.

## Disclosure on Remuneration

**Principle 9: Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.**

The following shows the level and mix of the remuneration paid or payable for FY2013 to each director and executive officer:-

Remuneration bands	Salary <sup>(1)</sup> %	Variable or performance related income/ bonuses %	Directors' fees <sup>(2)</sup> %	Total %
<b>Directors</b>				
<i>S\$5,000,000 to S\$5,249,999</i>				
Ching Chiat Kwong	6	93	1	100
<i>Below S\$250,000</i>				
Low See Ching	-	-	100	100
Ng Weng Sui Harry	-	-	100	100
Phua Sian Chin	-	-	100	100
<b>Executive Officers</b>				
<i>Below S\$250,000</i>				
Ching Chiat Dee <sup>(4)</sup>	81	19	-	100
Ng Kok Peng	80	20	-	100
Ng Suat Kheng	81	19	-	100
Tan Chew Guek, Lindsay	80	20	-	100

### Notes:-

- (1) Salary is inclusive of salary, allowances and Central Provident Fund contributions.
- (2) Directors' fees are subject to the approval of the shareholders at the forthcoming AGM.
- (3) Based on the service agreement, Mr Ching Chiat Kwong is eligible to be paid an incentive bonus, if the profit before tax less minority interests of the Group ("**PBT**") exceeds S\$7.5 million based on the audited financial statements, equivalent to 0% of the first S\$3.0 million of the PBT, 3% of the next \$2.0 million of the PBT, 4% of the next S\$2.5 million of the PBT, and 5% of the PBT in excess of S\$7.5 million. According to the audited financial statements for FY2013, the PBT exceeded S\$7.5 million. As a result, an incentive bonus of S\$4.1 million would be paid to Mr Ching Chiat Kwong.
- (4) Ms Ching Chiat Dee is a sister of Mr Ching Chiat Kwong, the Executive Chairman and CEO of the Company.



# CORPORATE GOVERNANCE REPORT

Save as disclosed in note (4) above, there is no employee who is an immediate family member of a director or the CEO and was paid more than S\$150,000 during FY2013. "Immediate family member" means spouse, child, adopted child, step-child, brother, sister and parent.

Currently, the Company does not have any employee share schemes.

## ACCOUNTABILITY AND AUDIT

### Accountability

**Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.**

The Board understands its accountability to the shareholders on the Group's performance. The objectives of the presentation of the annual financial statements and quarterly announcements to its shareholders are to provide the shareholders with a detailed and balanced analysis and explanation of the Group's performance, financial position and prospects.

The Management understands its role in providing all members of the Board with balanced and understandable management accounts of the Group's performance, position and prospects on a quarterly basis and/or such regular basis as the Board may require from time to time.

### Audit Committee

**Principle 11: The Board should establish an AC with written terms of reference which clearly sets out its authority and duties.**

The AC comprises the following members:-

Ng Weng Sui Harry (Chairman)  
Phua Sian Chin  
Low See Ching

The chairman of the AC, Mr Ng Weng Sui Harry, is the lead independent director, while Mr Phua Sian Chin is an independent director and Mr Low See Ching is a non-executive director. All AC members have accounting or related financial management qualification to discharge their responsibilities as members of the committee.

For FY2013, the main terms of reference of the AC were as follows:-

- review the audit plans of the external auditors and internal auditors, including the results of their reviews and evaluation of the Group's system of internal controls;
- review the annual consolidated financial statements and the external auditors' report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval;
- review the periodic consolidated financial statements comprising the income statements and balance sheets and such other information required by the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"), before submission to the Board for approval;

# CORPORATE GOVERNANCE REPORT

- review and discuss with the external auditors and internal auditors, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;
- review the co-operation given by the Management to the external auditors;
- review the independence of the external auditors annually, and recommend to the Board the appointment, re-appointment or removal of the external auditors and approve the remuneration and terms of engagement of the external auditors;
- review and approve any interested person transactions falling within the scope of Chapter 9 of the Listing Manual;
- review potential conflicts of interests (if any);
- review the procedures by which employees of the Group may, in confidence, report to the Chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions in relation thereto;
- commission an annual internal control audit until such time as the AC is satisfied that the Group's internal controls are robust and effective enough to mitigate the Group's internal control weakness (if any);
- ensure that the internal audit function is adequate and has appropriate standing within the Group, ensure the adequacy of the internal audit function, and review the scope and results of the internal audit procedures including the effectiveness of the internal audit function;
- ensure that a review of the effectiveness of the Company's material internal controls, including financial, operational and compliance controls, and risk management, is conducted at least annually by the internal and/or external auditors;
- review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external auditors, and where the external auditors also supply a substantial volume of non-audit services to the Company, keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money;
- approve internal control procedures and arrangements for all interested person transactions;
- undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- undertake generally such other functions and duties as may be required by law or the Listing Manual, and by such amendments made thereto from time to time.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the Management and full discretion to invite any director or executive officer of the Group to attend its meetings, and is given reasonable resources to enable it to discharge its functions properly and effectively.

The AC meets with the external auditors, and with the internal auditors, without the presence of the Management, at least annually.

# CORPORATE GOVERNANCE REPORT

The AC reviews the whistle-blowing policy and procedures, which provide staff with well-defined and accessible channels within the Group for reporting possible improprieties in matters of financial reporting or other matters in confidence and ensure that there is independent investigation of such matters and appropriate follow-up action.

The Company's external auditors are RSM Chio Lim LLP. During FY2013, the fees paid by the Company to the external auditors for audit and non-audit services amounted to S\$270,300 and S\$84,800, respectively. The AC has undertaken a review of all non-audit services provided to the Company by the external auditors and they would not, in the AC's opinion, affect the independence of the external auditors. As such, the AC has recommended to the Board that RSM Chio Lim LLP be nominated for re-appointment as external auditors at the forthcoming AGM.

The Company has complied with Rules 712 and 715 of the Listing Manual in relation to its external auditors.

## Internal Controls

### **Principle 12: The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.**

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Group has implemented a system of internal controls designed to provide reasonable but not absolute assurance that assets are safeguarded, proper accounting records are maintained, operational controls are adequate and business risks are suitably managed.

The external auditors and internal auditors provide feedback to the AC highlighting matters that require the attention of the Management. The AC keeps under review the effectiveness of the Group's system of accounting and internal financial controls on an annual basis. Based on the internal controls put in place by the Group, the work performed and reports submitted by the external auditors and internal auditors and the reviews carried out by the Board and the AC, the Board, with the concurrence of the AC, is satisfied with the adequacy of the Group's internal controls, including financial, operational and compliance controls, and risk management systems.

## Internal Audit

### **Principle 13: The Company should establish an internal audit function that is independent of the activities it audits.**

The Company outsourced the internal audit function to a professional firm to review the Company's internal control processes in FY2013. The internal auditors report primarily to the AC and administratively to the Executive Chairman. The internal auditors plan their internal audit schedules in consultation with, but independent of, the Management. The AC will approve the annual internal audit plans, and review the scope and the results of the internal audit performed by the internal auditors. The AC will ensure the adequacy of the internal audit function at least annually.

# CORPORATE GOVERNANCE REPORT

## COMMUNICATION WITH SHAREHOLDERS

### Communication with Shareholders

#### **Principle 14: Companies should engage in regular, effective and fair communication with shareholders.**

The Company's quarterly and full year financial results announcements, analyst briefings and press releases (if any) are issued via SGXNET.

The Company discloses all material information on a timely basis and to all shareholders.

#### **Principle 15: Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.**

The Company supports the Code's principle to encourage communication with and participation by shareholders. Shareholders are encouraged to attend the AGM to ensure a greater level of shareholder participation. The Articles of Association allow a shareholder of the Company to appoint up to two proxies to attend the AGM and vote in place of the shareholder. Shareholders are given the opportunity to pose questions to the Board or the Management at the AGM. The members of the AC, NC and RC will be present at the AGM to answer questions relating to matters overseen by the respective committees. The external auditors will also be present to assist in addressing queries from shareholders relating to the conduct of audit and the preparation and content of the auditor's report.

The Board notes that there should be separate resolutions at general meetings on each substantially separate issue and supports the Code's principles as regards "bundling" of resolutions. In the event that there are resolutions which are interlinked, the Board will provide reasons and material implications.

## DEALING IN SECURITIES

The Group has adopted and implemented policies in line with the SGX-ST's best practices in relation to the dealing of shares of the Company. The policies have been made known to directors, executive officers and any other persons as determined by the Management who may possess unpublished material price-sensitive information of the Group. The Group has procedures in place prohibiting directors and officers from dealing in the Company's shares during the two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and the one month before the announcement of the Company's full year financial statements ("**Prohibited Periods**"), or if they are in possession of unpublished material price-sensitive information of the Group.

Directors and officers are required to comply with and observe the laws on insider trading even if they trade in the Company's securities outside the Prohibited Periods. They are discouraged from dealing in the Company's securities on short-term considerations and should be mindful of the law on insider trading.



# CORPORATE GOVERNANCE REPORT

## INTERESTED PERSON TRANSACTIONS

The Company is required to comply with the requisite rules under Chapter 9 of the Listing Manual for interested person transactions.

All interested person transactions will be properly documented and submitted to the AC for quarterly review to ensure that they are carried out on an arm's length basis, on normal commercial terms and will not be prejudicial to the interests of the shareholders.

In addition, an interested person transaction of value equal to or more than 3% of the Group's latest audited net tangible assets will be approved by the AC prior to entry into such transactions.

In the event that a member of the AC is interested in any interested person transaction, he will abstain from reviewing that particular transaction.

The Board will ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Listing Manual and accounting standards are complied with.

Save as disclosed below, there were no material contracts of the Group involving the interests of any director or controlling shareholder, either still subsisting at the end of FY2013 or if not then subsisting, entered into since the end of the financial year ended 30 June 2012.

The aggregate value of interested person transactions during FY2013 is as follows:-

Name of interested person	Aggregate value of all interested person transactions during FY2013 (excluding transactions less than S\$100,000 and transaction conducted under shareholders' mandate pursuant to Rule 920) (S\$'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (S\$'000)
Oxley Construction Pte. Ltd. for construction of property development projects and office renovation	-	35,362
Interest paid on advances from Directors <sup>(1)</sup>		
- Ching Chiat Kwong	460	-
- Low See Ching	322	-

**Note:**

- (1) Ching Chiat Kwong and Low See Ching are Directors and controlling shareholders of the Company. The amounts due to Ching Chiat Kwong and Low See Ching from the Company have been fully repaid and there were no outstanding amounts as at 30 June 2013. Interest was paid on the outstanding principal amount of the advances at 6.0% per annum, computed on a monthly basis. The advances were unsecured and without fixed repayment terms.

# DIRECTORS' REPORT

The directors of the company are pleased to present their report together with the audited financial statements of the company and of the group for the reporting year ended 30 June 2013.

## 1. Directors at Date of Report

The directors of the company in office at the date of this report are:

Ching Chiat Kwong  
Low See Ching  
Ng Weng Sui Harry  
Phua Sian Chin

## 2. Arrangements to Enable Directors to Acquire Benefits by Means of The Acquisition of Shares and Debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist any arrangement to which the company is a party, being an arrangement whose objects are, or one of whose objects is to enable the directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

## 3. Directors' Interests in Shares and Debentures

The directors of the company holding office at the end of the reporting year had no interests in the share capital of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 (the "Act") except as follows:

Name of directors and company in which interest are held	At beginning of the reporting year	At end of the reporting year	As 21 July 2013
<u>Parent company –</u>			
<u>Bullish Investment Pte. Ltd.</u>			
	<u>Number of ordinary shares of no par value</u>		
	<u>Direct Interest</u>		
Ching Chiat Kwong	28	451,920,000	451,920,000
Low See Ching	23	307,470,000	307,470,000
<u>The company</u>			
	<u>Direct Interest</u>		
Ching Chiat Kwong	204,282,500	352,675,510	353,175,510
Low See Ching	74,746,450	226,351,191	227,457,191
Ng Weng Sui Harry	100,000	250,000	250,000
	<u>Deemed Interest</u>		
Ching Chiat Kwong	759,390,000	1,503,592,200	1,503,592,200
Low See Ching	759,390,000	1,503,592,200	1,503,592,200

By virtue of section 7 of the Act, Mr Ching Chiat Kwong and Mr Low See Ching are deemed to have an interest in all the subsidiaries of the company.

# DIRECTORS' REPORT

## 4. Contractual Benefits of Directors

Since the beginning of the reporting year, no director of the company has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Act by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the financial statements.

There were certain transactions (shown in the financial statements under related party transactions) with corporations in which certain directors have interests.

## 5. Share Options

During the reporting year, no option to take up unissued shares of the company or any of its subsidiaries was granted.

During the reporting year, there were no shares of the company or any of its subsidiaries issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares of the company or any of its subsidiaries under option.

## 6. Independent Auditors

The independent auditors, RSM Chio Lim LLP, have expressed their willingness to accept re-appointment.

## 7. Audit Committee

The members of the audit committee at the date of this report are as follows:

Mr Ng Weng Sui Harry (Chairman of audit committee and Lead Independent Director)  
Mr Phua Sian Chin (Independent Director)  
Mr Low See Ching (Non-Executive Director)

The audit committee performs the functions specified by section 201B(5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditors their audit plan;
- Reviewed with the independent external auditors their evaluation of the company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by the company's officers to them;
- Reviewed with the internal auditors the scope and results of the internal audit procedures;
- Reviewed the financial statements of the group and the company prior to their submission to the directors of the company for adoption; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the Listing Manual of SGX).

# DIRECTORS' REPORT

## 7. Audit Committee (Cont'd)

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditors provide non-audit services.

The audit committee has recommended to the board of directors that the independent auditors, RSM Chio Lim LLP, be nominated for re-appointment as independent auditors at the forthcoming annual general meeting of the company.

## 8. Subsequent Developments

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 28 August 2013, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On Behalf of The Directors

.....  
Ching Chiat Kwong  
Director

.....  
Low See Ching  
Director

17 September 2013



## STATEMENT BY DIRECTORS

In the opinion of the directors,

- (a) the accompanying consolidated statement of profit or loss and other comprehensive income, statements of financial position, statements of changes in equity, consolidated statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company and of the group as at 30 June 2013 and of the results and cash flows of the group and changes in equity of the company and of the group for the reporting year then ended; and
- (b) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

On Behalf of The Directors

.....  
Ching Chiat Kwong  
Director

.....  
Low See Ching  
Director

17 September 2013

# INDEPENDENT AUDITORS' REPORT

to the Members of OXLEY HOLDINGS LIMITED (Registration No: 201005612G)

## Report on the Financial Statements

We have audited the accompanying financial statements of Oxley Holdings Limited (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 30 June 2013, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of profit or loss and other comprehensive income and statement of financial position and to maintain accountability of assets.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

# INDEPENDENT AUDITORS' REPORT

to the Members of OXLEY HOLDINGS LIMITED (Registration No: 201005612G)

## Opinion

In our opinion, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the group and of the company as at 30 June 2013 and of the results, changes in equity and cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

## Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

17 September 2013

Partner in charge of audit: Lee Mong Sheong  
Effective from year ended 30 June 2011

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 30 June 2013

	Notes	Group 2013 \$'000	2012 \$'000
<b>Revenue</b>	5	457,693	159,368
Cost of Sales		(319,256)	(120,216)
<b>Gross Profit</b>		138,437	39,152
<b>Other Items of Income</b>			
Other Income	6	7,755	6,295
Interest Income	7	47	27
Other Credits	8	436	658
<b>Other Items of Expense</b>			
Marketing and Distribution Costs		(6,119)	(3,868)
Administrative Expenses	10	(9,389)	(8,121)
Other Charges	8	(525)	(612)
Finance Costs	11	(8,452)	(4,085)
Share of Profit from an Equity-Accounted Joint Venture		543	54
<b>Profit Before Tax from Continuing Operations</b>		122,733	29,500
Income Tax Expense	12	(18,830)	(5,768)
<b>Profit Net of Tax</b>		103,903	23,732
<b>Other Comprehensive Income:</b>			
Items that may be Reclassified Subsequently to Profit or Loss:			
Exchange Differences on Translating Foreign Operations, Net of Tax		5	-
<b>Other Comprehensive Income for the Year</b>		5	-
<b>Total Comprehensive Income</b>		103,908	23,732
Profit Attributable to Owners of the Parent, Net of Tax		69,139	16,903
Profit Attributable to Non-Controlling Interests, Net of Tax		34,764	6,829
Profit Net of Tax		103,903	23,732
Total Comprehensive Income Attributable to Owners of the Parent		69,144	16,903
Total Comprehensive Income Attributable to Non-Controlling Interests		34,764	6,829
Total Comprehensive Income		103,908	23,732
<b>Earnings Per Share</b>	13		
Earnings per Share Currency Unit		<b>Cents</b>	<b>Cents</b>
Basic		2.45	0.63
Diluted		2.45	0.63

The accompanying notes form an integral part of these financial statements.



# STATEMENTS OF FINANCIAL POSITION

As at 30 June 2013

		Group		Company	
	Notes	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Plant and Equipment	15	68	83	68	83
Investment Property	16	61,107	–	–	–
Investments in Joint Ventures	17	5,110	554	1,097	554
Investments in Subsidiaries	18	–	–	24,035	20,825
Deferred Tax Assets	12	4,988	1,228	–	–
<b>Total Non-Current Assets</b>		71,273	1,865	25,200	21,462
<b>Current Assets</b>					
Development Properties	19	1,293,471	1,019,110	–	–
Trade and Other Receivables	20	750,128	345,293	430,562	212,575
Other Assets	21	125,069	34,037	90	58
Cash and Cash Equivalents	22	436,460	205,135	53,410	228
<b>Total Current Assets</b>		2,605,128	1,603,575	484,062	212,861
<b>Total Assets</b>		2,676,401	1,605,440	509,262	234,323
<b>EQUITY AND LIABILITIES</b>					
<b>Equity Attributable to Owners of the Parent</b>					
Share Capital	23	163,880	118,445	163,880	118,445
Foreign Currency Translation Reserve		5	–	–	–
Retained Earnings		74,786	21,785	3,499	5,507
<b>Equity, Attributable to Owners of the Parent</b>		238,671	140,230	167,379	123,952
Non-Controlling Interests		49,836	14,277	–	–
<b>Total Equity</b>		288,507	154,507	167,379	123,952
<b>Non-Current Liabilities</b>					
Other Financial Liabilities	24	1,173,192	809,883	146,929	–
Deferred Tax Liabilities	12	5,905	6,054	–	–
<b>Total Non-Current Liabilities</b>		1,179,097	815,937	146,929	–
<b>Current Liabilities</b>					
Income Tax Payable		26,065	4,310	–	–
Trade and Other Payables	25	234,100	165,035	194,954	110,371
Other Financial Liabilities	24	396,764	177,356	–	–
Other Liabilities	26	551,868	288,295	–	–
<b>Total Current Liabilities</b>		1,208,797	634,996	194,954	110,371
<b>Total Liabilities</b>		2,387,894	1,450,933	341,883	110,371
<b>Total Equity and Liabilities</b>		2,676,401	1,605,440	509,262	234,323

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF CHANGES IN EQUITY

Year Ended 30 June 2013

<b>Group</b>	<b>Total Equity \$'000</b>	<b>Attributable to Parent Sub-Total \$'000</b>	<b>Share Capital \$'000</b>	<b>Retained Earnings \$'000</b>	<b>Foreign Currency Translation Reserve \$'000</b>	<b>Non- Controlling Interests \$'000</b>
<b>Current Year:</b>						
Opening Balance at 1 July 2012	154,507	140,230	118,445	21,785	–	14,277
<b>Movements in Equity:</b>						
Rights Issue, Net of Expenses (Note 23)	45,435	45,435	45,435	–	–	–
Total Comprehensive Income for the Year	103,908	69,144	–	69,139	5	34,764
Dividends Paid (Note 14)	(16,138)	(16,138)	–	(16,138)	–	–
Capital Contribution by Non- Controlling Interests	795	–	–	–	–	795
<b>Closing Balance at 30 June 2013</b>	<b>288,507</b>	<b>238,671</b>	<b>163,880</b>	<b>74,786</b>	<b>5</b>	<b>49,836</b>
<b>Previous Year:</b>						
Opening Balance at 1 July 2011	137,064	131,516	118,445	13,071	–	5,548
<b>Movements in Equity:</b>						
Total Comprehensive Income for the Year	23,732	16,903	–	16,903	–	6,829
Dividends Paid (Note 14)	(8,189)	(8,189)	–	(8,189)	–	–
Capital Contribution by Non- Controlling Interests	1,900	–	–	–	–	1,900
<b>Closing Balance at 30 June 2012</b>	<b>154,507</b>	<b>140,230</b>	<b>118,445</b>	<b>21,785</b>	<b>–</b>	<b>14,277</b>

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF CHANGES IN EQUITY

Year Ended 30 June 2013

<b>Company</b>	<b>Total Equity \$'000</b>	<b>Share Capital \$'000</b>	<b>Retained Earnings \$'000</b>
<b>Current Year:</b>			
Opening Balance at 1 July 2012	123,952	118,445	5,507
<b>Movements in Equity:</b>			
Rights Issue, Net of Expenses (Note 23)	45,435	45,435	–
Total Comprehensive Income for the Year	14,130	–	14,130
Dividends Paid (Note 14)	(16,138)	–	(16,138)
<b>Closing Balance at 30 June 2013</b>	<b>167,379</b>	<b>163,880</b>	<b>3,499</b>
<b>Previous Year:</b>			
Opening Balance at 1 July 2011	126,213	118,445	7,768
<b>Movements in Equity:</b>			
Total Comprehensive Income for the Year	5,928	–	5,928
Dividends Paid (Note 14)	(8,189)	–	(8,189)
<b>Closing Balance at 30 June 2012</b>	<b>123,952</b>	<b>118,445</b>	<b>5,507</b>

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 30 June 2013

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit Before Tax	122,733	29,500
Adjustments for:		
Interest Income	(47)	(27)
Interest Expense	8,452	4,085
Share of Profit of an Equity-Accounted Joint Venture	(543)	(54)
Depreciation of Plant and Equipment	55	50
Operating Cash Flows before Changes in Working Capital	130,650	33,554
Development Properties	(251,056)	(589,159)
Trade and Other Receivables	(389,887)	(24,799)
Other Assets	(91,032)	(24,352)
Trade and Other Payables	50,111	39,043
Other Liabilities	263,573	288,295
Net Cash Flows Used in Operating Activities	(287,641)	(277,418)
Income Taxes Paid	(984)	(199)
Net Cash Flows Used in Operating Activities	(288,625)	(277,617)
<b>Cash Flows From Investing Activities</b>		
Purchase of Plant and Equipment	(40)	(7)
Investment in Joint Ventures	(4,013)	(500)
Acquisition of Investment Property	(61,107)	-
Interest Received	47	27
Net Effect of Exchange Rate Changes	5	-
Net Cash Flows Used in Investing Activities	(65,108)	(480)
<b>Cash Flows From Financing Activities</b>		
Dividends Paid to Equity Owners	(16,138)	(8,189)
Capital Contribution by Non-Controlling Interests	795	1,900
Rights Issue, Net of Expenses	45,435	-
Repayment to Directors	(31,372)	(6,125)
(Repayment to) Advances from Shareholder	(5,359)	231
Advances from Non-Controlling Interests	40,737	43,746
Repayment of Bank Borrowings	(256,560)	(150,312)
Increase in Bank Borrowings	839,277	507,314
Interest Paid	(31,757)	(17,985)
Net Cash Flows From Financing Activities	585,058	370,580
<b>Net Increase in Cash and Cash Equivalents</b>	231,325	92,483
Cash and Cash Equivalents, Consolidated Statement of Cash Flows, Beginning Balance	205,135	112,652
<b>Cash and Cash Equivalents, Consolidated Statement of Cash Flows, Ending Balance (Note 22)</b>	436,460	205,135

The accompanying notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 1. General

The company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the company (referred to as "parent") and the subsidiaries.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors.

The principal activities of the company are those of investment holding and provision of management services. It is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the subsidiaries are property development and investment holding.

The registered office is: 50 Raffles Place, #11-02 Singapore Land Tower, Singapore 048623. The company is situated in Singapore.

## 2. Summary of Significant Accounting Policies

### Accounting Convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs need not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be made if the information is immaterial. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

### Basis of Presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its directly and indirectly controlled subsidiaries. The consolidated financial statements are the financial statements of the group presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including profit or loss and other comprehensive income items and dividends are eliminated on consolidation. The results of any subsidiary acquired or disposed of during the reporting year are accounted for from the respective dates of acquisition or up to the date of disposal which is the date on which effective control is obtained of the acquired business until that control ceases.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost and is subsequently accounted as available-for-sale financial assets in accordance with FRS 39.

The company's financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, no statement of profit or loss and other comprehensive income is presented for the company.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 2. Summary of Significant Accounting Policies (Cont'd)

### Basis of Preparation of the Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this note to the financial statements, where applicable.

### Revenue Recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of any related sales taxes, returns and rebates.

For residential and mixed development properties under progressive payment schemes in Singapore, whereby the legal terms in the sales contracts result in the continuous transfer of work-in-progress to the purchasers, revenue and cost are recognised using the stage of completion method. The amounts brought into the financial statements are the results attributable to each sale contracts signed, but only to the extent that they relate to the stage of completion as certified by the independent architects or quantity surveyors for the individual units sold.

For the industrial and commercial development properties, the revenue and cost are recognised using the completion of construction method, when the development is completed. Developments are considered complete upon the issue of temporary occupation permits ("TOP").

When losses are expected on the properties, full provision is made in the financial statements after adequate consideration has been made for estimated costs to completion.

Interest income is recognised using the effective interest method. Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term.

### Employee Benefits

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund which is the Central Provident Fund in Singapore (a government managed retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 2. Summary of Significant Accounting Policies (Cont'd)

### Income Tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries and interest in joint ventures except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

### Foreign Currency Transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

### Translation of Financial Statements of Other Entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 2. Summary of Significant Accounting Policies (Cont'd)

### Borrowing Costs

All borrowing costs that are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset until substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Other borrowing costs are recognised as an expense in the period in which they are incurred. The interest expense is calculated using the effective interest rate method.

### Plant and Equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Plant and equipment	–	25% to 33.33%
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An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

### Investment Property

Investment property is property owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the cost model is used to measure the investment property using the treatment for property, plant and equipment, that is, at cost less any accumulated depreciation and any accumulated impairment losses. An investment property that meets the criteria to be classified as held for sale is carried at the lower of carrying amount and fair value less costs to sell. For disclosure purposes, the fair values are determined periodically on a systematic basis by external independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

Until construction or development is complete a property is classified as investment property if the units are to be held for investments and the units held for resale are classified as completed units for resale or as inventories.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 2. Summary of Significant Accounting Policies (Cont'd)

### Operating Leases

Whether an arrangement is, or contains, a lease, it is based on the substance of the arrangement at the inception date, that is, whether (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis.

### Segment Reporting

The group discloses financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

### Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities accompanying a shareholding of more than one half of the voting rights or the ability to appoint or remove the majority of the members of the board of directors or to cast the majority of votes at meetings of the board of directors. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

In the company's own separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and net book value of the investment in a subsidiary are not necessarily indicative of the amounts that would be realised in a current market.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 2. Summary of Significant Accounting Policies (Cont'd)

### Joint Ventures

A joint venture is a contractual arrangement with other parties to undertake an economic activity that is subject to joint control. The accounting for investment in a joint venture is on the equity method. The carrying value and the net book value of the investment in the joint venture are not necessarily indicative of the amounts that would be realised in a current market exchange. The reporting entity discontinues the use of this method from the date that it loses joint control over the joint venture and accounts for the investment in accordance with FRS 39 from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former joint venture is measured at its fair value at the date that it ceases to be a joint venture.

Losses of a joint venture in excess of the group's interest in the relevant entity are not recognised except to the extent that the group has an obligation. Profits and losses resulting from transactions between the reporting entity and a joint venture are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the relevant joint venture.

### Business Combinations

Business combinations are accounted for by applying the acquisition method. There were none during the reporting year.

### Non-Controlling Interests

The non-controlling interests in the net assets and net results of a consolidated subsidiary are shown separately in the appropriate components of the consolidated financial statements. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

### Impairment of Non-Financial Assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. When the fair value less costs to sell method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 2. Summary of Significant Accounting Policies (Cont'd)

### Development Properties

Development properties are properties being constructed or developed for sale. The cost of properties under development comprises specifically identified costs, including land acquisition costs, development expenditure, borrowing costs and other related expenditure. Borrowing costs payable on loans funding a development property are also capitalised, on a specific identification basis, as part of the cost of the development property until the completion of development. The cumulative impact of a revision in estimates is recorded in the period such revisions become likely and estimable.

1. Unsold development properties – Development properties that are unsold are carried at the lower of cost (specific identification method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost to complete development and selling expenses.
2. Sold development properties – Revenue and costs on development properties that have been sold are recognised using the stage of completion method and completion of construction method (see Note 2 on Revenue Recognition and Note 19).

The development properties in progress have operating cycles longer than one year. The management includes in current assets amounts relating to the development properties in progress realisable over a period in excess of one year.

### Financial Assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the “substance over form” based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 2. Summary of Significant Accounting Policies (Cont'd)

### Financial Assets (Cont'd)

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following four categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year, there were no financial assets classified in this category.
2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.
3. Held-to-maturity financial assets: As at end of the reporting year, there were no financial assets classified in this category.
4. Available-for-sale financial assets: As at end of the reporting year, there were no financial assets classified in this category.

### Cash and Cash Equivalents

Cash and cash equivalents include bank and cash balances. For the consolidated statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 2. Summary of Significant Accounting Policies (Cont'd)

### Financial Liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the greater of (a) the amount determined in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.
2. Other financial liabilities: All liabilities, which have not been classified in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 2. Summary of Significant Accounting Policies (Cont'd)

### Fair Value of Financial Instruments

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes. The fair value of a financial instrument is derived from an active market or by using an acceptable valuation technique. The appropriate quoted market price for an asset held or liability to be issued is usually the current bid price without any deduction for transaction costs that may be incurred on sale or other disposal and, for an asset to be acquired or liability held, the asking price. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique. The fair value measurements are classified using a fair value hierarchy of 3 levels that reflects the significance of the inputs used in making the measurements, that is, Level 1 for the use of quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 for the use of inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and Level 3 for the use of inputs for the asset or liability that are not based on observable market data (unobservable inputs). The level is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Where observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year.

### Equity

Equity instruments are contracts that give a residual interest in the net assets of the company. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when declared by the directors.

### Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 2. Summary of Significant Accounting Policies (Cont'd)

### Critical Judgements, Assumptions and Estimation Uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Recognition of revenue and expenses relating to development properties accounted on the stage of completion method:

The stage of completion is applied on a cumulative basis in each accounting period to the current estimates of revenue and costs of development property. Changes in the estimate of revenue or costs, or the effect of a change in the estimate of the outcome of a development property could impact the amount of revenue and expenses recognised in profit or loss in the period in which the change is made and in subsequent periods. Such impact could potentially be significant. Significant judgement is required in estimating reasonable amounts of variation claims to be recognised as cost in project budgets and in determining if the group has to make provisions for any potential liquidated damages exposure and other losses.

Provision of foreseeable losses on development properties:

The group's accounting policy on development properties requires known or anticipated losses on the development projects to be provided for in the year in which such losses are determined. Estimating such losses requires the group to make an estimate of the expected selling price of the unsold development properties based on recent transactions or open market valuation of the unsold units. The group also estimates the total development costs to determine the extent of the anticipated losses, if any. Changes in the estimated selling price of the development properties due to market conditions and revisions of the total estimated development costs will therefore impact the anticipated losses recognised, and therefore provision for foreseeable losses on development properties could be revised.

## 3. Related Party Relationships and Transactions

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group; (ii) One entity is an associate or joint venture of the other entity; (iii) Both entities are joint ventures of the same third party; (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity; (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity; (vi) The entity is controlled or jointly controlled by a person identified in (a); (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 3. Related Party Relationships and Transactions (Cont'd)

### 3.1 Related companies:

The company is a subsidiary of Bullish Investment Pte. Ltd., incorporated in Singapore that is also the company's ultimate parent company. Related companies in these financial statements include the members of the parent company's group of companies. The ultimate controlling parties are Mr Ching Chiat Kwong and Mr Low See Ching.

There are transactions and arrangements between the reporting entity and members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The current intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any significant non-current balances and significant financial guarantees an interest or charge is charged or imputed unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

### 3.2 Related parties other than related companies:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The current related party balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any significant non-current balances and significant financial guarantees an interest or charge is charged or imputed unless stated otherwise.

Significant related party transactions:

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Group	Related parties <sup>(a)</sup>	
	2013 \$'000	2012 \$'000
Purchase of goods and services for construction of development properties capitalised in development properties	(32,212)	(27,383)
Showroom building costs	(3,150)	(790)
Reimbursement of project technical officers	(46)	(311)

<sup>(a)</sup> These are companies where a director, Mr Ching Chiat Kwong, is also a shareholder.

	Directors		Shareholder	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Interest expense	782	1,309	138	231
			Non-controlling interests	
			2013 \$'000	2012 \$'000
Interest expense capitalised in development properties			3,671	652

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 3. Related Party Relationships and Transactions (Cont'd)

### 3.3 Key management compensation:

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and other short-term employee benefits	5,076	1,719

The above amounts are included under administrative expenses. Included in the above amounts are the following items:

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
Remuneration of a director of the company	4,433	1,166
Fees to directors of the company	220	170

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The above amounts for key management compensation are for all the directors and other key management personnel of the company.

### 3.4 Other receivables from and other payables to related parties:

The trade transactions and the trade receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	<b>Directors</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Group and Company</b>		
<u>Other payables:</u>		
Balance at beginning of the year	(31,372)	(37,497)
Amounts paid out	33,039	7,434
Amounts received and settlement of liabilities on behalf of the company	(885)	-
Interest expense	(782)	(1,309)
Balance at end of the year (Note 25)	-	(31,372)

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 3. Related Party Relationships and Transactions (Cont'd)

### 3.4 Other receivables from and other payables to related parties (Cont'd):

#### Group and Company

##### Other receivables:

	2013 \$'000	2012 \$'000
Balance at beginning of the year	17,270	–
Amounts paid out and settlement of liabilities on behalf of another party	4,900	25,533
Amounts received and settlement of liabilities on behalf of the company	(3,120)	(8,263)
Balance at end of the year (Note 20)	19,050	17,270

#### Group and Company

##### Other payables:

	2013 \$'000	2012 \$'000
Balance at beginning of the year	(5,359)	(5,128)
Amounts paid out and settlement of liabilities on behalf of another party	5,748	–
Amounts received and settlement of liabilities on behalf of the company	(251)	–
Interest expense	(138)	(231)
Balance at end of the year (Note 25)	–	(5,359)

#### Group

##### Other receivables (other payables):

	2013 \$'000	2012 \$'000
Balance at beginning of the year	(62,723)	(18,977)
Amounts paid out and settlement of liabilities on behalf of another party	33,017	15,859
Amounts received and settlement of liabilities on behalf of the company	(70,083)	(58,953)
Interest expense	(3,671)	(652)
Balance at end of the year	(103,460)	(62,723)

##### Presented as:

Other receivables (Note 20)	20,559	5,611
Other payables (Note 25)	(124,019)	(68,334)
Net	(103,460)	(62,723)

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 3. Related Party Relationships and Transactions (Cont'd)

### 3.4 Other receivables from and other payables to related parties (Cont'd):

Company	Subsidiaries	
	2013 \$'000	2012 \$'000
Other receivables (other payables):		
Balance at beginning of the year	121,907	145,911
Amounts paid out and settlement of liabilities on behalf of another party	95,736	-
Amounts received and settlement of liabilities on behalf of the company	-	(24,004)
Balance at end of the year	217,643	121,907
Presented as:		
Other receivables (Note 20)	411,282	195,305
Other payables (Note 25)	(193,639)	(73,398)
Net	217,643	121,907

## 4. Financial Information by Operating Segments

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the group.

For the reporting year 2013, the group has one major strategic operating segment – develop and sale of properties. All revenue and substantially all the expenses incurred are directly attributable to this segment.

Geographical information – The group's combined results are generated in Singapore. The group's assets and liabilities for the reporting year 2013 are substantially located in Singapore. There are no non-current assets located outside Singapore for the reporting year ended 2013.

There are no customers with revenue transactions of over 10% of the group's revenue.

## 5. Revenue

	Group	
	2013 \$'000	2012 \$'000
Revenue from sale of development properties (recognised on completion of construction method)	214,905	-
Revenue from sale of development properties (recognized on stage of completion method)	242,788	159,368
	457,693	159,368

## 6. Other Income

	Group	
	2013 \$'000	2012 \$'000
Rental income	7,577	6,277
Other income	178	18
	7,755	6,295

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 7. Interest Income

	Group	
	2013 \$'000	2012 \$'000
Interest income	47	27

## 8. Other Credits and (Other Charges)

	Group	
	2013 \$'000	2012 \$'000
Customer deposits forfeited	436	658
Compensation to tenant	–	(612)
Foreign exchange adjustment losses	(525)	–
Net	(89)	46
Presented in profit or loss as:		
Other credits	436	658
Other charges	(525)	(612)
Net	(89)	46

## 9. Employee Benefits Expense

	Group	
	2013 \$'000	2012 \$'000
Employee benefits expense	5,519	1,885
Contribution to defined contribution plan	108	89
Total employee benefits expense	5,627	1,974

## 10. Administrative Expenses

The major components include the following:

	Group	
	2013 \$'000	2012 \$'000
Donations	411	729
Employee benefits expense	5,627	1,974
Related taxes	–	3,085
Professional fees	529	273
Utilities	752	610



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 11. Finance Costs

	Group	
	2013 \$'000	2012 \$'000
Interest expense	8,452	4,085
Interest expense capitalised as cost of development properties (Note 19)	23,305	13,900
Total	31,757	17,985

## 12. Income Tax

### 12A. Components of tax expense (income) recognised in profit or loss includes:

	Group	
	2013 \$'000	2012 \$'000
<u>Current tax expense:</u>		
Current tax expense	22,739	4,030
Subtotal	22,739	4,030
<u>Deferred tax (income) expense:</u>		
Deferred tax expense	-	1,738
Deferred tax income	(3,909)	-
Subtotal	(3,909)	1,738
Total income tax expense	18,830	5,768

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17.0% (2012: 17.0%) to profit or loss before income tax as a result of the following differences:

	Group	
	2013 \$'000	2012 \$'000
Profit before tax	122,733	29,500
Less: Share of profit from an equity-accounted joint venture	(543)	(54)
	122,190	29,446
Income tax expense at the above rate	20,772	5,006
(Not liable to tax) not deductible items	(1,813)	835
Exemptions	(129)	(83)
Other minor items less than 3% each	-	10
Total income tax expense	18,830	5,768

There are no income tax consequences of dividends to owners of the company.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 12. Income Tax (Cont'd)

### 12B. Deferred tax (income) expense recognised in profit or loss includes:

	Group	
	2013 \$'000	2012 \$'000
Tax loss carryforwards	(3,642)	(595)
Deferred tax on profits recognised for development properties based on stage of completion method	(267)	2,333
Total deferred income tax (income) expense recognised in profit or loss	(3,909)	1,738

### 12C. Deferred tax balance in the statements of financial position:

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
From deferred tax assets (liabilities) <u>recognised in profit or loss:</u>				
Tax loss carryforwards	4,870	1,228	-	-
Profits recognised on development properties based on stage of completion method	(5,787)	(6,054)	-	-
Net balance	(917)	(4,826)	-	-
Presented in the statement of financial position as follows:				
Deferred tax assets	4,988	1,228	-	-
Deferred tax liabilities	(5,905)	(6,054)	-	-
Net balance	(917)	(4,826)	-	-

For the Singapore companies, the realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

Profit recognised for development properties in Singapore are taxed upon completion of the projects.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 13. Earnings Per Share

Basic and diluted earnings per share ("EPS") is calculated by dividing the net profit for the year attributable to owners of the company by the weighted average number of ordinary shares as follows:

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
Net profit attributed to owners of the company	69,139	16,903
	<b>'000</b>	<b>'000</b>
Weighted average number of equity shares	2,824,127	2,680,200

The weighted average number of equity shares refers to shares in circulation during the reporting year. Basic earnings per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting period.

The weighted average number of equity shares for 2012 had been retrospectively adjusted to reflect the share split during the reporting year 2013 (see Note 23).

There are no dilutive ordinary share equivalents outstanding during each reporting year.

## 14. Dividends on Equity Shares

<b>Group and Company</b>	<b>Rate per share - cents</b>		<b>2013</b>	<b>2012</b>
	<b>2013</b>	<b>2012</b>	<b>\$'000</b>	<b>\$'000</b>
Final tax exempted (one-tier) dividend paid in respect of previous reporting year	0.47	0.45	6,999	6,701
Interim exempt (one-tier) dividend paid	0.31	0.10	9,139	1,488
Total dividend paid in the year	0.78	0.55	16,138	8,189

In respect of the current reporting year, the directors propose that a final dividend of 0.60 cents per share with a total of \$17,689,000 be paid to shareholders after the annual general meeting. There are no income tax consequences. This dividend is subject to approval by shareholders at the next annual general meeting and has not been included as a liability in these financial statements. The proposed dividend for 2013 is payable in respect of all ordinary shares in issue at the end of the reporting year and including the new qualifying shares issued up to the date the dividend becomes payable, if any.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 15. Plant and Equipment

<b>Group and Company</b>	<b>Total</b>
	<b>\$'000</b>
<u>Cost:</u>	
At 1 July 2011	172
Additions	7
At 30 June 2012	179
Additions	40
At 30 June 2013	219
<u>Accumulated depreciation:</u>	
At 1 July 2011	46
Depreciation for the year	50
At 30 June 2012	96
Depreciation for the year	55
At 30 June 2013	151
<u>Net book value:</u>	
At 1 July 2011	126
At 30 June 2012	83
At 30 June 2013	68

The depreciation expense is charged under administrative expenses.

## 16. Investment Property

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>At cost:</u>		
At beginning of the year	-	-
Additions	61,107	-
At end of the year	61,107	-
<u>Accumulated depreciation:</u>		
At beginning of the year	-	-
Depreciation for the year	-	-
At end of the year	-	-
<u>Net book value:</u>		
At beginning of the year	-	-
At end of the year	61,107	-

The investment property is under construction as at the end of the reporting year. Henceforth, the fair value of the investment property is not reliably determinable.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 17. Investments in Joint Ventures

	Group		Company	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Movements in carrying value:				
At beginning of the year	554	–	554	–
Additions	4,013	500	–	500
Share of profit for the year	543	54	543	54
At end of the year	5,110	554	1,097	554
Carrying value:				
Unquoted equity shares at cost	4,513	500	500	500
Share of profit, net of dividends received	597	54	597	54
	5,110	554	1,097	554
Share of net book value of joint ventures	5,110	554	1,097	554

The investment in equity shares in the joint ventures at cost includes goodwill of \$1,807,000 (2012: nil).

The joint ventures held by the company and the group are listed below:

Name of joint venture, country of incorporation, place of operations, principal activities and independent auditor	Percentage of equity held by the group	
	2013 %	2012 %
Oxley-Lian Beng Pte. Ltd. <sup>(a)</sup> Singapore Property developer RSM Chio Lim LLP	50	50
Held through Oxley Emerald Sdn. Bhd. Posh Properties Sdn. Bhd. <sup>(b)</sup> Malaysia Property developer Yeo & Associates	50	–

<sup>(a)</sup> Joint venture with Lian Beng Land Pte. Ltd., a wholly-owned subsidiary of Lian Beng Group Ltd, which is in the business of construction. Oxley-Lian Beng Pte. Ltd. is jointly controlled by both parties as a result of a contractual agreement involving sharing of control over strategic, financial and operating decisions related to Oxley-Lian Beng Pte. Ltd.

<sup>(b)</sup> Posh Properties Sdn. Bhd. is jointly controlled by its shareholders as a result of a shareholders agreement dated 11 June 2013, involving sharing of control over strategic, financial and operating decisions related to Posh Properties Sdn. Bhd.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 17. Investments in Joint Ventures (Cont'd)

The summary financial information of the joint ventures, not adjusted for the percentage ownership held by the group, is as follows:

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
Assets	174,012	131,486
Liabilities	167,407	130,379
Revenue	–	–
Profit for the year	1,086	108

## 18. Investments in Subsidiaries

	<b>Company</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
Movements during the year:		
Cost at beginning of the year	20,825	16,725
Additions	3,210	4,100
Cost at end of the year	24,035	20,825
Total cost comprising:		
Unquoted equity shares at cost	24,035	20,825
Net book value of subsidiaries	161,386	58,223

The subsidiaries held by the company and the group are listed below:

<b>Name of subsidiaries and principal activities</b>	<b>Cost in Books of Group</b>		<b>Effective Percentage of Equity Held by Group</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>%</b>
<u>Held by the company</u>				
Action Property Pte. Ltd. <sup>(f)</sup> (Formerly known as Ascendial Pte. Ltd.) Property developer Incorporated on 25 September 2012	510	–	51	–
Ascend Assets Pte. Ltd. <sup>(f)</sup> Property developer	910	910	100	100
Berri Pte. Ltd. <sup>(f)</sup> Property developer Incorporated on 26 September 2012	– <sup>(a)</sup>	–	100	–
Galaxy Land Pte. Ltd. <sup>(f)</sup> Property developer	1,308	1,308	100	100
Hume Homes Pte. Ltd. <sup>(f)</sup> Property developer	1,173	1,173	100	100



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 18. Investments in Subsidiaries (Cont'd)

Name of subsidiaries and principal activities	Cost in Books of Group		Effective Percentage of Equity Held by Group	
	2013 \$'000	2012 \$'000	2013 %	2012 %
Maison Pte. Ltd. <sup>(f)</sup> Property developer Incorporated on 26 September 2012	– <sup>(a)</sup>	–	100	–
Oxley Ascend Capital Pte. Ltd. <sup>(f)</sup> Property developer	833	833	100	100
Oxley Ascend Realty Pte. Ltd. <sup>(f)</sup> Property developer	550	550	55	55
Oxley Assets Pte. Ltd. <sup>(f)</sup> Property developer	994	994	100	100
Oxley Bliss Pte. Ltd. <sup>(f)</sup> Property developer	700	– <sup>(a)</sup>	70 <sup>(e)</sup>	100
Oxley Blossom Pte. Ltd. <sup>(f)</sup> Property developer	1,000	1,000	100	100
Oxley Bright Pte. Ltd. <sup>(f)</sup> Property developer	– <sup>(a)</sup>	– <sup>(a)</sup>	100	100
Oxley Changi Pte. Ltd. <sup>(f)</sup> Property developer	– <sup>(a)</sup>	– <sup>(a)</sup>	100	100
Oxley Concept Pte. Ltd. <sup>(f)</sup> Property developer	596	596	60	60
Oxley Connections Pte. Ltd. <sup>(f)</sup> Investment holding	2,600	2,600	52	52
Oxley Consortium Pte. Ltd. <sup>(f)</sup> Property developer	1,000	1,000	100	100
Oxley Fort Pte. Ltd. <sup>(f)</sup> Property developer	1,000	1,000	100	100
Oxley Gem Pte. Ltd. <sup>(f)</sup> Property developer	– <sup>(a)</sup>	– <sup>(a)</sup>	100	100
Oxley Global Pte. Ltd. <sup>(f)</sup> Property developer	1,000	1,000	100	100
Oxley International Holdings Pte. Ltd. <sup>(b) (f)</sup> Investment holding Incorporated on 18 April 2013	– <sup>(a)</sup>	–	100	–
Oxley Module Pte. Ltd. <sup>(f)</sup> Property developer	656	656	66	66

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 18. Investments in Subsidiaries (Cont'd)

Name of subsidiaries and principal activities	Cost in Books of Group		Effective Percentage of Equity Held by Group	
	2013 \$'000	2012 \$'000	2013 %	2012 %
Oxley Mosaic Pte. Ltd. <sup>(f)</sup> Property developer	1,000	1,000	100	100
Oxley Niche Pte. Ltd. <sup>(f)</sup> Property developer	1,000	1,000	100	100
Oxley Rise Pte. Ltd. <sup>(f)</sup> Property developer	1,000	– (a)	100	100
Oxley Rising Pte. Ltd. <sup>(f)</sup> Property developer	– (a)	– (a)	100	100
Oxley Sanctuary Pte. Ltd. <sup>(f)</sup> Property developer	550	550	55	55
Oxley Shine Pte. Ltd. <sup>(f)</sup> Property developer	– (a)	– (a)	100	100
Oxley Sims Pte. Ltd. <sup>(f)</sup> Property developer	1,000	1,000	100	100
Oxley Sparkle Pte. Ltd. <sup>(f)</sup> Property developer	– (a)	– (a)	100	100
Oxley Star Pte. Ltd. <sup>(f)</sup> Property developer	671	671	67.5	67.5
Oxley Vibes Pte. Ltd. <sup>(f)</sup> Property developer	900	900	90	90
Oxley Vibrant Pte. Ltd. <sup>(f)</sup> Property developer	1,000	– (a)	100	100
Oxley Vista Pte. Ltd. <sup>(f)</sup> Property developer	550	550	55	55
Oxley Viva Pte. Ltd. <sup>(f)</sup> Property developer	550	550	55	55
Oxley Wealth Pte. Ltd. <sup>(f)</sup> Property developer	434	434	51	51
Oxley YCK Pte. Ltd. <sup>(f)</sup> Property developer	550	550	55	55
Oxley Zest Pte. Ltd. <sup>(f)</sup> Property developer	– (a)	– (a)	100	100
Totality Pte. Ltd. <sup>(f)</sup> Property developer Incorporated on 25 September 2012	– (a)	–	100	–

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 18. Investments in Subsidiaries (Cont'd)

Name of subsidiaries and principal activities	Cost in Books of Group		Effective Percentage of Equity Held by Group	
	2013 \$'000	2012 \$'000	2013 %	2012 %
<u>Held by subsidiaries</u>				
Orchard Suites Residence Pte. Ltd. <sup>(f)</sup> Property developer	5,000	5,000	52	52
Oxley Cambodia Pte. Ltd. <sup>(c) (f)</sup> (Formerly known as Oxley Diamond Pte. Ltd.) Investment holding	– <sup>(a)</sup>	– <sup>(a)</sup>	100	100
Oxley Holdings (Cambodia) Co., Ltd. <sup>(b) (g)</sup> Investment holding Incorporated on 16 May 2013	6	–	100	–
Oxley-Worldbridge (Cambodia) Co., Ltd. <sup>(b) (g)</sup> Property developer Incorporated on 6 June 2013	3	–	49 <sup>(d)</sup>	–
Oxley Malaysia Pte. Ltd. <sup>(b) (f)</sup> Investment holding Incorporated on 18 April 2013	– <sup>(a)</sup>	–	100	–
Oxley Holdings (Malaysia) Sdn. Bhd. <sup>(b) (h)</sup> Investment holding Incorporated on 3 June 2013	– <sup>(a)</sup>	–	100	–
Oxley Diamond Sdn. Bhd. <sup>(b) (h)</sup> Property developer Incorporated on 3 June 2013	– <sup>(a)</sup>	–	100	–
Oxley Emerald Sdn. Bhd. <sup>(b) (h)</sup> Property developer Incorporated on 3 June 2013	– <sup>(a)</sup>	–	100	–
Oxley Gem Sdn. Bhd. <sup>(b) (h)</sup> Property developer Incorporated on 3 June 2013	– <sup>(a)</sup>	–	100	–
Oxley Ruby Sdn. Bhd. <sup>(b) (h)</sup> Property developer Incorporated on 3 June 2013	– <sup>(a)</sup>	–	100	–
Oxley Sapphire Sdn. Bhd. <sup>(b) (h)</sup> Property developer Incorporated on 21 May 2013	– <sup>(a)</sup>	–	100	–
Oxley Star Sdn. Bhd. <sup>(b) (h)</sup> Property developer Incorporated on 3 June 2013	– <sup>(a)</sup>	–	100	–

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 18. Investments in Subsidiaries (Cont'd)

- (a) Cost of investment is less than \$1,000.
- (b) Not audited as it is newly incorporated and has not commenced operations. The unaudited management accounts as at 30 June 2013 are used for the purpose of consolidation.
- (c) In 2012, the investment of the subsidiary is held by the company. In 2013, the investment is transferred to one of its subsidiary – Oxley International Holdings Pte. Ltd.
- (d) The entity is consolidated because although the group does not own, directly or indirectly through subsidiaries, more than half of the voting power of the entity, it is able to govern the financial and operating policies of the investee by virtue of an agreement with the other shareholders of the investee.
- (e) The company and other non-controlling interests injected additional capital into the subsidiary during the reporting year 2013, resulting in the decrease in the company's equity interests in the subsidiary.
- (f) Incorporated in Singapore
- (g) Incorporated in Cambodia
- (h) Incorporated in Malaysia

All the subsidiaries that are incorporated in Singapore are audited by RSM Chio Lim LLP.

## 19. Development Properties

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Properties in the course of development:</u>		
Aggregate amount of costs incurred on:		
- Unsold development properties recognised on stage of completion method	410,174	320,002
- Development properties recognised on completion of construction method	883,297	699,108
	<u>1,293,471</u>	<u>1,019,110</u>
Aggregate amount of costs incurred on sold development properties recognised on stage of completion method	848,703	479,411
Add: Attributable profit	103,202	57,529
Less: Progress payments received and receivable to date	(406,197)	(234,857)
Net amount due from customer at end of the year (Note 20)	<u>545,708</u>	<u>302,083</u>

The rate of interest capitalised during the year is between 1.63% – 3.25% (2012: 1.55% – 3.25%) per annum.

The development properties are mortgaged to banks as securities for the credit facilities (Note 24).

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 19. Development Properties (Cont'd)

Details of the development properties are as follows:

Project Name (where available)/ Location	Description	Tenure	Approximate Area (sqm)		Percentage of Completion at 30 June 2013	Interest Held by the Group	Expected Completion Date
			Land Area	Gross Floor Area			
Mixed Developments							
Suites@Katong 263 Tanjong Katong Road, Singapore	4-storey development with attic, mechanised car park and communal facilities	Freehold	1,040	2,797	100%	51%	Completed
Parc Somme 62 Somme Road, Singapore	6-storey development with attic, swimming pool, gym and mechanised car park	99-year leasehold from 6 May 2008	518	1,629	100%	100%	Completed
Loft@Rangoon 113 Rangoon Road, Singapore	5-storey development with attic, swimming pool and mechanised car park	Freehold	458	1,453	100%	100%	Completed
RV Point 229 River Valley Road, Singapore	8-storey development, mechanised car park and communal facilities	999-year leasehold from 1 July 1841	507	2,038	40%	100%	2014
Viva Vista 3 South Buona Vista Road, Singapore	5-storey development with attic and mechanised car park	Freehold	3,626	9,013	76%	100%	2014
Vibes@East Coast 308 Telok Kurau Road, Singapore	5-storey development with attic, mechanised car park, swimming pool and communal facilities	Freehold	2,413	7,125	65%	66%	2013
Oxley Edge 308 River Valley Road, Singapore	4-storey development with attic, mechanised car park, and swimming pool	Freehold	1,121	3,226	Has not commenced construction	100%	2015

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 19. Development Properties (Cont'd)

Project Name (where available)/ Location	Description	Tenure	Approximate Area (sqm)		Percentage of Completion at 30 June 2013	Interest Held by the Group	Expected Completion Date
			Land Area	Gross Floor Area			
<u>Mixed Developments</u>							
Vibes@Kovan 93 Kovan Road, Singapore	5-storey development with attic, mechanised car park, swimming pool and communal facilities	Freehold	723	2,157	77%	100%	2014
The Promenade@Pelikat 183 Jalan Pelikat, Singapore	3-storey development with attic and 3 levels of basement, swimming pool, carpark and communal facilities	Freehold	6,462	19,490	12%	90%	2015
2 to 20 Cactus Road, Singapore	– <sup>(a)</sup>	Freehold	8,249	12,434	Has not commenced construction	55%	– <sup>(b)</sup>
NEWest 100 to 230 West Coast Way, Singapore	12-storey shop flat development with shops, residential flats, car park and ancillary facilities	956-year leasehold from 27 May 1928	15,298	25,149	Has not commenced construction	55%	2016
339, 339A, 339B, 339C Joo Chiat Road, Singapore	– <sup>(a)</sup>	Freehold	593	1,066	Has not commenced construction	100%	– <sup>(b)</sup>
KAP & KAP Residences 11 King Albert Park	7-storey development with commercial podium, residential blocks and basement carparks	Freehold	5,535	17,179	Has not commenced construction	55%	2017
The Rise@oxley Oxley Rise Road	– <sup>(a)</sup>	Freehold	2,381	10,001	Has not commenced construction	100%	– <sup>(b)</sup>



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 19. Development Properties (Cont'd)

Project Name (where available)/ Location	Description	Tenure	Approximate Area (sqm)		Percentage of Completion at 30 June 2013	Interest Held by the Group	Expected Completion Date
			Land Area	Gross Floor Area			
Residential Developments							
Loft@Holland 151 Holland Road, Singapore	5-storey development with attic, mechanised car park and swimming pool	Freehold	1,124	1,580	76%	67.5%	2013
Loft@Stevens 68 Stevens Road, Singapore	5-storey development with attic, mechanised car park, swimming pool and communal facilities	Freehold	1,298	1,889	100%	60%	Completed
Vibes@Upper Serangoon 488 Upper Serangoon Road, Singapore	5-storey development with attic, mechanised car park, swimming pool and gym	Freehold	997	3,052	21%	100%	2014
Presto@Upper Serangoon 524 Upper Serangoon Road, Singapore	5-storey development with attic, mechanised car park, swimming pool and gym	Freehold	585	1,820	22%	100%	2014
Devonshire Residences 55 Devonshire Road, Singapore	25-storey development, mechanised car park, swimming pool and communal facilities	Freehold	1,245	3,836	44%	52%	2014
Suites@Braddell 56 Braddell Road, Singapore	5-storey development with attic, mechanised car park, swimming pool and communal facilities	Freehold	1,108	1,552	25%	100%	2014

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 19. Development Properties (Cont'd)

Project Name (where available)/ Location	Description	Tenure	Approximate Area (sqm)		Percentage of Completion at 30 June 2013	Interest Held by the Group	Expected Completion Date
			Land Area	Gross Floor Area			
Industrial Developments							
Oxley Bizhub 61,63,65,67,69,71 and 73 Ubi Road 1, Singapore	2 block 10-storey multiple-user development and one block of 4-storey building development, car park and ancillary facilities	60-year leasehold from 15 November 2010	34,853	87,126	90%	100%	2013
Oxley Bizhub 2 62 Ubi Road 1, Singapore	11-storey multiple-user development, car park and ancillary facilities	60-year leasehold from 10 June 2011	12,378	30,942	100%	55%	Completed
Arcsphere 124 Lorong 23 Geylang, Singapore	10-storey multiple-user development and car park	Freehold	1,011	2,529	100%	100%	Completed
The Commerze@ Irving 1 Irving Place, Singapore	9-storey multiple user development, car park and ancillary facilities	60-year leasehold from 26 September 2011	3,353	11,730	57%	55%	2014
Eco-tech@ Sunview (c) Sunview Road	9-storey light industrial factory, car park and ancillary facilities	30-year leasehold from 25 January 2013	28,173	70,432	Has not commenced construction	51%	2016
Commercial Developments							
Oxley Tower 138 Robinson Road, Singapore	32-storey development and car park	Freehold	1,490	16,839	1%	100%	2017
Robinson Square 144 Robinson Road, Singapore	20-storey development and mechanised car park	Freehold	422	4,755	23%	100%	2015
The Flow 66 East Coast Road	8-storey commercial development with basement and mechanised car park	Freehold	2,058	6,520	Has not commenced construction	100%	2017

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 19. Development Properties (Cont'd)

- (a) The plans for these projects are subject to modification, pending URA approval.  
 (b) These projects are yet to be launched.  
 (c) The projects are launched subsequent to the end of the reporting year 2013.

## 20. Trade and Other Receivables

	Group		Company	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
<u>Trade receivables:</u>				
Outside parties	154,812	17,632	230	-
Unbilled revenue on completed properties	9,999	2,688	-	-
Unbilled revenue on properties under development (Note 19)	545,708	302,083	-	-
Subtotal	710,519	322,403	230	-
<u>Other receivables:</u>				
Outside parties	-	9	-	-
Non-controlling interests (Note 3)	20,559	5,611	-	-
Subsidiaries (Note 3)	-	-	411,282	195,305
Joint venture (Note 3)	19,050	17,270	19,050	17,270
Subtotal	39,609	22,890	430,332	212,575
Total trade and other receivables	750,128	345,293	430,562	212,575

## 21. Other Assets

	Group		Company	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Deposits and stamp duties paid for purchases of land	124,599	33,896	-	-
Deposits to secure services	470	141	90	58
	125,069	34,037	90	58

## 22. Cash and Cash Equivalents

	Group		Company	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Not restricted in use	131,945	21,702	53,410	228
Project Accounts <sup>(a)</sup>	304,515	183,433	-	-
Cash at end of the year	436,460	205,135	53,410	228

The interest earning balances are not significant.

- (a) The amounts in project accounts are bank balances held under Housing Developers (Project Account) (Amendment) Rules 1997, the use of which is subject to restrictions imposed by the aforementioned rules.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 23. Share Capital

<b>Group and company</b>	<b>Number of shares issued '000</b>	<b>Share capital \$'000</b>
Ordinary shares of no par value:		
Balance at beginning and end of the year 30 June 2012	1,489,000	118,445
Subdivision of shares due to share split <sup>(a)</sup>	2,680,200	118,445
Rights issue <sup>(b)</sup>	268,020	45,563
Rights issue expenses	-	(128)
Balance at end of the year 30 June 2013	2,948,220	163,880

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements. Certain subsidiaries have loan facilities that require the respective subsidiary to have a minimum share capital of \$1 million before the loans were granted to the respective subsidiaries.

<sup>(a)</sup> On 7 November 2012, the company issued 1,191,200,000 ordinary shares of no par value by way of a share split of every ten (10) ordinary shares into eighteen (18) ordinary shares. There are no monetary values involved in the books of the company.

<sup>(b)</sup> On 11 December 2012, the company issued 268,020,000 ordinary shares of no par value by way of an issue of rights shares of 1 for every 10 ordinary shares held. The rights shares were issued at \$0.17 per share.

### Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

In order to maintain its listing on the Singapore Stock Exchange it has to have share capital with a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will automatically continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the share registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 23. Share Capital (Cont'd)

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt / adjusted capital (as shown below). Net debt is calculated as total borrowings less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, and retained earnings).

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Net debt:				
All current and non-current borrowings	1,569,956	987,239	146,929	-
Less cash and cash equivalents	(436,460)	(205,135)	(53,410)	(228)
Net debt	1,133,496	782,104	93,519	(228)
Adjusted capital:				
Total equity	288,507	154,507	167,379	123,952
Debt-to-adjusted capital ratio	393%	506%	56%	(0.2%)

The decrease in the group's debt-to-adjusted capital ratio for the current reporting year resulted from increase in the issue of shares and a favourable change with improved retained earnings, which offset the proportionate increase in new debts. There are significant external borrowings but these are secured by specific assets. The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk of borrowings.

## 24. Other Financial Liabilities

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Non-current:</u>				
Bank loans (secured) (Note 24A)	1,026,263	809,883	-	-
Fixed rate notes (Note 24B)	146,929	-	146,929	-
Subtotal	1,173,192	809,883	146,929	-
<u>Current:</u>				
Bank loans (secured) (Note 24A)	396,764	177,356	-	-
Total	1,569,956	987,239	146,929	-
The non-current portion is repayable as follows:				
Due within 2 to 5 years	1,173,192	809,883	146,929	-
Total non-current portion	1,173,192	809,883	146,929	-
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
The range of floating interest rates paid were as follows:				
	1.63% -	1.55% -		
	3.25%	3.25%		
Bank loans (secured)			-	-
The range of fixed interest rates paid were as follows:				
Fixed rate notes	-	-	5.1%	-

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 24. Other Financial Liabilities (Cont'd)

### 24A. Bank loans (secured)

The bank loans bear interest at either:

- (a) 1.25% to 2.00% (2012: 1.50% to 2.00%) per annum above the bank's cost of funds or 1.50% to 2.00% (2012: 1.50% to 2.00%) per annum over the bank's Swap Offer Rate as determined by the bank on the day of transaction, whichever is the higher, or at such other rate at the sole discretion of the bank, for an interest period of one, two, three or six months; or
- (b) 1.50% to 1.75% (2012: 1.00% to 1.75%) per annum below the bank's prevailing Enterprise Base Rate on daily balance or such other rate or rates as may be determined by the bank at their discretion from time to time; or
- (c) 1.50% to 1.75% (2012: 1.50% to 1.75%) per annum over and above prevailing Singapore Interbank Offered Rate on daily balance or such other rate or rates as may be determined by the bank at their discretion from time to time; or
- (d) 0.75% (2012: 0.75%) per annum above certain finance company's base rate; or
- (e) 1.65% to 1.88% (2012: nil) per annum over weighted average of the bank's cost of fund, for an interest period of one, two or three months.

The repayment terms of the bank loans are in one lump sum ranging from 36 to 70 months (2012: 24 to 70 months) from the date of first drawdown of the loan or three to six months from the date of issuance of the Temporary Occupation Permit, whichever is the earliest.

The bank agreements for the bank loans provide among other matters for the following:-

- (a) First legal mortgage on the development properties disclosed in Note 19;
- (b) Legal assignment of all rights, title and interests in the construction contract, insurance policies, performance bonds (if any), tenancy agreements and sale and purchase agreements in respect of the proposed developments;
- (c) Joint and several guarantees from directors and a shareholder of the company, as well as the non-controlling shareholders of the subsidiaries;
- (d) Corporate guarantee by the company and fellow subsidiaries;
- (e) Deed of subordination of shareholder and related companies' loan; and
- (f) Compliance with certain covenants.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 24. Other Financial Liabilities (Cont'd)

### 24B. Fixed rate notes (unsecured)

On 6 May 2013, the company established the \$300,000,000 Multicurrency Medium Term Note Programme ("Programme"). This Programme provides for the following: That the company may subject to compliance with all relevant laws, regulations and directives, from time to time issue notes in series or tranches. Each series or tranche of notes may be issued in various currencies and tenor, and may bear fixed, floating, variable or hybrid rates of interest. Notes may be issued at par or at a discount, or premium to par. The company need to observe certain financial covenants.

The total facility drawn down as at 30 June 2013 under the Programme is \$150,000,000. It will mature on 16 May 2017 and bear a fixed interest rate of 5.1% per annum payable semi-annually in arrears. The effective interest rate per annum is 5.676%.

## 25. Trade and Other Payables

	Group		Company	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
<u>Trade payables:</u>				
Outside parties and accrued liabilities	103,407	49,997	1,315	242
Related parties (Note 3)	6,242	8,459	-	-
Subtotal	109,649	58,456	1,315	242
<u>Other payables:</u>				
Rental deposits	432	1,514	-	-
Subsidiaries (Note 3)	-	-	193,639	73,398
Directors (Note 3)	-	31,372	-	31,372
Shareholder (Note 3)	-	5,359	-	5,359
Non-controlling interests <sup>(a)</sup> (Note 3)	124,019	68,334	-	-
Subtotal	124,451	106,579	193,639	110,129
Total trade and other payables	234,100	165,035	194,954	110,371

<sup>(a)</sup> Advances from non-controlling interests to finance the purchases of development properties.

## 26. Other Liabilities

	Group	
	2013	2012
	\$'000	\$'000
Progress payments received and receivable	551,868	288,295

This pertains to progress payments received and receivable to date from industrial and commercial development properties. The revenues of which are recognised on the delivery of the properties. Also see Note 19.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 27. Financial Instruments: Information on Financial Risks

### 27A. Classification of Financial Assets and Liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year by FRS 39 categories:

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Financial assets:</u>				
Cash and bank balances	436,460	205,135	53,410	228
Loans and receivables	750,128	345,293	430,562	212,575
At end of the year	<u>1,186,588</u>	<u>550,428</u>	<u>483,972</u>	<u>212,803</u>
<u>Financial liabilities:</u>				
Other financial liabilities measured at amortised cost	1,569,956	987,239	146,929	–
Trade and other payables measured at amortised cost	234,100	165,035	194,954	110,371
At end of the year	<u>1,804,056</u>	<u>1,152,274</u>	<u>341,883</u>	<u>110,371</u>

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statement of financial position.

### 27B. Financial Risk Management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks and action to be taken in order to manage the financial risks. The guidelines include the following:

- (i) Minimise interest rate, currency, credit and market risks for all kinds of transactions.
- (ii) Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.
- (iii) All financial risk management activities are carried out and monitored by senior management staff.
- (iv) All financial risk management activities are carried out following good market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 27. Financial Instruments: Information on Financial Risks (Cont'd)

### 27C. Fair Values of Financial Instruments

The financial assets and financial liabilities at amortised cost are at a carrying amount that is a reasonable approximation of fair value except as disclosed below:

	Carrying amount		Fair value	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Group and company				
Financial assets at amortised cost				
Fixed rate notes (level 1)	146,929	-	149,961	-

The fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The levels are: Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 27D. Credit Risk on Financial Assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks and receivables. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks is limited because the counter-parties are entities with acceptable credit ratings. Trade receivables relate mainly to the group's customers who bought its commercial and residential units. The group's exposure to credit risk is deemed minimal as it would receive up to 85% of sale proceeds prior to handing over the units of commercial and residential properties to the customers. There is no significant concentration of credit risk, as the exposure is spread over a large number of counter-parties and customers.

Note 22 discloses the maturity of the cash and cash equivalents balances.

As at the end of reporting year, there were no amounts that were impaired.

Other receivables are normally with no fixed terms and therefore there is no maturity.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 27. Financial Instruments: Information on Financial Risks (Cont'd)

### 27E. Liquidity Risk

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

<b>Group</b>	<b>Less than 1 year \$'000</b>	<b>1 - 5 years \$'000</b>	<b>Total \$'000</b>
<u>2013:</u>			
Gross borrowings commitments	416,229	1,256,203	1,672,432
Trade and other payables	234,100	–	234,100
At end of the year	<u>650,329</u>	<u>1,256,203</u>	<u>1,906,532</u>
<u>2012:</u>			
Gross borrowings commitments	198,196	840,342	1,038,538
Trade and other payables	165,035	–	165,035
At end of the year	<u>363,231</u>	<u>840,342</u>	<u>1,203,573</u>
<b>Company</b>	<b>Less than 1 year \$'000</b>	<b>1 - 5 years \$'000</b>	<b>Total \$'000</b>
<u>2013:</u>			
Gross borrowing commitments	7,650	172,313	179,963
Trade and other payables	194,954	–	194,954
At end of the year	<u>202,604</u>	<u>172,313</u>	<u>374,917</u>
<u>2012:</u>			
Trade and other payables	110,371	–	110,371
At end of the year	<u>110,371</u>	<u>–</u>	<u>110,371</u>

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

The undiscounted amounts on the borrowings with floating rates are determined by reference to the conditions existing at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 27. Financial Instruments: Information on Financial Risks (Cont'd)

### 27E. Liquidity Risk (Cont'd)

Financial guarantee contracts – For financial guarantee contracts the maximum earliest period in which the guarantee could be called is used. At the end of the reporting year no claims on the financial guarantees are expected. The following table shows the maturity analysis of the contingent liabilities:

<b>Company</b>	<b>Less than 1 year \$'000</b>	<b>1 – 5 years \$'000</b>	<b>Total \$'000</b>
<u>2013:</u>			
Bank guarantee in favour of joint venture (Note 3)	–	71,850	71,850
Bank guarantee in favour of subsidiaries (Note 3)	396,406	1,070,199	1,466,605
	<u>396,406</u>	<u>1,142,049</u>	<u>1,538,455</u>
<u>2012:</u>			
Bank guarantee in favour of joint venture (Note 3)	–	71,850	71,850
Bank guarantee in favour of subsidiaries (Note 3)	90,960	709,081	800,041
	<u>90,960</u>	<u>780,931</u>	<u>871,891</u>

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2012: 30 days). The other payables are with short-term durations.

The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

	<b>Group</b>	
	<b>2013 \$'000</b>	<b>2012 \$'000</b>
<u>Bank facilities:</u>		
Undrawn borrowing facilities	<u>290,564</u>	<u>295,190</u>

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused bank facilities is provided regularly to management to assist in monitoring the liquidity risk.

### 27F. Interest Rate Risk

The interest rate risk exposure is mainly from changes in fixed rate and floating interest rates. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	<b>Group</b>		<b>Company</b>	
	<b>2013 \$'000</b>	<b>2012 \$'000</b>	<b>2013 \$'000</b>	<b>2012 \$'000</b>
<u>Financial liabilities:</u>				
Floating rates	1,423,027	987,239	–	–
Fixed rates	146,929	–	146,929	–
Total at end of the year	<u>1,569,956</u>	<u>987,239</u>	<u>146,929</u>	<u>–</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 27. Financial Instruments: Information on Financial Risks (Cont'd)

### 27F. Interest Rate Risk (Cont'd)

The floating rate debt instruments are with interest rates that are re-set regularly at one, three or six month intervals. The interest rates are disclosed in the respective notes.

Sensitivity analysis:

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
<u>Financial liabilities:</u>		
A hypothetical variation in interest rates by 10 basis points with all other variables held constant, would have an increase / decrease in the amount of interest expense capitalised in development properties for the year by	1,098	813
A hypothetical variation in interest rates by 10 basis points with all other variables held constant, would have an increase / decrease in pre-tax profit for the year by	325	174

The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on net expenses.

The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

### 27G. Foreign Currency Risk

The company and the entities in the group are not exposed to significant foreign currency risk as its transactions are mainly denominated in Singapore dollar, the functional currency of all entities within the group.

## 28. Commitments

Estimated amounts committed at the end of the reporting year for future certain expenditure but not recognised in the financial statements are as follows:

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
Development expenditure contracted for development properties <sup>(a)</sup>	436,517	244,117
Commitment to purchase properties (Note 21)	384,559	203,490

<sup>(a)</sup> The development expenditure includes contracts with a related party amounting to \$24,741,000 (2012: \$49,904,000).

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 29. Operating Lease Payment Commitments

At the end of the reporting year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	347	217
Later than one year and not later than five years	1,041	–
	<hr/>	<hr/>
Rental expense for the year	229	217
	<hr/>	<hr/>

Operating lease payments are for rentals payable for office premise and certain plant and equipment. The leases from the owner are for three years, commencing from 1 July 2010 and 1 November 2010 respectively. The lease rental terms are negotiated for an average term of three years and rentals are subject to an escalation clause but the amount of the rent increase is not to exceed a certain percentage.

## 30. Operating Lease Income Commitment

At the end of the reporting year the total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	3,961	3,541
Later than one year and not later than five years	1	316
	<hr/>	<hr/>
Rental income for the year	7,577	6,277
	<hr/>	<hr/>

Operating lease income commitments are for certain commercial properties acquired during the reporting year for the purpose of redevelopment.

## 31. Items in Profit or Loss

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, this item includes the following charges:

	<b>Group</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$'000</b>	<b>\$'000</b>
Audit fees to the independent auditors of the company	270	198
Other fees to the company's independent auditors		
– Other expenses	85	41
	<hr/>	<hr/>



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2013

## 32. Events after the End of the Reporting Year

Subsequent to the end of the reporting year, the company issued \$125 million fixed rate notes due in 11 July 2018, under the \$500 million multicurrency medium term note programme.

## 33. Changes and Adoption of Financial Reporting Standards

For the current reporting year, the following new or revised Singapore Financial Reporting Standards were adopted. The new or revised standards did not require any material modification of the measurement methods or the presentation in the financial statements except as disclosed below:

FRS No.	Title
FRS 1	Amendments to FRS 1 – Presentation of Items of Other Comprehensive Income
FRS 12	Deferred Tax (Amendments to) – Recovery of Underlying Assets
FRS 107	Financial Instruments: Disclosures (Amendments to) - Transfers of Financial Assets (*)

(\*) Not relevant to the entity.

## 34. Future Changes in Financial Reporting Standards

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. 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 following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 1	Amendment to FRS 1 Presentation of Financial Statements (Annual Improvements)	1 Jan 2013
FRS 16	Amendment to FRS 16 Property, Plant and Equipment (Annual Improvements)	1 Jan 2013
FRS 19	Employee Benefits (Revised)	1 Jan 2013
FRS 27	Consolidated and Separate Financial Statements (Amendments to)	1 Jul 2012
FRS 27	Separate Financial Statements (Revised)	1 Jan 2014
FRS 28	Investments in Associates and Joint Ventures (Revised)	1 Jan 2014
FRS 32	Amendment to FRS 32 Financial instruments: Presentation (Annual Improvements)	1 Jan 2013
FRS 107	Amendments to FRS 32 and 107 titled Offsetting Financial Assets and Financial Liabilities (*)	1 Jan 2013
FRS 110	Consolidated Financial Statements	1 Jan 2014
FRS 111	Joint Arrangements	1 Jan 2014
FRS 112	Disclosure of Interests in Other Entities	1 Jan 2014
FRS 110	Amendments to FRS 110, FRS 111 and FRS 112	1 Jan 2014
FRS 113	Fair Value Measurements	1 Jan 2013
INT FRS 120	Stripping Costs in the Production Phase of a Surface Mine (*)	1 Jan 2013

(\*) Not relevant to the entity.

# STATISTICS OF SHAREHOLDINGS

(As at 11 September 2013)

Issued and paid-up capital	:	\$166,258,989
Number of shares	:	2,948,219,971
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

The Company does not hold any treasury shares.

## DISTRIBUTION OF SHAREHOLDINGS

(As recorded in the Register of Members and Depository Register as at 11 September 2013)

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHAREHOLDINGS
1 - 999	26	2.51	4,290	0.00
1,000 - 10,000	232	22.44	1,645,917	0.06
10,001 - 1,000,000	728	70.41	80,570,170	2.73
1,000,001 and above	48	4.64	2,865,999,594	97.21
<b>TOTAL</b>	<b>1,034</b>	<b>100.00</b>	<b>2,948,219,971</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 11 September 2013)

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Bullish Investment Pte. Ltd. <sup>(1), (2)</sup>	1,503,592,200	51.00	-	-
Ching Chiat Kwong <sup>(1)</sup>	357,964,510	12.14	1,503,592,200	51.00
Low See Ching (Liu Shijin) <sup>(2)</sup>	230,385,191	7.81	1,503,592,200	51.00
Tee Wee Sien (Zheng Weixian)	354,728,964	12.03	-	-

### Notes:

- (1) Ching Chiat Kwong is deemed to have an interest in the 1,503,592,200 shares held by Bullish Investment Pte. Ltd. by virtue of Section 7 of the Companies Act (Chapter 50) (the "Act").
- (2) Low See Ching (Liu Shijin) is deemed to have an interest in the 1,503,592,200 shares held by Bullish Investment Pte. Ltd. by virtue of Section 7 of the Act.

# STATISTICS OF SHAREHOLDINGS

(As at 11 September 2013)

## TWENTY LARGEST SHAREHOLDERS

(As at 11 September 2013)

NO.	NAME	NO. OF SHARES	%
1	BULLISH INVESTMENT PTE LTD	1,388,752,200	47.10
2	MAYBAN NOMINEES (S) PTE LTD	292,385,000	9.92
3	HONG LEONG FINANCE NOMINEES PTE LTD	257,710,000	8.74
4	BANK OF SINGAPORE NOMINEES PTE LTD	218,702,910	7.42
5	DBS NOMINEES PTE LTD	172,820,913	5.86
6	TEE WEE SIEN (ZHENG WEIXIAN)	64,548,964	2.19
7	UNITED OVERSEAS BANK NOMINEES PTE LTD	51,791,764	1.76
8	BANK OF EAST ASIA NOMINEES PTE LTD	50,000,000	1.70
9	CHING CHIAT KWONG	42,163,090	1.43
10	CITIBANK NOMINEES SINGAPORE PTE LTD	33,883,084	1.15
11	LIM WAN LOOI	33,000,000	1.12
12	SBS NOMINEES PTE LTD	31,680,000	1.07
13	DB NOMINEES (S) PTE LTD	30,031,000	1.02
14	TAN AH SENG	24,994,000	0.85
15	MAYBANK KIM ENG SECURITIES PTE LTD	20,989,000	0.71
16	UOB KAY HIAN PTE LTD	19,510,300	0.66
17	CHAN YEOK PHENG	19,330,000	0.66
18	TAN YONG HOA	13,048,108	0.44
19	LOW SEE CHING (LIU SHIJIN)	12,555,191	0.43
20	KOH WEE MENG	10,450,000	0.35
<b>TOTAL</b>		<b>2,788,345,524</b>	<b>94.58</b>

## SHARES HELD BY PUBLIC

Based on the information provided to the Company as at 11 September 2013, approximately 16.97% of the issued ordinary shares of the Company was held in the hands of the public as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited. Accordingly, Rule 723 of the Listing Manual has been complied with.

This Appendix is circulated to shareholders of Oxley Holdings Limited (the “**Company**”) together with the Company’s Annual Report. Its purpose is to explain to shareholders the rationale and provide information to shareholders for the proposed renewal of the Shareholders’ Mandate (as defined in this Appendix) to be tabled at the Annual General Meeting of the Company to be held on Monday, 14 October 2013 at 10.30 am at the Raffles Lounge (Level 2) of Raffles Country Club at 450 Jalan Ahmad Ibrahim, Singapore 639932.

The Notice of Annual General Meeting is enclosed with the Annual Report.

If you are in any doubt as to the contents herein or as to any action you should take, you should consult your broker, bank manager, accountant or other professional adviser immediately.

If you have sold or transferred all your issued and fully paid ordinary shares in the capital of the Company, you should immediately forward this Appendix, together with the Company’s Annual Report, the Notice of Annual General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Appendix.

## **OXLEY HOLDINGS LIMITED**

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

### **APPENDIX**

#### **IN RELATION TO**

#### **THE PROPOSED RENEWAL OF THE SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS**

## **DEFINITIONS**

In this Appendix, the following definitions apply throughout unless otherwise stated:

### **Companies within our Group**

- "Company" or "Oxley Holdings" : Oxley Holdings Limited
- "Group" : The Company and its subsidiaries

### **Other Companies and Organisations**

- "Oxley Construction" or  
"Mandated Interested Person" : Oxley Construction Pte Ltd
- "SGX-ST" : Singapore Exchange Securities Trading Limited

### **General**

- "Act" or "Companies Act" : The Companies Act (Chapter 50) of Singapore as amended, supplemented or modified from time to time
- "AGM" : Annual general meeting to be held on Monday, 14 October 2013 at 10.30 am at the Raffles Lounge (Level 2) of Raffles Country Club at 450 Jalan Ahmad Ibrahim, Singapore 639932
- "Associate" : (a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:-
- (i) his immediate family (being his spouse, child, adopted child, step-child, sibling and parent);
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more
- (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- "Audit Committee" : The audit committee of the Company

<i>"Controlling Shareholder"</i>	:	A person who:-  (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company; or  (c) in fact exercises control over the Company
<i>"Directors"</i>	:	The directors of the Company
<i>"Latest Practicable Date"</i>	:	11 September 2013, being the latest practicable date prior to the printing of this Appendix
<i>"Listing Manual"</i>	:	The Listing Manual of the SGX-ST, as may be amended, varied or supplemented from time to time
<i>"Shareholders"</i>	:	Registered holders of Shares, except where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares mean the Depositors whose Securities Accounts are credited with Shares
<i>"Shareholders' Mandate"</i>	:	The general mandate approved by Shareholders for the Group to enter into certain transactions with the Mandated Interested Person in compliance with Chapter 9 of the Listing Manual, as further described in this Appendix
<i>"Shares"</i>	:	Ordinary shares in the capital of the Company
<i>"Substantial Shareholder"</i>	:	A person who has an interest in voting shares of the Company the total votes attached to which is not less than 5% of the total votes attached to all the voting shares in the Company

#### **Currencies, Units and Others**

<i>"S\$" or "\$" and "cents"</i>	:	Singapore dollars and cents, respectively
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The terms "Depositor", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Act, any statutory modification thereof, and used in this Appendix shall, where applicable, have the meaning ascribed to it under the Act, such statutory modification thereof, as the case may be.

## **1. INTRODUCTION**

The Company anticipates that the Group would, in the ordinary course of business, enter into transactions including but not limited to the transactions set out in this Appendix with persons which are considered "interested persons" as defined in Chapter 9 of the Listing Manual. It is likely that such transactions will occur with some degree of frequency and could arise at any time and from time to time.

Under Chapter 9 of the Listing Manual, a listed company may seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, which may be carried out with the listed company's interested persons, but not for the purchase or sale of assets, undertakings or businesses.

Due to the time-sensitive nature of commercial transactions, such a mandate will enable the Group, in the normal course of business, to enter into certain categories of interested person transactions with certain categories of interested persons, as set out below, provided that such interested person transactions are made on an arm's length basis and on normal commercial terms.

At the last annual general meeting held on 30 October 2012, the Shareholders approved the renewal of the Shareholders' Mandate (as described below). The Shareholders' Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company. Accordingly, the Directors propose that the Shareholders' Mandate be renewed at the AGM to be held on 14 October 2013, to take effect until the next annual general meeting of the Company.

The purpose of this Appendix is to provide Shareholders with the relevant information relating to, and to seek Shareholders' approval at the AGM to renew the Shareholders' Mandate.

## **2. RENEWAL OF SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS**

### **2.1 Categories of interested persons**

The Shareholders' Mandate will apply to the Group's transactions with the Mandated Interested Person, namely Oxley Construction.

Oxley Construction is a company incorporated in May 1995 and is primarily engaged in building construction. The sole shareholder of Oxley Construction is Mr Ching Chiat Kwong, the Executive Chairman and Chief Executive Officer, as well as Controlling Shareholder, of the Company. The directors of Oxley Construction are Mr Home Baha Dur and Mr Ching Chiat Kwong (who is a non-executive director of Oxley Construction).

### **2.2 Categories of interested person transaction and the benefits derived from such transactions**

The transactions with the Mandated Interested Person relate to the provision of building and construction services by the Mandated Interested Person in the ordinary course of business to the Group. The Directors believe that it is beneficial to the Group to engage the Mandated Interested Person for the construction of the Group's property projects as long as such transactions are made on prices and terms not less favourable than those offered to the Group by unrelated parties.

The Mandated Interested Person has been providing building and construction services to previous property development projects undertaken by Mr Ching Chiat Kwong, the Executive Chairman and Chief Executive Officer of the Company. The Mandated Interested Person has also been providing building and construction services to the Group since the listing of the Company. The Mandated Interested Person is thus familiar with the requirements and specifications, in terms of material quality,



workmanship, timeline and other deliverables, demanded by the Group. As such, less time and resource will be spent on additional quality checks, unnecessary rectification works and supervision to ensure that work is done to the Group's satisfaction and project timelines are adhered to. Based on the foregoing, the Directors are of the view that it will be beneficial to the Group to continue to engage the services of the Mandated Interested Person in the future, subject to the review procedures under the Shareholders' Mandate.

Transactions with interested persons that do not fall within the ambit of the Shareholders' Mandate shall be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.

## **2.3 Rationale for and benefits of the Shareholders' Mandate**

The Shareholders' Mandate and the renewal of the Shareholders' Mandate on an annual basis will eliminate the need to convene general meetings from time to time to seek Shareholders' approval as and when potential transactions with the Mandated Interested Persons arise, thereby eliminating the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

The Shareholders' Mandate is intended to facilitate recurrent transactions of a revenue or trading nature or those necessary for day-to-day operations, provided that they are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

Disclosure will be made in the Company's annual report of the aggregate value of interested person transactions conducted pursuant to the Shareholders' Mandate during the financial year. In addition, the Company will announce the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the relevant financial period within the required time frame stipulated in the Listing Manual.

## **2.4 Guidelines and review procedures under Shareholders' Mandate**

Prior to engaging the services of the Mandated Interested Person, at least two other quotes or bids from unrelated parties shall be obtained for similar building and construction services for comparison purposes. If the construction contract is to be awarded to the Mandated Interested Person, the contract sum shall not be less favourable than the most competitive quote offered and the credentials of the Mandated Interested Person shall also be supported by a recommendation from an architect. In addition, the material terms (in respect of the total amount of the contract sum) offered by the Mandated Interested Person shall also not be less favourable than those offered by the unrelated parties. In the event that certain material terms are not directly comparable to the other quotes or bids from unrelated parties (for example, differences arising from classification of work to be performed), a Director or the Financial Controller, who shall not have an interest in such transaction, will determine whether the terms offered by the Mandated Interested Person are fair and reasonable. In reviewing the contract sum and terms, all pertinent factors, including but not limited to quality, specifications and requirements, duration of contracts, credit terms, delivery arrangement and track record will be taken into consideration.

The Group has implemented the aforesaid procedures to supplement existing internal control procedures to ensure that interested person transactions are undertaken on an arm's length basis and on normal commercial terms consistent with usual business practice and policies and are not more favourable to the interested person than those extended to unrelated parties.

In addition, to supplement internal procedures to ensure that all interested person transactions covered by the Shareholders' Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the following approval limits for the interested person transactions will be applied:-

- (a) where an individual transaction is below \$250,000, such transaction will be subject to review and prior approval by the Financial Contoller, who shall not have an interest in such transaction;
- (b) where an individual transaction is equal to or in excess of \$250,000, such transaction will be subject to review and prior approval by the Audit Committee; and
- (c) where the aggregate value of all transactions with the Mandated Interested Person in the same financial year is equal to or in excess of 5% of the Group's latest audited net tangible assets, all transactions comprising such an amount will be reviewed by the Audit Committee to ensure that they are carried out on normal commercial terms and in accordance with the procedures set out in the Shareholders' Mandate. All transactions which have been reviewed and approved by the Audit Committee will be excluded from the aggregation of transactions for the purpose of such review.

A register will be maintained by the Company to record all interested person transactions (including the dates, terms and basis on which such transactions are entered into) which are entered into pursuant to the Shareholders' Mandate and the approval or review by the Audit Committee or Financial Controller, as the case may be. In the event that the Financial Controller or any member of the Audit Committee (where applicable) is interested in any interested person transaction, he will abstain from reviewing and/or approving that particular transaction.

The Company shall, on a quarterly basis, report to the Audit Committee on all interested person transactions, and the basis of such transactions, entered into with the Mandated Interested Person during the preceding quarter. The Audit Committee shall review such interested person transactions to ensure that they are carried out at arm's length and on normal commercial terms, at its quarterly meetings except where such interested person transactions are required under the review procedures to be reviewed and approved by the Audit Committee prior to the entry thereof.

The Audit Committee shall review from time to time such guidelines and procedures to determine if they continue to be adequate and/or commercially practicable in ensuring that transactions between the Mandated Interested Person and the Group are conducted on an arm's length basis and on normal commercial terms.

The Audit Committee will also carry out periodic reviews (not less than twice in a financial year) to ensure that the established guidelines and procedures for interested person transactions have been complied with and the relevant approvals obtained. The Audit Committee may also engage external parties to carry out such periodic reviews if deemed necessary or appropriate. Further, if during these periodic reviews, the Audit Committee is of the view that the above guidelines and procedures are not sufficient to ensure that these interested person transactions will be on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will revert to the Shareholders for a fresh mandate based on new guidelines and procedures for transactions with the Mandated Interested Person. During the period prior to obtaining a fresh mandate from Shareholders, all transactions with the Mandated Interested Person will be subject to prior review and approval by the Audit Committee.

## 3. AUDIT COMMITTEE'S STATEMENT

The Audit Committee (currently comprising Mr Ng Weng Sui Harry, Mr Phua Sian Chin and Mr Low See Ching) has reviewed the terms of the Shareholders' Mandate and confirms that the method and procedures for determining the transaction prices under the Shareholders' Mandate have not changed since the last Shareholders' approval on 30 October 2012 and that such methods and procedures are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

## 4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders in Shares as at the Latest Practicable Date are set out below:-

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
<b>Directors</b>				
Ching Chiat Kwong <sup>(1)</sup>	357,964,510	12.14	1,503,592,200	51.00
Low See Ching <sup>(2)</sup>	230,385,191	7.81	1,503,592,200	51.00
Harry Ng	350,000	0.01	-	-
Phua Sian Chin	-	-	-	-
<b>Substantial Shareholders (other than Directors)</b>				
Bullish Investment Pte. Ltd. <sup>(1). (2)</sup>	1,503,592,200	51.00	-	-
Tee Wee Sien	354,728,964	12.03	-	-

### Notes:

- (1) Ching Chiat Kwong is deemed to have an interest in the 1,503,592,200 shares held by Bullish Investment Pte. Ltd. by virtue of section 7 of the Companies Act.
- (2) Low See Ching is deemed to have an interest in the 1,503,592,200 shares held by Bullish Investment Pte. Ltd. by virtue of section 7 of the Companies Act.

## 5. DIRECTORS' RECOMMENDATION

Having fully considered the rationale set out in this Appendix, the Directors who are considered independent for the purposes of the proposed renewal of the Shareholders' Mandate, namely Mr Ng Weng Sui Harry, Mr Phua Sian Chin and Mr Low See Ching, believe that the Shareholders' Mandate is in the interest of the Company and recommend that Shareholders vote in favour of the resolution to approve the same as set out in the Notice of AGM.

In view that the Mandated Interested Person is an Associate of Mr Ching Chiat Kwong, the Executive Chairman and Chief Executive Officer, as well as Controlling Shareholder, of the Company, Mr Ching will abstain from voting on the resolution pertaining to the renewal of the Shareholders' Mandate at the AGM and will also undertake to ensure that his Associates will abstain from voting on the same.

## **6. ANNUAL GENERAL MEETING**

The AGM, notice of which is set out in the Annual Report 2013 of the Company, will be held on Monday, 14 October 2013 at 10.30 am at the Raffles Lounge (Level 2) of Raffles Country Club at 450 Jalan Ahmad Ibrahim, Singapore 639932, for the purpose of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution relating to the renewal of the Shareholders' Mandate as set out in the Notice of AGM.

## **7. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders who are unable to attend the AGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the Proxy Form attached to the Annual Report in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 50 Raffles Place #11-02 Singapore Land Tower Singapore 048623 not less than 48 hours before the time fixed for the AGM. The completion and lodgement of the Proxy Form by a Shareholder will not prevent him from attending and voting at the AGM in person if he so wishes.

A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register as at 48 hours before the AGM.

## **8. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the renewal of the Shareholders' Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

# NOTICE OF ANNUAL GENERAL MEETING

## OXLEY HOLDINGS LIMITED

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

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of OXLEY HOLDINGS LIMITED (the "**Company**") will be held at the Raffles Lounge (Level 2) of Raffles Country Club at 450 Jalan Ahmad Ibrahim, Singapore 639932 on Monday, 14 October 2013 at 10.30 am for the following purposes:-

### AS ORDINARY BUSINESS

#### Resolution 1

1. To receive and adopt the Audited Accounts for the financial year ended 30 June 2013 together with the Directors' Report, Statement by Directors and Independent Auditors' Report.

#### Resolution 2

2. To declare a final one-tier tax exempt dividend of 0.60 Singapore cent per ordinary share for the financial year ended 30 June 2013.

#### Resolution 3

3. To re-elect Mr Low See Ching (Liu Shijin) who is retiring pursuant to Article 104 of the Company's Articles of Association (the "**Articles**") and who, being eligible, offers himself for re-election as a Director.

#### Resolution 4

4. To re-elect Mr Ng Weng Sui Harry who is retiring pursuant to Article 104 of the Articles and who, being eligible, offers himself for re-election as a Director.

*Mr Ng Weng Sui Harry will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and the Board considers him to be independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.*

#### Resolution 5

5. To approve the payment of Directors' fees of S\$210,000 for the financial year ended 30 June 2013. [FY2012: S\$170,000]

#### Resolution 6

6. To re-appoint RSM Chio Lim LLP as the Company's Independent Auditors and to authorise the Directors to fix their remuneration.
7. To transact any other ordinary business that may be properly transacted at an Annual General Meeting.

# NOTICE OF ANNUAL GENERAL MEETING

## AS SPECIAL BUSINESS

### Resolution 7

8. To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:-

"Authority to allot and issue shares"

That pursuant to Section 161 of the Companies Act, Chapter 50 and the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:-

- (A) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,
- at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and
- (B) (notwithstanding that this authority may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this authority was in force,

provided that:-

- (1) the aggregate number of Shares to be issued pursuant to this authority (including Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed 50% of the total number of issued Shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) ("**Issued Shares**"), of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed 20% of the total number of Issued Shares;
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of Issued Shares shall be based on the total number of issued Shares (excluding treasury shares) at the time this authority is given, after adjusting for:-
- (i) new Shares arising from the conversion or exercise of any convertible securities;
- (ii) new Shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time this authority is given, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
- (ii) any subsequent bonus issue, consolidation or sub-division of Shares;
- (3) in exercising the authority conferred by this Resolution, the Directors shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

# NOTICE OF ANNUAL GENERAL MEETING

- (4) (unless revoked or varied by the Company in general meeting) this authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

[See Explanatory Note (i)]

## Resolution 8

9. To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:-

"Renewal of mandate for interested person transactions

That approval be and is hereby given for the purpose of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited for the renewal of the mandate (the "**Shareholders' Mandate**") for the Company and its subsidiaries to enter into any of the transactions falling within the types of interested person transactions as described in the Appendix to the Annual Report 2013 (the "**Appendix**") with the interested person described in the Appendix, provided that such transactions are transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders and in accordance with the guidelines and procedures as set out in the Appendix and that the Shareholders' Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company; and the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to this Resolution."

[See Explanatory Note (ii)]

BY ORDER OF THE BOARD

NG KOK PENG  
Company Secretary

Singapore  
27 September 2013



# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory Notes:-

- (i) Ordinary Resolution 7, if passed, will empower the Directors to issue shares in the capital of the Company and to make or grant instruments (such as warrants) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, with a sub-limit of 20% for issues other than on a pro-rata basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time Ordinary Resolution 7 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities, (b) new shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time Ordinary Resolution 7 is passed, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and (c) any subsequent bonus issue, consolidation or sub-division of shares. Such authority will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company.
- (ii) Ordinary Resolution 8, if passed, will renew the shareholders' mandate for the Company and its subsidiaries to enter into certain transactions with an interested person (further details are set out in the Appendix to the Annual Report 2013). Such mandate will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company.

## Notes:

- (i) A member of the Company entitled to attend and vote at the above Meeting may appoint not more than two proxies to attend and vote instead of him.
- (ii) Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. A proxy need not be a member of the Company.
- (iii) If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.
- (iv) The instrument appointing a proxy must be deposited at the Registered Office of the Company at 50 Raffles Place, #11-02, Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the above Meeting.

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# OXLEY HOLDINGS LIMITED

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

## ANNUAL GENERAL MEETING PROXY FORM

### IMPORTANT

1. This Annual Report is also forwarded to investors who have used their CPF moneys to buy shares in the Company at the request of their CPF Approved Nominees, and is sent solely for their information only.
2. This Proxy Form is therefore not valid for use by such CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

being a member/members of OXLEY HOLDINGS LIMITED (the "Company") hereby appoint:

Name	Address	NRIC / Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC / Passport Number	Proportion of Shareholdings (%)

or failing the person or both of the persons above, the Chairman of the Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, at the Annual General Meeting ("AGM") of the Company to be held at the Raffles Lounge (Level 2) of Raffles Country Club at 450 Jalan Ahmad Ibrahim, Singapore 639932 on Monday, 14 October 2013 at 10.30 am, and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM and at any adjournment thereof.

No.	Resolutions relating to:	For	Against
	<b>Ordinary Business</b>		
1.	Audited accounts for financial year ended 30 June 2013		
2.	Payment of final one-tier tax exempt dividend		
3.	Re-election of Mr Low See Ching (Liu Shijin) as a Director		
4.	Re-election of Mr Ng Weng Sui Harry as a Director		
5.	Payment of Directors' fees of S\$210,000		
6.	Re-appointment of RSM Chio Lim LLP as auditors		
	<b>Special Business</b>		
7.	Authority to allot and issue shares		
8.	Renewal of mandate for interested person transactions		

(Please indicate with a cross [X] in the space provided whether you wish your vote to be cast for or against the resolution as set out in the Notice of AGM.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2013

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature(s) of Member(s) or Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

**Notes:-**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid.
4. This proxy form must be deposited at the registered office of the Company at 50 Raffles Place, #11-02, Singapore Land Tower, Singapore 048623 not less than 48 hours before the time set for the AGM.
5. This proxy form must be under the hand of the appointor or of his attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
6. Where this proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this proxy form, failing which this proxy form may be treated as invalid.
7. The Company shall be entitled to reject a proxy form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.





**OXLEY HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore on 16 March 2010)  
(Company Registration Number: 201005612G)