



OXLEY HOLDINGS LIMITED

ANNUAL REPORT 2015



Myanmar
Indonesia
China
Japan
Malaysia
Cambodia
Ireland
United Kingdom
Singapore

Company Profile

Headquartered and listed in Singapore, Oxley Holdings Limited (“Oxley” or “the Group”) is a lifestyle property developer specialising in the development of quality residential, commercial and industrial projects. Oxley’s developments are typically located in choice areas that are easily accessible via a variety of transport modes. Most of the projects also tend to incorporate retail elements, and lifestyle features and facilities. Since going public in October 2010, Oxley has launched a portfolio of 28 distinctive developments locally and most of them met with strong market reception.

Today, Oxley has expanded its property development portfolio into other regions, forming strong partnerships with other reputable developers and business partners. The Group has established an international presence in the UK, Cambodia, Malaysia, China, Myanmar, Ireland and Indonesia. Oxley’s current overseas development properties include its maiden project, *Royal Wharf*, a new waterfront township located in East London, UK, and *The Bridge*, a mixed-use residential and commercial development in the heart of Phnom Penh, Cambodia.

The Group has also diversified into property investment in Singapore and Japan. Among such investment properties are two hotels, *Novotel Singapore on Stevens* and *Ibis Singapore on Stevens*, which are due to open their doors in 2017.

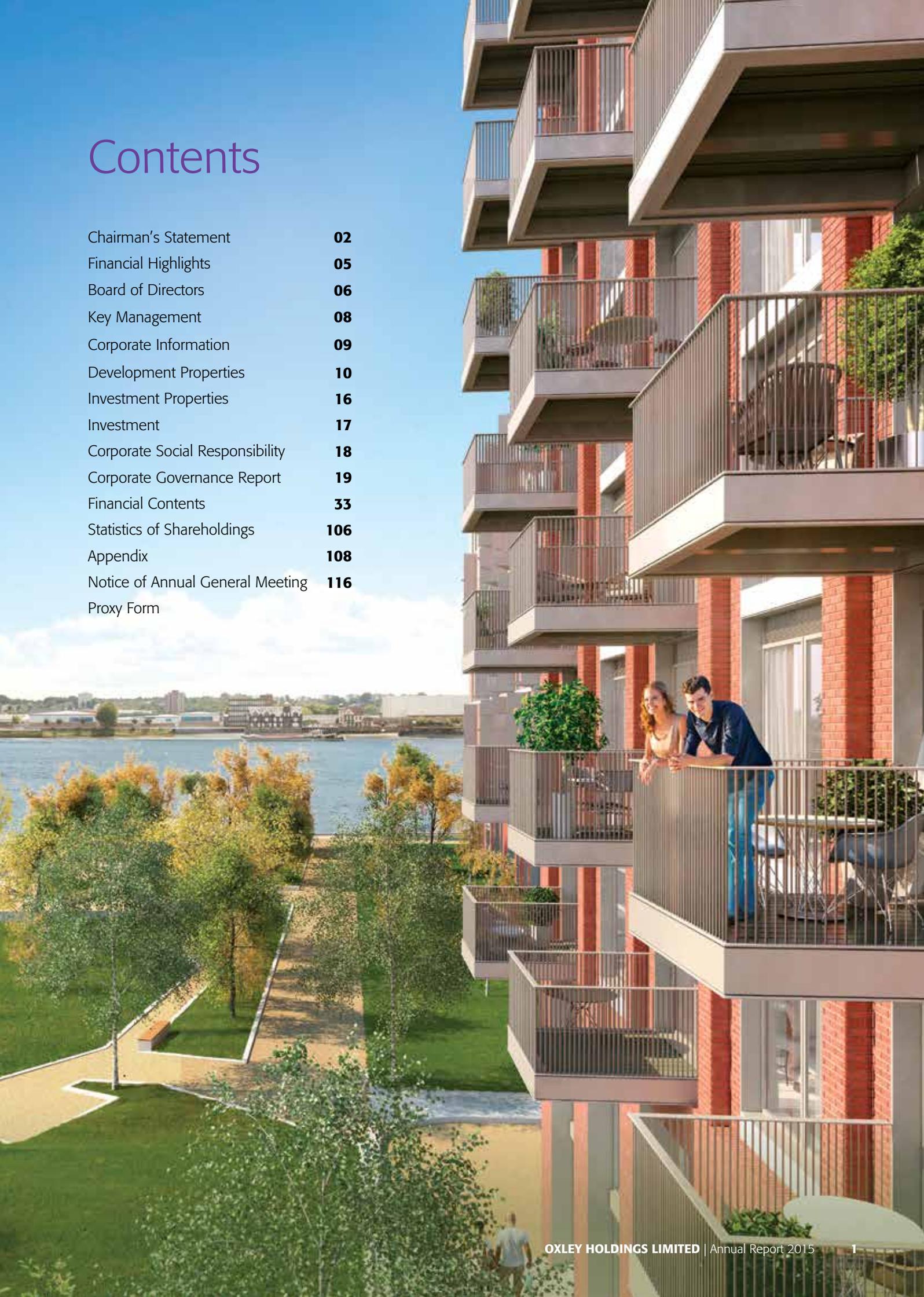
Note: All perspectives of Oxley’s development projects shown in this report are artist’s impressions.



Royal Wharf, East London, UK

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Chairman's Statement

"During FY2015, we obtained temporary occupation permits ("TOP") for seven local projects. This is a record-breaking milestone for the Group."



Dear Shareholders,

On behalf of the Board of Oxley Holdings Limited, I am pleased to present our Annual Report for the financial year ended 30 June 2015 ("FY2015"). Despite FY2015 was a challenging year during which Singapore residential projects met with downward price pressure, it was a productive year for the Group as we lay the foundation to spread our footprint across more countries.

Financial Highlights

During FY2015, we obtained temporary occupation permits ("TOP") for seven local projects. This is a record-breaking milestone for the Group. However, the Group still experienced a tough financial year registering revenue which declined by 35% to \$701.8 million and net profit attributable to shareholders fell to \$60.9 million. Earnings per share on a fully diluted basis also declined to 2.07 cents.

Nonetheless, the Group's balance sheet continued to be strengthened as total equity improved to \$570.1 million compared to \$465.2 million in the last financial year while net asset value per share improved to 16.0 cents from 13.9 cents. Cash and cash equivalents remain healthy at \$344.0 million.

Dividend

In view of the Group's positive performance for the financial year, we have proposed a final one-tier tax exempt dividend of 0.41 cent per ordinary share for shareholders' approval at the forthcoming Annual General Meeting.

Performance Review

Most of our local developments are substantially sold except for three of them which made slower progress mainly due to the various rounds of cooling measures imposed on the Singapore property market. Construction of our 12 ongoing developments is progressing steadily and they are expected to be completed progressively in the near term. While we maintain a cautious approach in the local residential market, we are optimistic about the industrial market in Singapore. In the third quarter of FY2015, the Group took part in a joint venture with Lian Beng Group to develop an industrial land parcel at Tampines North Drive 1.

I am pleased to report that our marketing efforts for our Royal Wharf development in East London have proved successful as we continue to receive tremendous market reception. Phase 1 achieved more than 90% sales while Phase 2 which launched during the financial year achieved a sales level of 73%. Shortly after the close of FY2015, the Group signed a major deal in July 2015 for the forward sale of a block of 195 units under Phase 3, making it the biggest one-off deal since the launch of Royal Wharf. In the same period, we also announced the sale of rights to ground rents for Phases 1 and 2 which is expected to be completed by the end of 2016 and 2018 respectively.

During the financial year, we also launched the Small-Office-Home-Office ("SOHO") component at The Bridge, our Cambodia project, achieving 71% sales while the residential component achieved a sales level of 96%. Earlier, we also announced the appointment of Shangri-La International Hotel Management Limited to manage and operate a hotel within a mixed-use development, The Peak, in Phnom Penh, Cambodia. We are looking forward to launching The Peak towards the end of 2015.

In December 2014, we completed the acquisition of the freehold land in the middle of the Kuala Lumpur city centre precinct in Malaysia. The land will be re-developed to offer an integrated development comprising two towers of hotels and residences, one office tower, and a retail podium to connect all three towers. We will have a 190-room Jumeirah hotel and 273 premium residences under the Jumeirah brand in one of the hotel and residences tower. We are also looking to execute the agreement with Accor to manage the second hotel tower within this integrated development under the Sofitel So brand.

FY2015 was a year where we achieved key milestones under our international property development portfolio with our forays into Ireland, Myanmar and Indonesia. In Ireland, we successfully tendered for a 2.35 hectare commercial site at Dublin, next to the proposed new headquarters of the Central Bank of Ireland, to offer a development comprising a Grade A office with residential component. We will be involved in the development of a 20-storey commercial and residential development

Chairman's Statement

in Yangon, Myanmar and a mixed-use residential and commercial development in Batam, Indonesia.

Investments

As part of our strategy to seize investment opportunities to optimise our assets base, we acquired two properties in Japan. During FY2015, we completed the acquisitions of Chiba Port Square, a mixed-use development located in Chiba prefecture, Tokyo comprising an office tower, retail building, and a hotel tower and a property in Akasaka, Tokyo.

In Singapore, our industrial project, Space@Tampines, achieved a occupancy rate of 77% while our Singapore hotels, Novotel Singapore on Stevens and Ibis Singapore on Stevens, are on track to open their doors in 2017.

Awards and Accolades

We are proud to announce that FY2015 was a exciting year for us as our London township development, Royal Wharf, emerged as the winner of the Development of The Year, RESI Awards and The Wharf Award 2015, both conferred in London. Our hotels, Novotel Singapore on Stevens and Ibis Singapore on Stevens, were named as one of the Top Ten 2015 Developers – Singapore, bestowed by BCI Asia.

Looking Forward

Without the removal of some of the cooling measures, the Singapore residential property market is forecasted to remain subdued and competitive. Despite the tough market conditions in Singapore, the growth prospects of the Company are expected to be optimistic as revenue will be progressively recognised from the 12 ongoing developments. Our overseas portfolio remains one of our growth drivers. While we continue to strive to expand our property development portfolio to deliver a consistent future stream of revenue for our shareholders, we will also seek investment opportunities to generate stronger cash flows and a more healthy balance sheet. We expect our 20% investment stake in UK developer, Galliard (Group) Limited, to bring synergistic benefits to both parties and bring increased brand presence in London and thus maximise the profitability of our developments.

Acknowledgements

I would like to express my heartfelt appreciation to my management team and staff for their commitment and relentless hard work during the year and my Board members for their invaluable advice and contributions. Last but not least, I would also like to thank all our shareholders and our partners for their continuous belief and support to the Group. With all these, we will continue to strive for business growth and excellence.

Ching Chiat Kwong

Executive Chairman and CEO

Financial Highlights

	2015 \$'000	2014 \$'000
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Revenue	701,800	1,074,116
Profit Before Tax	142,705	377,367
Income Tax Expense	(35,377)	(70,501)
Profit Net of Tax	107,328	306,866
Profit Attributable to:		
Owners	60,908	286,668
Non-Controlling Interests	46,420	20,198
CONSOLIDATED STATEMENT OF FINANCIAL POSITION		
Non-Current Assets	718,526	587,704
Current Assets	3,162,274	2,836,604
Non-Current Liabilities	1,651,628	2,019,446
Current Liabilities	1,659,075	939,677
Net Assets	570,097	465,185
Shareholders' Equity	470,573	410,442
Non-Controlling Interests	99,524	54,743
Total Equity	570,097	465,185

Board of Directors



1. Ching Chiat Kwong

Executive Chairman and CEO

Mr 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 the Non-Independent and Non-Executive Chairman of HG Metal Manufacturing Limited, and is also a Non-Executive Director of Artivision Technologies Ltd and NewSat Limited.

Mr Ching possesses nearly 20 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 keen 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 then largest initial public offering on the Catalist of the Singapore Exchange ("SGX") in 2010.

Apart from his commitments at Oxley, Mr Ching is also an active supporter of programmes that benefit the elderly and socially disadvantaged. He sits on the THK Nursing Home and Ren Ci Hospital Board. 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.

2. Low See Ching

Deputy CEO and Executive Director

Mr Low See Ching was appointed as Deputy CEO and Executive Director of the Group on 1 February 2014. Prior to this appointment, Mr Low served on the Board as Non-Executive Director. Mr Low is responsible for business development as well as supporting the CEO in the formulation of corporate strategies and the future direction of the Group.

Between 2005 and 2009, he 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 is currently a Non-Executive Director of Hafary Holdings Limited. He joined Hafary Group in 2000 and rose through the ranks to Executive Director and CEO in 2005 before relinquishing his role in December 2013. He was responsible for the overall management, operations and charting of the company's corporate and strategic direction, including sales, marketing and procurement strategies. He is also a Non-Executive Director of HG Metal Manufacturing Limited.

He is currently a Fellow Member of the Institute of Singapore Chartered Accountants. Mr Low graduated with a Bachelor of Accountancy degree from the Nanyang Technological University, Singapore in 1999.



3. Ng Weng Sui Harry

Lead Independent Director

Mr Ng Weng Sui Harry joined the Board on 28 September 2010 and was appointed as Lead Independent Director.

He is 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 sits on the boards of Q&M Dental Group (Singapore) Limited, Artivision Technologies Ltd, IEV Holdings Limited and HG Metal Manufacturing Limited as Independent Director where he is Chairman of the Audit Committee.

Mr Ng has more than 30 years of experience in accountancy, finance and audit. He was Chief Financial Officer and Executive Director of Achieva Limited from October 2008 to April 2010 and Chief Financial Officer of SunMoon Food Company Limited from August 2004 to July 2008 respectively.

He is currently a Fellow Member of 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.

4. Phua Sian Chin

Independent Director

Mr Phua Sian Chin was appointed to the Board as Independent Director on 28 September 2010. He has served as the Chief Financial Officer of Teho International Inc Ltd. since August 2008 and has more than 35 years of experience in accounting and corporate finance.

He was, for over eight years, the Chief Financial Officer of a holding company listed on the Hong Kong Stock Exchange and Regional Financial Controller for multinational corporations in the Asia-Pacific region for more than 10 years. He was also the group financial

head for property development groups in Singapore and Indonesia for over six years.

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

He is currently a Fellow Member 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.

5. Lim Yeow Hua @ Lim You Qin

Independent Director

Mr Lim Yeow Hua @ Lim You Qin was appointed to the Board as Independent Director on 30 April 2014. Mr Lim is the Founder and Managing Director of Asia Pacific Business Consultants Pte. Ltd., a company providing tax and business consultancy services. He also serves as Independent Director of a number of other companies listed on the SGX.

Mr Lim possesses more than 27 years of experience in tax, financial services and investment banking. Prior to founding Asia Pacific Business Consultants Pte. Ltd., he worked as Senior Regional Tax Manager at British Petroleum (BP), Director (Structured Finance) at UOB Asia Ltd., Senior Tax Manager at KPMG, Senior Vice-President (Structured Finance) at Macquarie Investment Pte. Ltd., Senior Tax Manager at PricewaterhouseCoopers, as well as Deputy Director at the Inland Revenue Authority of Singapore.

Mr Lim graduated with a Bachelor of Accountancy degree and obtained a Master of Business Administration from the National University of Singapore in 1986 and 1992 respectively.

He is currently a Fellow Member of the Institute of Singapore Chartered Accountants, an Accredited Tax Advisor of the Singapore Institute of Accredited Tax Professionals, and a full member of the Singapore Institute of Directors.

Key Management



1. Ching Chiat Dee, Judy

General Manager

Ms Ching Chiat Dee, Judy joined Oxley in June 2011 as General Manager. Ms Ching is responsible for the general operations of the Group, including the smooth execution of property development projects.

Ms Ching possesses more than 30 years of experience in the marketing and management of residential, commercial and industrial property. Prior to joining Oxley, 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 Management Pte. Ltd., 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 Marketing Manager. Ms Ching is the sister of Mr Ching Chiat Kwong, Executive Chairman and CEO, and a controlling shareholder of Oxley Holdings Limited.

2. Ooi Chee Eng

Financial Controller

Mr Ooi Chee Eng joined Oxley in August 2014 as Financial Controller. He is responsible for the overall financial and accounting functions of the Group. He is also Company Secretary of Oxley Holdings Limited.

He has over 15 years of experience in accounting and finance. Prior to joining Oxley, he spent five years with Achieva Limited, where he first joined as Group Finance Manager and subsequently rose to the rank of Group Financial Controller.

Mr Ooi has held managerial positions in the finance divisions of United Fiber System Ltd and SunMoon Food Company Ltd., and has worked in Neptune Orient Lines Ltd, Sime Darby Singapore and HK Region, and KPMG Singapore.

Mr Ooi is a member of the Institute of Singapore Chartered Accountants. He holds a Bachelor of Accountancy from Nanyang Technological University.

3. Ng Suat Kheng, Carol

Administrative Manager

Ms Ng Suat Kheng, Carol joined Oxley in May 2010 as Administrative Manager. Ms 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, 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.

4. Tan Chew Guek, Lindsay

Quantity Survey Manager

Ms Tan Chew Guek, Lindsay joined Oxley in May 2010 as Quantity Survey Manager. Ms Tan is responsible for supporting the Group's quality control effort, building specification preparation, payment certification, and handling of unit handover and defects coordination. She is also responsible for the Group's overall procurement administration as well as the publication of marketing brochures.

Prior to joining Oxley, Ms Tan was a quantity surveyor at Oxley Construction Pte Ltd, where she was responsible for preparing tender and contract documents, processing claims, contract payments and settlement of final accounts, and processing and maintaining construction documentation. Ms Tan holds a Diploma in Civil and Structural Engineering from Singapore Polytechnic.

Corporate Information

DIRECTORS

Ching Chiat Kwong
Executive Chairman and CEO

Low See Ching
Deputy CEO and Executive Director

Ng Weng Sui Harry
Lead Independent Director

Phua Sian Chin
Independent Director

Lim Yeow Hua @ Lim You Qin
Independent Director

MANAGEMENT TEAM

Ching Chiat Kwong
Low See Ching
Ching Chiat Dee, Judy
Ooi Chee Eng
Ng Suat Kheng, Carol
Tan Chew Guek, Lindsay

COMPANY SECRETARY

Ooi Chee Eng

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
Hong Leong Finance Limited
Malayan Banking Berhad
DBS Bank Ltd



Royal Wharf, East London, UK

Development Properties

SINGAPORE

Projects	Tenure	No. of units	Approximate	
			Land Area (sq m)	GFA (sq m)
CURRENT				
Residential				
Devonshire Residences	Freehold	84 residential	1,245	3,835
Presto@Upper Serangoon	Freehold	36 residential	585	1,820
Vibes@Upper Serangoon	Freehold	60 residential	997	3,052
Mixed-use				
The Promenade@Pelikat	Freehold	164 residential 270 shop	6,462	19,471
Oxley Edge	Freehold	45 residential 5 shop	1,121	3,226
Midtown Residences / The Midtown	99 yrs	160 residential 107 shop	5,300	16,853
NEWest	956 yrs	136 residential 141 shop	15,298	25,149
Floraville / Floraview / Floravista	Freehold	140 residential 28 shop	8,249	12,434
KAP Residences / KAP	Freehold	142 residential 107 shop	5,535	17,161
The Rise@Oxley – Residences / The Rise@Oxley	Freehold	120 residential 29 shop	2,381	10,712
Industrial				
Eco-tech@Sunview	30 yrs	424 industrial 1 canteen	28,173	70,432
Commercial				
Oxley Tower	Freehold	104 office 133 shop	1,490	16,839
The Flow	Freehold	56 shop	2,176	6,527
UPCOMING				
Mixed-use				
339 – 339C Joo Chiat Road	Freehold	4 residential 1 shop	593	897
Industrial				
Tampines North Ave 1	30 yrs	251 industrial	27,395	68,484

INTERNATIONAL

Projects		Tenure	Development Type	Approximate	
				Land Area (sq m)	GFA (sq m)
CURRENT					
United Kingdom					
Royal Wharf	London	Freehold & Leasehold	Township	149,734	363,000
Cambodia					
The Bridge	Phnom Penh	Freehold	Mixed Residential & Commercial	10,090	150,399
China					
新港国际城 (Xin Gang Guo Ji Cheng)	Xuancheng, Anhui Province	Leasehold	Residential	183,350	242,540
中新健康城 (Sino-Singapore Health City)	Gaobeidian, Hebei Province	Leasehold	Mixed Residential & Commercial	393,335	709,667
UPCOMING					
Ireland					
Project Wave ^	Dublin	Leasehold	Mixed Residential & Commercial	23,500	85,000
Cambodia					
The Peak	Phnom Penh	Freehold	Mixed Residential & Commercial	12,609	208,750
The Garage ^	Phnom Penh	Freehold	Mixed Residential & Commercial	8,921	-
Riverside ^	Phnom Penh	Freehold	Residential	37,689	-
Malaysia					
KLCC (Oxley Tower) ^	Kuala Lumpur	Freehold	Mixed Residential & Commercial	12,575	-
Robson ^	Kuala Lumpur	Freehold	Residential	7,710	-
Medini ^	Johor	99 yrs + 30 yrs	Mixed Residential & Commercial	17,280	-
Section 16 ^	Selangor	Freehold	Mixed Residential & Commercial	20,234	-
Beverly ^	Selangor	Freehold	Residential	61,588	-
Pepper Hill ^	Penang	Freehold	Mixed Residential & Commercial	119,876	-
Indonesia					
Batam Convention City	Batam	Leasehold	Mixed Residential & Commercial	20,000	-
Myanmar					
Min Residence	Yangon	Leasehold	Mixed Residential & Commercial	12,889	-

^ Project names are for illustrative purposes only.

Development Properties



Current Developments

UNITED KINGDOM

Royal Wharf, East London

Royal Wharf is an exciting new 363,000 m² waterfront development in East London, United Kingdom. The development comprises 3,400 apartments and townhouses, and approximately 15,000 m² of office space and 5,000 m² of retail and F&B spaces. With over 45% of designated open spaces and play areas, the development also features a riverside park linking the Royal Wharf Pier, Royal Wharf Amphi-Theatre and Riverside Walk.

The development is in close proximity to the future 14-ha Asian Business Park and boasts outstanding transport links offering quick access to central London via the Underground, Docklands Light Railway (DLR) and the future Crossrail as well as excellent international connectivity via London City Airport.



CAMBODIA

The Bridge, Phnom Penh

The Bridge is a freehold mixed-use development occupying a land area of approximately 10,090 m² and is located in the heart of Phnom Penh, Cambodia. This majestic development comprises two distinct tower blocks of residential and SOHO units interlinked by two sky bridges and a 5-storey retail podium. Standing proudly at 45 storeys, The Bridge will be set amongst the spectacular cityscape offering a panoramic view of the city's horizon.

Development Properties



Upcoming Developments

CAMBODIA

The Peak, Phnom Penh

The Peak is a freehold 55-storey mixed-use development occupying a land area of approximately 12,609m² and is located in the heart of Phnom Penh, Cambodia's busy capital. This stunning development comprises two residential towers, one commercial tower which includes offices and a Shangri-La Hotel, sitting above a 5-storey retail podium. When completed, The Peak, adorned in stylish bronze reflecting a touch of prestige, is expected to dominate and add lustre to the city's skyline.



MALAYSIA

KLCC (Oxley Tower)[^], Kuala Lumpur

KLCC (Oxley Tower) is a freehold mixed-use development covering a land area of approximately 12,575 m². The development is located along Jalan Ampang, Kuala Lumpur City Centre, and is in close proximity to the the iconic Petronas Twin Tower and Kuala Lumpur Convention Centre. It will comprise two hotel towers with residences, an office tower, and a retail podium linking all the three towers ranging from 28 to 79 storeys. One of the hotel and residences tower will offer a 190-room Jumeirah Kuala Lumpur Hotel and 273-unit Jumeirah Living Kuala Lumpur residences.

[^] Project name is for illustrative purposes only.

Investment Properties



Novotel Singapore on Stevens / Ibis Singapore on Stevens, Singapore

Novotel Singapore on Stevens and Ibis Singapore on Stevens is a hotel development located near to Singapore's shopping belts, Scotts Road and Orchard Road. Novotel Singapore on Stevens will offer 254 rooms, a 300-seat ballroom, meeting facilities, F&B outlets, a fitness centre, and a swimming pool while Ibis Singapore on Stevens will feature 528 rooms, a lobby bar/café, and a gymnasium. The hotels are looking to open its doors in 2017.



Space@Tampines, Singapore

Space@Tampines is a 3-storey and a 7-storey ramp-up B2 industrial development built on a 30-year leasehold land. The property comprises 71 warehouse units with an approximate Gross Floor Area (GFA) of 65,893 m². Space@Tampines is located at the intersection of Tampines Expressway (TPE) and Tampines Avenue 10 and is close to Changi, Loyang, Tampines and Seletar Industrial Estates. Space@Tampines obtained its TOP in July 2015 and is 77% leased out with LHN Limited securing a 7-year master lease of second and third floors of the 3-storey block and second to seven floors of the 7-storey block.



Chiba Port Square, Japan

Chiba Port Square is a freehold property located at Chiba Prefecture, Tokyo, Japan. Acquired in December 2014, Chiba Port Square consists of a 28-floor office building known as Portside Tower with 3 basement floors, an 8-floor commercial retail building known as Port Town with 2 basement floors, and a 21-floor hotel known as Candeo Hotel with 3 basement floors and 270 rooms. The property is also next to the Arena, a venue providing sports facilities and services to the local community which is owned and operated by the Chiba City Government.

Investment Properties	Tenure	Approximate GFA (sq m)	% Leased [^]
SINGAPORE			
Novotel Singapore on Stevens / Ibis Singapore on Stevens	Leasehold	29,564	Under construction
Space@Tampines	Leasehold	65,893	77%
JAPAN			
Chiba Port Square	Freehold & Leasehold	147,949	69%
Akasaka	Freehold	651	62%

[^] % leased based on leasable area and contract signed as of 31 August 2015.

Investment

Galliard (Group) Limited, London

Oxley completed the acquisition of a 20% stake in the enlarged share capital of Galliard (Group) Limited ("Galliard Group"), a leading UK developer, on 24 July 2015.

Founded in 1992, Galliard Group has played a key role in London's property transformation, directing at regenerating, rejuvenating, and reinventing the city. This includes a current portfolio of over 5,900 homes, hotels, retail premises, and commercial properties.

The Galliard Group business comprises four divisions, namely, Galliard Homes undertaking sales and marketing for the Group's portfolio of homes, Galliard Construction handling commercial, residential, and mixed-use developments plus construction for joint venture projects and third party developments, Galliard Commercial developing hotels, commercial and retail premises, and undertaking joint venture projects and third party work, and Galliard Homes Letting in partnership with Life Residential handling tenancy and re-sales transactions.

	Gross Development Value / Value (£m)	No. of units
GALLIARD HOMES		
Current Developments	1,348.2	6,054
Upcoming Developments	876.3	4,375
GALLIARD COMMERCIAL		
Current Developments	145.4	1,001 (hotel rooms)
Upcoming Developments	N/A	N/A
GALLIARD CONSTRUCTION		
Current Order Book	515.8	3,253
Upcoming Order Book	699.9	2,110
GALLIARD HOMES LETTING		
Current portfolio	4.2	2,762
Upcoming portfolio	N/A	N/A

Current Developments

Harbour Central

Location: Docklands E14

Estimated GDV: £494m

Joint Venture: Cain Hoy and Frogmore

Description: A new five residential buildings development comprising 642 private apartments offering studio, one, two, and three bedroom apartments along with eight exceptional penthouse apartments and a leisure complex with a proposed library, concierge, gym and spa, business suites and cinema.

Expected Completion: 2019



Baltimore Tower

Location: Crossharbour, Isle of Dogs, E14

Estimated GDV: £270m

Joint Venture: Frogmore, CJ O Shea and LBS Group

Designer: Skidmore Owings & Merrill

Description: An iconic 45-storey high landmark for luxury living, containing 330 spectacular apartments and penthouses.

Expected Completion: February 2017



The above information has been provided by Galliard (Group) Limited.

Corporate Social Responsibility

During the financial year, Oxley sponsored £100,000 cash as a headline sponsor for a four week pop-up festival in London, titled Technopop London. This sponsorship involvement marks Oxley's first overseas community initiative. Technopop London was held to promote science, technology, engineering and mathematics (STEM) and the festival was designed with a different theme each week to inspire, enthuse and inform children about the ideas and innovations that shape their future. In addition, Oxley presented its Royal Wharf development at the Built Environment workshop in the third week of the festival to introduce the children to a world of innovation in architecture and engineering.



In January 2015, Oxley contributed S\$500,000 as key sponsor to the Thye Hua Kwan Moral Society. Our Executive Chairman and CEO, Mr Ching Chiat Kwong was also the Chairperson of the society's fund-raising committee. Part of the fund-raising committee's efforts included the Thye Hua Kwan Charity Show 2015, which was televised on MediaCorp Channel 8 on 4 January 2015. The Thye Hua Kwan Charity Show 2015, graced by Deputy Prime Minister and Minister for Finance, Mr Tharman Shanmugaratnam raised more than S\$5.5 million. The money raised will be used to fund the society's more than 60 programmes and services to benefit more than 44,000 beneficiaries and also build a new nursing home for the elderly.

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 2012 (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 2015 ("**FY2015**"), 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 long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board comprises five directors, which include two executive directors and three 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 establish a framework of prudent and effective controls to assess and manage risks and safeguard shareholders' interests and the Group's assets;
- 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 make 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.

Corporate Governance Report

The Board meets on a regular basis and ad-hoc Board meetings are convened when they are deemed necessary. In between Board meetings, other important matters will be tabled for 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.

The attendance of the directors at scheduled meetings of the Board and Board committees during FY2015 is disclosed below:-

	Board	Audit Committee	Remuneration Committee	Nominating Committee
Number of meetings held				
	4	4	1	1
Number of meetings attended				
Ching Chiat Kwong	4	4	1	1
Low See Ching	3	3	1	1
Ng Weng Sui Harry	4	4	1	1
Phua Sian Chin	4	4	1	1
Lim Yeow Hua @ Lim You Qin	4	4	1	1

Newly appointed directors will receive a formal letter explaining their duties and responsibilities and 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 have no prior experience as directors of a listed company will undergo training and briefing on the roles and responsibilities as directors of a listed company. The directors are also encouraged to keep themselves abreast of the latest developments relevant to the Group and attendance of appropriate courses and seminars may be arranged and funded by the Company. The external auditors update the directors on the new or revised financial reporting standards on an annual basis.

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 and 10% shareholders. 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 Directors

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

Non-Executive Directors

Ng Weng Sui Harry Lead Independent Director
Phua Sian Chin Independent Director
Lim Yeow Hua @ Lim You Qin 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.

Corporate Governance Report

The independent directors make up more than half 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 corporations, its 10% shareholders 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 independence of each independent director will be reviewed annually by the NC and the Board. Each independent director is required to complete a checklist annually to confirm his independence based on the guidelines as set out in the Code. The independence of any director who has served on the Board beyond nine years from the date of his first appointment will be subject to more rigorous review, taking into account the need for progressive refreshing of the Board. The NC and the Board are of the view that all its independent non-executive directors have satisfied the criteria of independence as a result of its review.

The Board has examined its size and is of the view that it is appropriate for effective decision-making, taking into account the nature and scope of the Group's operations and the requirements of the Group's business.

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, the performance of the Management, and the remuneration of the executive directors and senior management.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent 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 and promoting high standards of corporate governance. 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.

Mr Low See Ching is the Deputy CEO of the Company and supports the CEO in business development, formulation of corporate strategies and charting the future direction of the Group.

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.

In view that Mr Ching Chiat Kwong is both Executive Chairman and CEO, the Board has appointed Mr Ng Weng Sui Harry as the lead independent director. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of the Executive Chairman and CEO or Financial Controller has failed to resolve or is inappropriate. Led by the lead independent director, the independent directors meet without the presence of the other directors, if deemed necessary. Where appropriate, the lead independent director provides feedback to the Executive Chairman after such meetings.

Corporate Governance Report

Board Membership

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

The NC comprises the following members:-

Phua Sian Chin (Chairman)
Ng Weng Sui Harry
Lim Yeow Hua @ Lim You Qin

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 Lim Yeow Hua @ Lim You Qin is an independent director. Mr Phua Sian Chin is not associated with any substantial shareholder of the Company.

The key terms of reference of the NC are as follows:-

- to make recommendations to the Board on relevant matters relating to the review of board succession plans for directors, in particular, the Executive Chairman and for the CEO, to develop a process for evaluation of the performance of the Board, the Board committees and directors, and to review training and professional development programmes for the Board;
- to make recommendations to the Board on the appointment and re-appointment of directors (including alternate directors, if applicable), taking into consideration the composition and progressive renewal of the Board and each director's competencies, commitment, contribution and performance (such as attendance, preparedness, participation and candour);
- to ensure that all directors submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years;
- to determine annually, and as and when circumstances require, whether a director (including an alternate director) is independent, bearing in mind paragraph 2.3 of the Code and any other salient factors;
- to decide if a director is able to and has been adequately carrying out his duties as a director of the Company, taking into consideration the director's number of listed company board representations and other principal commitments; and
- to assess the effectiveness of the Board as a whole and its Board committees and the contribution by the Executive Chairman and each individual 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 the Company's Annual General Meeting ("**AGM**"), provided that all directors shall retire at least once every three years. Pursuant to Article 106, a retiring director shall be eligible for re-election at the meeting at which he retires. In addition, Article 114 provides that a director appointed by the Board must retire and submit himself for re-election at the next AGM following his appointment.

Corporate Governance Report

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

Name of director	Appointment	Date of initial appointment	Date of last re-election	Current directorships in listed companies	Past directorships in listed companies
Ching Chiat Kwong	Executive Chairman and CEO	16 March 2010	27 October 2014	Artivision Technologies Ltd. HG Metal Manufacturing Limited NewSat Limited	BRC Asia Ltd Clixter Mobile Group Inc. (formerly China Media Group Corporation)
Low See Ching	Deputy CEO	16 March 2010	14 October 2013	Hafary Holdings Limited HG Metal Manufacturing Limited	None
Ng Weng Sui Harry	Lead Independent Director	28 September 2010	14 October 2013	Artivision Technologies Ltd. HG Metal Manufacturing Limited IEV Holdings Limited Q&M Dental Group (Singapore) Limited	None
Phua Sian Chin	Independent Director	28 September 2010	27 October 2014	None	Jason Holdings Limited
Lim Yeow Hua @ Lim You Qin	Independent Director	30 April 2014	27 October 2014	Advanced Integrated Manufacturing Group Ltd. Eratat Lifestyle Limited China Minzhong Food Corporation Limited KTL Global Limited KSH Holdings Limited	Great Group Holdings Limited

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. The Board is of the view that there is no necessity at this point in time to determine the maximum number of listed company board representations which a director may hold, as each director is able to devote sufficient time and attention to the affairs of the Company.

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. None of the directors directly hold shares in the subsidiaries of the Company.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees 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. Given the size of the Board, the NC is of the view that it is not necessary to assess each Board committee. The NC has established a review process and proposed objective performance criteria set out in assessment checklists which are approved by the Board. The performance criteria include how the Board has enhanced long-term shareholders' value, financial performance indicators as well as share price performance. 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, directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

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 Executive 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 Executive 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:-

Lim Yeow Hua @ Lim You Qin (Chairman)
Phua Sian Chin
Ng Weng Sui Harry

The chairman of the RC, Mr Lim Yeow Hua @ Lim You Qin, is an independent director, while Mr Ng Weng Sui Harry is the lead independent director and Mr Phua Sian Chin is an independent director.

The key terms of reference of the RC are as follows:-

- to review and recommend for endorsement by the entire Board a general framework of remuneration for the directors and key management personnel;
- to review and recommend for endorsement by the entire Board the specific remuneration packages for each director as well as for the key management personnel, covering all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;
- to review and recommend to the Board the terms of renewal of the service contracts of directors; and
- to review the Company's obligations arising in the event of termination of the executive directors and key management personnel's contracts of services, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The RC's recommendations are submitted for endorsement by the entire Board. No director is 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 and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

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 and key management personnel. The remuneration package is designed to allow the Company to better align the interests of the executive directors and key management personnel 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.

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

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The Company has entered into service agreements with the Executive Chairman and CEO, Mr Ching Chiat Kwong, and the Deputy CEO, Mr Low See Ching, for initial periods of three years. Upon the expiry of the initial period of three years, the employment of the executive directors would be automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree. The service agreements provide for termination by each party giving not less than six months' notice in writing.

The RC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from the executive directors and key management personnel in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company.

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

Disclosure on Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, 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 management personnel, and performance.

The following shows the level and mix of the remuneration paid or payable for FY2015 to each director and key management personnel (who is not also a director):-

Remuneration bands	Salary ⁽¹⁾ %	Variable or performance related income/ bonuses %	Directors' fees %	Total %
Directors				
<i>S\$5,000,000 to S\$5,249,999</i>				
Ching Chiat Kwong ⁽²⁾	5	94	1	100
<i>S\$250,000 to S\$499,999</i>				
Low See Ching ⁽³⁾	68	18	14	100
<i>Below S\$250,000</i>				
Ng Weng Sui Harry	-	-	100	100
Phua Sian Chin	-	-	100	100
Lim Yeow Hua @ Lim You Qin	-	-	100	100
Key Management Personnel				
<i>Below S\$250,000</i>				
Ching Chiat Dee ⁽⁴⁾	81	19	-	100
Ooi Chee Eng	89	11	-	100
Ng Suat Kheng	80	20	-	100
Tan Chew Guek, Lindsay	80	20	-	100

Notes:-

- (1) Salary is inclusive of salary, allowances and Central Provident Fund contributions.
- (2) Based on his 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\$3.0 million based on the audited financial statements, equivalent to 3% of the first S\$2.0 million of the PBT exceeding S\$3.0 million, 4% of the next S\$2.5 million of the PBT, and 5% of the PBT in excess of S\$7.5 million. Based on the audited financial statements for FY2015, an incentive bonus of S\$4.5 million would be paid to Mr Ching Chiat Kwong.

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- (3) Based on his service agreement, Mr Low See Ching is eligible to be paid an incentive bonus, if the PBT of the Group, excluding profit or loss in respect of development projects which were first launched for sale before 1 February 2014, ("**Adjusted PBT**") exceeds S\$3.0 million based on the audited financial statements, equivalent to 1.5% of the first S\$2.0 million of the Adjusted PBT exceeding S\$3.0 million, 2% of the next S\$2.5 million of the Adjusted PBT, and 2.5% of the Adjusted PBT in excess of S\$7.5 million. Based on the audited financial statements for FY2015, no incentive bonus would be paid to Mr Low See Ching.
- (4) Ms Ching Chiat Dee is a sister of Mr Ching Chiat Kwong, the Executive Chairman and CEO of the Company.

The aggregate remuneration paid to the four key management personnel of the Group in FY2015 amounted to S\$503,000.

The Board is of the view that full disclosure of the specific remuneration of each individual director and key management personnel is not in the best interests of the Company, taking into account the sensitive nature of the subject, the competitive business environment the Group operates in and the potential negative impact such disclosure will have on the Group.

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\$50,000 during FY2015. "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, financial position and prospects. 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. In line with the rules of the SGX-ST Listing Manual, the Board provides a negative assurance statement to the shareholders in respect of the interim financial statements.

The Management understands its role in providing all members of the Board with the management accounts and such explanation and information on a regular basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the Group's performance, financial position and prospects.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

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 Board oversees the Management in the design, implementation and monitoring of the risk management and internal control systems, and reviews the adequacy and effectiveness of such systems at least annually.

Corporate Governance Report

The external auditors and internal auditors conduct annual reviews of the effectiveness of the Group's key internal controls, including financial, operational, compliance and information technology controls, and risk management. Any material non-compliance or lapses in internal controls, together with recommendations for improvement, are reported to the AC and the Board. The timely and proper implementation of all required corrective, preventive or improvement measures are closely monitored.

The Board has received assurance from the CEO and the Financial Controller (a) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances, and (b) regarding the effectiveness of the Company's risk management and internal control systems.

Based on the various internal controls put in place by the Group, the work performed and reports submitted by the external auditors and internal auditors of the Group and the reviews carried out by the Board and the AC, the Board, with the concurrence of the AC, is of the opinion that the internal controls of the Group, including financial, operational, compliance and information technology controls, and risk management systems, were adequate and effective as at 30 June 2015.

Audit Committee

Principle 12: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

The AC comprises the following members:-

Ng Weng Sui Harry (Chairman)
Phua Sian Chin
Lim Yeow Hua @ Lim You Qin

The chairman of the AC, Mr Ng Weng Sui Harry, is the lead independent director, while Mr Phua Sian Chin and Mr Lim Yeow Hua @ Lim You Qin are independent directors. All AC members have accounting or related financial management qualification to discharge their responsibilities as members of the committee.

The key terms of reference of the AC are as follows:-

- to review the audit plans of the external auditors and internal auditors, including the results of the external and internal auditors' review and evaluation of the Group's system of internal controls;
- to 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 relevant financial reporting standards, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of Management, where necessary, before submission to the Board for approval;
- to review the periodic consolidated financial statements comprising the profit and loss statements and the balance sheets and such other information required by the SGX-ST Listing Manual, before submission to the Board for approval;
- to review and discuss with the external 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;
- to review the co-operation given by the Management to the external auditors;
- to review the independence of the external auditors annually;

Corporate Governance Report

- to make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors;
- to review and/or ratify any interested person transactions falling within the scope of Chapter 9 of the SGX-ST Listing Manual;
- to review potential conflicts of interests (if any);
- to review the procedures by which employees of the Group and any other persons may, in confidence, report to the Chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensuring that there are arrangements in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;
- to ensure that the internal audit function is adequately resourced and has appropriate standing within the Group, and review the adequacy and effectiveness of the internal audit function at least annually;
- to review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management;
- to review the scope and results of the external 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 maintain objectivity;
- to approve internal control procedures and arrangements for all interested person transactions; and
- to 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.

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.

The external auditors update the AC on any changes in accounting standards impacting the financial statements of the Group before an audit commences.

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 FY2015, the fees paid by the Company to the external auditors for audit and non-audit services amounted to S\$255,000 and S\$90,000, 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 716 of the SGX-ST Listing Manual in relation to its external auditors.

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Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Board recognises the importance of maintaining a system of internal controls to safeguard the shareholders' investments and the Group's assets. The Company outsourced the internal audit function to a professional firm to review the Company's internal control processes in FY2015. The internal auditors report primarily to the AC Chairman and administratively to the CEO. 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.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Company strives for timeliness and consistency in its disclosures to shareholders. It is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's share price, through announcements via SGXNet. Such announcements are communicated on an immediate basis, or as soon as possible where immediate disclosure is not practicable.

Shareholders are informed of general meetings through notices published in the newspapers, through reports or circulars sent to all shareholders and via SGXNet. The Company encourages shareholders' participation during the general meetings. Shareholders are able to engage the Board and the Management on the Group's business activities, financial performance and other business-related matters during the general meetings. Resolutions are passed through a process of voting and shareholders are entitled to vote in accordance with established voting rules and procedures.

Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company's quarterly and full year results announcements, corporate presentations and press releases are issued via SGXNet. Shareholders have access to information on the Group via the Company's website. The Company discloses all material information on a timely basis to all shareholders.

Where appropriate, the Company would hold investor road shows for investors to seek a better understanding of the Group's business.

The Company does not have a formal dividend policy. The form, frequency and amount of dividends will depend on the Group's earnings, financial position, results of operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate.

Corporate Governance Report

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, 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. Minutes of general meetings, including relevant substantial comments or queries from shareholders relating to the agenda of the meeting and responses from the Board or the Management, are available to shareholders upon their request.

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.

RISK MANAGEMENT

Pursuant to the SGX-ST Listing Manual Rule 1207(4)(b)(iv), the Group is continually reviewing and improving its business and operational activities to take into account the risk management perspective. This includes reviewing management and manpower resources and updating work flows, processes and procedures to meet the current and future market conditions. The Group has also considered the various financial risks and management, details of which can be found in the Annual Report.

DEALING IN SECURITIES

The Group has adopted and implemented policies in line with the SGX-ST's best practices in relation to the dealing in 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 SGX-ST 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 SGX-ST 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 FY2015 or if not then subsisting, entered into since the end of the financial year ended 30 June 2014.

The aggregate value of interested person transactions during FY2015 is as follows:-

Name of interested person	Aggregate value of all interested person transactions during FY2015 (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 construction of showflats	-	10,552
Sale of medium term notes of Oxley Holdings Limited S\$100 million 4.75% N180711		
- Ching Chiat Kwong	7,711	-
- Low See Ching	7,711	-

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Royal Wharf, East London, UK

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 2015.

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
Lim Yeow Hua @ Lim You Qin

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 interests are held	At beginning of the reporting year	At end of the reporting year	At 21 July 2015
<u>Parent Company – Bullish Investment Pte. Ltd.</u>		<u>Number of ordinary shares of no par value</u>	
		<u>Direct interest</u>	
Ching Chiat Kwong	451,920,000	451,920,000	451,920,000
Low See Ching	307,470,000	307,470,000	307,470,000
<u>The Company</u>		<u>Direct interest</u>	
Ching Chiat Kwong	360,020,510	362,896,710	364,034,210
Low See Ching	233,677,191	235,087,691	236,516,591
Ng Weng Sui Harry	350,000	350,000	350,000
		<u>Deemed interest</u>	
Ching Chiat Kwong	1,503,592,200	1,503,592,200	1,503,592,200
Low See Ching	1,503,592,200	1,503,592,200	1,503,592,200

Mr Ching Chiat Kwong and Mr Low See Ching each holds medium term notes of \$7,750,000 as at the end of the reporting year. The medium term notes bear a fixed interest rate of 4.75% and are due in 2018. There is no change in debentures held by the directors as at 21 July 2015.

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 related corporations 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 an interest.

5. Share options

During the reporting year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

During the reporting year, there were no shares of the Company or any corporation in the Group 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 corporation in the Group under option.

6. Independent auditor

RSM Chio Lim LLP has 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 Lim Yeow Hua @ Lim You Qin (Independent 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 auditor their audit plan.
- Reviewed with the independent external auditor 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 management to them.
- Reviewed with the internal auditor the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by management to the internal auditor.
- Reviewed the financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption.
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

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 of the Company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provides non-audit services.

The audit committee has recommended to the board of directors that the independent auditor, RSM Chio Lim LLP, be nominated for re-appointment as independent auditor at the next 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 21 August 2015, which would materially affect the Group's and the Company's operating and financial performance as at the date of this report.

On behalf of the directors

.....
Ching Chiat Kwong
Director

.....
Low See Ching
Director

2 October 2015

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 2015 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

2 October 2015

Independent Auditor's Report

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

Report on the consolidated financial statements

We have audited the accompanying consolidated 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 2015, 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 significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of consolidated 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 financial statements and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated 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 consolidated financial statements.

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

Independent Auditor's 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 financial position of the Group and of the Company as at 30 June 2015 and of the financial performance, 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 subsidiary corporations incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

2 October 2015

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 2015

		Group	
	Notes	2015 \$'000	2014 \$'000
Revenue	5	701,800	1,074,116
Cost of sales		(497,690)	(650,740)
Gross profit		204,110	423,376
Other items of income			
Other income	6	4,431	4,941
Interest income	7	2,891	1,341
Other credits	8	39	25,354
Other items of expense			
Marketing and distribution costs		(13,086)	(6,545)
Administrative expenses	10	(17,903)	(28,378)
Other charges	8	(17,172)	(21,517)
Finance costs	11	(41,039)	(32,743)
Share of profit from equity-accounted joint ventures		20,434	11,538
Profit before tax		142,705	377,367
Income tax expense	12	(35,377)	(70,501)
Profit net of tax		107,328	306,866
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		4,509	86
Other comprehensive income for the year, net of tax		4,509	86
Total comprehensive income		111,837	306,952
Profit attributable to owners, net of tax		60,908	286,668
Profit attributable to non-controlling interests, net of tax		46,420	20,198
Profit net of tax		107,328	306,866
Total comprehensive income attributable to owners		65,438	286,751
Total comprehensive income attributable to non-controlling interests		46,399	20,201
Total comprehensive income		111,837	306,952
Earnings per share	13	Cents	Cents
Basic		2.07	9.72
Diluted		2.07	9.72

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

Statements of Financial Position

As at 30 June 2015

	Notes	Group		Company	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
ASSETS					
Non-current assets					
Plant and equipment	15	1,212	1,380	179	59
Investment properties	16	647,111	566,691	–	–
Investments in subsidiaries	17	–	–	25,035	25,035
Investments in joint ventures	18	37,138	17,029	33,564	12,640
Deferred tax assets	12	3,695	2,604	–	–
Other receivables	19	26,044	–	180,451	–
Available-for-sale financial assets	20	3,326	–	–	–
Total non-current assets		<u>718,526</u>	<u>587,704</u>	<u>239,229</u>	<u>37,734</u>
Current assets					
Development properties	21	1,829,602	1,355,239	–	–
Trade and other receivables	22	965,421	1,081,273	1,014,673	1,060,931
Other assets	23	23,277	40,172	149	157
Cash and cash equivalents	24	343,974	359,920	2,861	32,302
Total current assets		<u>3,162,274</u>	<u>2,836,604</u>	<u>1,017,683</u>	<u>1,093,390</u>
Total assets		<u>3,880,800</u>	<u>3,424,308</u>	<u>1,256,912</u>	<u>1,131,124</u>
EQUITY AND LIABILITIES					
Equity attributable to owners					
Share capital	25	163,880	163,880	163,880	163,880
Retained earnings		302,075	246,474	149,211	145,159
Foreign currency translation reserve		4,618	88	–	–
Equity attributable to owners		<u>470,573</u>	<u>410,442</u>	<u>313,091</u>	<u>309,039</u>
Non-controlling interests		99,524	54,743	–	–
Total equity		<u>570,097</u>	<u>465,185</u>	<u>313,091</u>	<u>309,039</u>
Non-current liabilities					
Deferred tax liabilities	12	43,513	28,409	–	–
Other financial liabilities	26	1,608,115	1,991,037	445,966	664,169
Total non-current liabilities		<u>1,651,628</u>	<u>2,019,446</u>	<u>445,966</u>	<u>664,169</u>
Current liabilities					
Income tax payable		20,110	56,529	1,201	–
Trade and other payables	27	240,165	264,848	272,003	157,916
Other financial liabilities	26	822,773	299,312	224,651	–
Other liabilities	28	576,027	318,988	–	–
Total current liabilities		<u>1,659,075</u>	<u>939,677</u>	<u>497,855</u>	<u>157,916</u>
Total liabilities		<u>3,310,703</u>	<u>2,959,123</u>	<u>943,821</u>	<u>822,085</u>
Total equity and liabilities		<u>3,880,800</u>	<u>3,424,308</u>	<u>1,256,912</u>	<u>1,131,124</u>

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

Statements of Changes in Equity

Year Ended 30 June 2015

Group	Share Capital \$'000	Retained Earnings \$'000	Foreign Currency Translation Reserve \$'000	Equity Attributable to Owners \$'000	Non- Controlling Interests \$'000	Total Equity \$'000
Current year:						
Opening balance at 1 July 2014	163,880	246,474	88	410,442	54,743	465,185
Movements in equity:						
Total comprehensive income for the year	–	60,908	4,530	65,438	46,399	111,837
Dividends paid (Note 14)	–	(5,307)	–	(5,307)	(1,618)	(6,925)
Closing balance at 30 June 2015	163,880	302,075	4,618	470,573	99,524	570,097
Previous year:						
Opening balance at 1 July 2013	163,880	74,786	5	238,671	49,836	288,507
Movements in equity:						
Total comprehensive income for the year	–	286,668	83	286,751	20,201	306,952
Dividends paid (Note 14)	–	(114,980)	–	(114,980)	(15,300)	(130,280)
Capital contribution by non-controlling interests	–	–	–	–	6	6
Closing balance at 30 June 2014	163,880	246,474	88	410,442	54,743	465,185

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

Statements of Changes in Equity

Year Ended 30 June 2015

Company	Share Capital \$'000	Retained Earnings \$'000	Total Equity \$'000
Current year:			
Opening balance at 1 July 2014	163,880	145,159	309,039
Movements in equity:			
Total comprehensive income for the year	–	9,359	9,359
Dividends paid (Note 14)	–	(5,307)	(5,307)
Closing balance at 30 June 2015	163,880	149,211	313,091
Previous year:			
Opening balance at 1 July 2013	163,880	3,499	167,379
Movements in equity:			
Total comprehensive income for the year	–	256,640	256,640
Dividends paid (Note 14)	–	(114,980)	(114,980)
Closing balance at 30 June 2014	163,880	145,159	309,039

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

Consolidated Statement of Cash Flows

Year Ended 30 June 2015

	Group	
	2015	2014
	\$'000	\$'000
<u>Cash flows from operating activities</u>		
Profit before tax	142,705	377,367
Adjustments for:		
Interest income	(2,891)	(1,341)
Finance costs	41,039	32,743
Share of profit from equity-accounted joint ventures	(20,434)	(11,538)
Depreciation of plant and equipment	433	173
Depreciation of investment properties	605	–
Plant and equipment written off	19	–
Impairment loss on development properties	4,839	–
Fair value loss on financial instruments	3,333	21,517
Net effect of exchange rate changes	6,526	10,145
Operating cash flows before changes in working capital	<u>176,174</u>	<u>429,066</u>
Development properties	(474,019)	(33,078)
Trade and other receivables	89,809	(302,569)
Other assets	16,895	84,897
Trade and other payables	(24,683)	34,746
Other liabilities	<u>257,039</u>	<u>(235,622)</u>
Cash flows from (used in) operations	41,215	(22,560)
Income taxes paid	<u>(58,094)</u>	<u>(15,148)</u>
Net cash flows used in operating activities	<u>(16,879)</u>	<u>(37,708)</u>
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment	(265)	(1,481)
Investments in joint ventures	(490)	(532)
Purchase of investment properties	(66,688)	(505,584)
Increase in available-for-sale financial assets	(3,326)	–
Interest received	2,891	1,341
Net cash flows used in investing activities	<u>(67,878)</u>	<u>(506,256)</u>
<u>Cash flows from financing activities</u>		
Dividends paid to equity owners	(5,307)	(114,980)
Dividends paid to non-controlling interests	(1,618)	(15,300)
Capital contribution by non-controlling interests	–	6
Repayment to non-controlling interests	–	(40,453)
Repayment of borrowings	(306,739)	(319,089)
Increase in borrowings	443,945	1,015,215
Interest paid	<u>(60,560)</u>	<u>(58,033)</u>
Net cash flows from financing activities	<u>69,721</u>	<u>467,366</u>
Net decrease in cash and cash equivalents	(15,036)	(76,598)
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	359,920	436,460
Effects of exchange rate changes on the balance of cash held in foreign currency	<u>(910)</u>	<u>58</u>
Cash and cash equivalents, consolidated statement of cash flows, ending balance (Note 24)	<u>343,974</u>	<u>359,920</u>

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

Notes to the Financial Statements

30 June 2015

1. General

The Company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars.

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 ("SGX-ST").

The principal activities of the subsidiaries are described in Note 38 below.

The registered office and principal place of business of the Company is: 50 Raffles Place, #11-02 Singapore Land Tower, Singapore 048623.

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

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 may 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 subsidiaries. The consolidated financial statements are the financial statements of the Group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are 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 income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee. Control exists when the Group has the power to govern the financial and operating policies so as to gain benefits from its activities.

Notes to the Financial Statements

30 June 2015

2. Summary of significant accounting policies (cont'd)

Basis of presentation (cont'd)

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 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 separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the Company's separate statement of profit or loss and other comprehensive income is not presented.

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 critical 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 and rebates.

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.

Revenue from development properties is recognised in accordance with the accounting policy on construction contracts (see below).

Employee benefits

Contributions to a defined contribution retirement benefit plan 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 (such as the Central Provident Fund in Singapore, a government managed defined contribution 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 2015

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. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax 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 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

These financial statements are presented in Singapore dollars, which is also the Company's functional currency. Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting 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 measurement 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.

Translation of financial statements of other entities

In translating the financial statements of 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 2015

2. Summary of significant accounting policies (cont'd)

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. The interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred except that 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.

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 – 20% to 33%

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 measured 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 (land or building or part of a building or both) 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 under construction. After initial recognition at cost, including transaction costs, the investment property is accounted at cost less accumulated depreciation and impairment losses, if any. 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. 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.

The annual rates of depreciation are as follows:

Investment properties – 1.67% to 3.64%

A property is classified as investment property if the units are to be held for investments and classified as completed units held for sale or as inventories if the units are held for sale.

Notes to the Financial Statements

30 June 2015

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. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated 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 special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity/s 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 the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Joint arrangements - Joint venture

A joint arrangement (that is, either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the reporting entity is party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities (that is, activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. In a joint venture, the parties with joint control have rights to the net assets of the arrangement. The reporting interests in joint ventures are recognised using equity method in accordance with FRS 28 Investments in Associates and Joint Ventures in the Group's and Company's financial statements.

Notes to the Financial Statements

30 June 2015

2. Summary of significant accounting policies (cont'd)

Joint arrangements - Joint venture (cont'd)

Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of an investment in the joint venture are not necessarily indicative of the amount that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income.

Losses of a joint venture in excess of the reporting entity's interest in the relevant joint venture are not recognised except to the extent that the reporting entity has an obligation. After the investor's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the investor resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

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 joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures are changed where necessary to ensure consistency with the policies adopted by the reporting entity.

Impairment loss recognised in profit or loss for a joint venture 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.

Business combinations

Business combinations are accounted for by applying the acquisition method. There were no acquisitions during the reporting year.

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. 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.

Notes to the Financial Statements

30 June 2015

2. Summary of significant accounting policies (cont'd)

Impairment of non-financial assets

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 of disposal and its value-in-use. When the fair value less costs of disposal method is used, 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 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 measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Development properties

Development properties are classified into (a) development properties completed and held for sale; (b) development properties held for sale in the process of development accounted under the completion of construction method; and (c) development properties in the process of development accounted under the stage of completion method.

For (a) development properties completed and held for sale, revenue is normally recognised when risks and rewards of ownership have been transferred which is usually taken to be when legal title passes to the buyer or when the equitable interest in a property vest in the buyer before legal title passes and provided that the reporting entity has no further substantial acts to complete under the contract. These properties are measured 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 the estimated costs of completion and the estimated costs necessary to make the sale.

For (b) development properties held for sale in the process of development accounted under the completion of construction method, revenue is recognised and is regarded as earned from the sale of goods within the scope of FRS 18 and is accounted in the same manner as development properties held for sale. These are with or without an agreement for the construction of real estate in which buyers have only limited ability to influence the design of the real estate. Project costs consist of costs that relate directly to the specific project, costs that are attributable to project activity in general and can be allocated to the project and such other costs as are specifically chargeable to the project. These are measured 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 the estimated costs of completion and the estimated costs necessary to make the sale.

For (c) development properties in the process of development accounted under the stage of completion method, the reporting entity transfers continuously (as construction progresses) to the buyer the control and the significant risks and rewards of ownership of the work in progress in its current state. In this case, revenue is recognised by reference to the stage of completion using the stage of completion method for the construction contract.

Development properties in the process of development accounted under the stage of completion method are for standard residential property sales in Singapore that meet the criteria for stage of completion method of accounting. Under the various mechanisms in the Singapore legal framework and the contractual rights, the purchaser obtains control over the uncompleted property unit as construction progresses. These contracts cover the residential and mixed development properties under progressive payment schemes in Singapore.

Notes to the Financial Statements

30 June 2015

2. Summary of significant accounting policies (cont'd)

Development properties (cont'd)

Construction contracts – revenues and results

When the outcome of a construction contract for development properties under the stage of completion method can be estimated reliably, the contract revenue and contract costs associated with the contract are recognised in profit or loss by reference to the stage of completion of the contract activity at the end of the reporting year using the surveys of work performed method. Contract costs consist of costs that relate directly to the specific contract, costs that are attributable to contract activity in general and can be allocated to the contract and such other costs as are specifically chargeable to the customer under the terms of the contract. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed by the customer. The stage of completion method relies on estimates of total expected contract revenue and costs, as well as dependable measurement of the progress made towards completing a particular contract. Recognised revenues and profits are subject to revisions during the contract in the event that the assumptions regarding the overall contract outcome are revised. The cumulative impact of a revision in estimates is recorded in the period such revisions become likely and estimable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. The work in progress contracts have operating cycles longer than one year. The management includes in current assets amounts relating to the contracts 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. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following 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.

Notes to the Financial Statements

30 June 2015

2. Summary of significant accounting policies (cont'd)

Financial assets (cont'd)

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: These are non-derivative financial assets that are designated as available-for-sale on initial recognition or are not classified in one of the previous categories. These assets are carried at fair value. Changes in fair value of available-for-sale financial assets (other than those relating to foreign exchange translation differences on monetary investments) are recognised in other comprehensive income and accumulated in a separate component of equity under the heading revaluation reserves. Such reserves are reclassified to profit or loss when realised through disposal. When there is objective evidence that the asset is impaired, the cumulative loss is reclassified from equity to profit or loss as a reclassification adjustment. A significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment. If, in a subsequent period, the fair value of an equity instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss, it is reversed against revaluation reserves and is not subsequently reversed through profit or loss. However for debt instruments classified as available-for-sale impairment losses recognised in profit or loss are subsequently reversed if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss. For non-equity instruments classified as available-for-sale the reversal of impairment is recognised in profit or loss. The weighted average method is used when determining the cost basis of publicly listed equities being disposed of. The financial assets are classified as non-current assets unless management intends to dispose of the investments within 12 months of the end of the reporting year.

Usually non-current investments in equity shares and debt securities are classified in this category but it does not include subsidiaries, joint ventures, or associates. Unquoted investments are stated at cost less allowance for impairment in value where there are no market prices, and management is unable to establish fair value by using valuation techniques except that where management can establish fair value by using valuation techniques the relevant unquoted investments are stated at fair value. For unquoted equity instruments impairment losses are not reversed.

Notes to the Financial Statements

30 June 2015

2. Summary of significant accounting policies (cont'd)

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the 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.

Hedging

Entities under the Group are exposed to currency and interest rate risks. The policy is to reduce currency and interest rate exposures through derivatives and other hedging instruments. From time to time, there may be borrowings and foreign exchange arrangements or interest rate swap contracts or similar instruments entered into as hedges against changes in interest rates, cash flows or the fair value of the financial assets and liabilities. The gain or loss from remeasuring these hedging or other arrangement instruments at fair value are recognised in profit or loss. The derivatives and other hedging instruments used are described below in the notes to the financial statements.

Derivatives

All derivatives are initially recognised at cost and subsequently measured at fair value. Certain derivatives are entered into in order to hedge some transactions. Where all the hedging criteria prescribed by FRS 39 are not met, even though the transaction has its economic and business rationale, hedge accounting cannot be applied. As a result, changes in the fair value of those derivatives are recognised directly in profit or loss and the hedged item follows normal accounting policies.

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 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.

Notes to the Financial Statements

30 June 2015

2. Summary of significant accounting policies (cont'd)

Financial liabilities (cont'd)

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.

Classification of equity and liabilities

A financial instrument is classified as a liability or as equity in accordance with the substance of the contractual arrangement on initial recognition. Equity instruments are contracts that give a residual interest in the net assets of the reporting entity. Where the financial instrument does not give rise to a contractual obligation on the part of the issuer to make payment in cash or kind under conditions that are potentially unfavourable, it is classified as an equity instrument. 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.

Fair value measurement

Fair value is taken to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless state otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

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 to the financial statements.

Notes to the Financial Statements

30 June 2015

2. Summary of significant accounting policies (cont'd)

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.

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.

Net realisable value of development properties held for sale

A review is made on inventory of development properties held for sale for declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. The review requires management to consider the future demand for the development properties. In any case the net realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. Estimating the net realisable value require management to make an estimate of the expected selling price of the unsold development properties based on recent transactions or open market-based measurements of the unsold units. The related amounts are disclosed in the note on development properties.

For development properties in the process of development accounted under the stage of completion method, the method relies on estimates of total expected contract revenue and costs, as well as dependable measurement of the progress made towards completing a particular project. Recognised revenues and profits are subject to revisions during the contract in the event that the assumptions regarding the overall contract outcome are revised. The cumulative impact of a revision in estimates is recorded in the period such revisions become likely and estimable. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. The related amounts are disclosed in the note on development properties.

Income taxes

The entity recognises tax liabilities and assets tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual amount arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax amounts in the period when such determination is made. In addition management judgement is required in determining the amount of current and deferred tax recognised and the extent to which amounts should or can be recognised. A deferred tax asset is recognised for unused tax losses if it is probable that the entity will earn sufficient taxable profit in future periods to benefit from a reduction in tax payments. This involves the management making assumptions within its overall tax planning activities and periodically reassessing them in order to reflect changed circumstances as well as tax regulations. Moreover, the measurement of a deferred tax asset or liability reflects the manner in which the entity expects to recover the asset's carrying value or settle the liability. As a result, due to their inherent nature assessments of likelihood are judgmental and not susceptible to precise determination. The income tax amounts are disclosed in the note on income tax.

Notes to the Financial Statements

30 June 2015

2. Summary of significant accounting policies (cont'd)

Critical judgements, assumptions and estimation uncertainties (cont'd)

Income taxes (cont'd)

The Group has exposure to income taxes in numerous jurisdictions. Significant assumption is required in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made. The carrying amounts of taxation and deferred taxation are disclosed in the statements of financial position.

Classification of investment in available-for-sale financial assets

In assessing whether the Group has control over an investee, management has to consider all relevant facts and circumstances to determine whether the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Such consideration requires significant judgement.

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); (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3A. 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 included the members of the parent company's group of companies. Joint ventures also include those that are joint ventures of the parent and/or related 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 intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any balances and financial guarantees no interest or charge is imposed 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.

Notes to the Financial Statements

30 June 2015

3. Related party relationships and transactions (cont'd)

3B. 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 related party balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any balances and financial guarantees no interest or charge is imposed 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 ^(a)	
	2015 \$'000	2014 \$'000
Purchase of goods and services for construction of development properties capitalised in development properties	(10,556)	(26,595)
Showroom building costs	(43)	(2,079)
Reimbursement of project technical officers' costs	—	(22)
	<hr/>	<hr/>

^(a) These are companies where a director, Mr Ching Chiat Kwong, is also a shareholder.

	Non-controlling interests	
	2015 \$'000	2014 \$'000
Interest income	2,000	—
Interest expense capitalised in development properties	(1,992)	(4,268)
	<hr/>	<hr/>

	Joint ventures	
	2015 \$'000	2014 \$'000
Interest expense	(977)	(54)
	<hr/>	<hr/>

	Directors	
	2015 \$'000	2014 \$'000
Sale of medium term notes	15,422	—
	<hr/>	<hr/>

Notes to the Financial Statements

30 June 2015

3. Related party relationships and transactions (cont'd)

3C. Key management compensation:

	Group	
	2015	2014
	\$'000	\$'000
Salaries and other short-term employee benefits	5,873	19,355

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

	Group	
	2015	2014
	\$'000	\$'000
Remuneration to directors of the Company	5,110	18,673
Fees to directors of the Company	260	218

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 Group, directly or indirectly. The above amounts for key management compensation are for all the directors and other key management personnel of the Company.

3D. Other receivables from and other payables to related parties:

The trade transactions and the related 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:

	Group		Joint ventures	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
			Company	
			2015	2014
			\$'000	\$'000
<u>Other receivables (other payables):</u>				
Balance at beginning of the year	(8,489)	19,050	(33,354)	19,050
Amounts paid out and settlement of liabilities on behalf of another party	51,666	28,755	39,609	3,153
Amounts received and settlement of liabilities on behalf of the Company	(1,753)	(56,240)	–	(55,503)
Interest expense	(977)	(54)	(977)	(54)
Balance at end of the year	<u>40,447</u>	<u>(8,489)</u>	<u>5,278</u>	<u>(33,354)</u>
Presented as:				
Other receivables – non-current (Note 19)	26,044	–	26,044	–
Other receivables – current (Note 22)	47,957	25,602	12,465	–
Other payables – current (Note 27)	(33,554)	(34,091)	(33,231)	(33,354)
Net	<u>40,447</u>	<u>(8,489)</u>	<u>5,278</u>	<u>(33,354)</u>

Notes to the Financial Statements

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3. Related party relationships and transactions (cont'd)

3D. Other receivables from and other payables to related parties (cont'd):

Group	Non-controlling interests	
	2015 \$'000	2014 \$'000
<u>Other receivables (other payables):</u>		
Balance at beginning of the year	(63,342)	(103,460)
Amounts paid out and settlement of liabilities on behalf of another party	54,151	69,797
Amounts received and settlement of liabilities on behalf of the Company	(12,067)	(25,411)
Interest expense	(1,992)	(4,268)
Interest income	2,000	–
Balance at end of the year	<u>(21,250)</u>	<u>(63,342)</u>
Presented as:		
Other receivables (Note 22)	60,661	50,888
Other payables (Note 27)	<u>(81,911)</u>	<u>(114,230)</u>
Net	<u>(21,250)</u>	<u>(63,342)</u>
	Subsidiaries	
	2015 \$'000	2014 \$'000
<u>Other receivables (other payables):</u>		
Balance at beginning of the year	960,922	217,643
Amounts paid out and settlement of liabilities on behalf of another party	–	743,279
Amounts received and settlement of liabilities on behalf of the Company	<u>(49,539)</u>	<u>–</u>
Balance at end of the year	<u>911,383</u>	<u>960,922</u>
Presented as:		
Other receivables – non-current (Note 19)	154,407	–
Other receivables – current (Note 22)	989,519	1,060,923
Other payables – current (Note 27)	<u>(232,543)</u>	<u>(100,001)</u>
Net	<u>911,383</u>	<u>960,922</u>

4. Financial information by operating segments

4A. Information about reportable segment profit or loss, assets and liabilities

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

Notes to the Financial Statements

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4. Financial information by operating segments (cont'd)

4A. Information about reportable segment profit or loss, assets and liabilities (cont'd)

Business segments

For management purposes, the Group is organised into the following major business segments that offer different products and services. The Group has two reportable operating segments as follows:

- Property Development
- Investment Properties

The Group's other business segment comprises investment holding which does not constitute a separate reportable segment.

Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance of each segment. They are managed separately because each business requires different strategies.

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

4B. Segment profit or loss and reconciliations

	Property Development \$'000	Investment Properties \$'000	Others \$'000	Elimination \$'000	Group \$'000
2015					
Revenue by segment					
Revenue from external parties	700,804	584	412	–	701,800
Inter-segment revenue	–	–	2,924	(2,924)	–
Total revenue	700,804	584	3,336	(2,924)	701,800
Segment results	162,740	7,357	945	(7,290)	163,752
Share of profit from equity-accounted joint ventures	–	–	20,434	–	20,434
Fair value loss on financial instruments	–	–	(3,333)	–	(3,333)
Interest income	5,049	10	23,212	(25,380)	2,891
Finance costs	(9,696)	–	(44,057)	12,714	(41,039)
Profit (loss) before tax	158,093	7,367	(2,799)	(19,956)	142,705
Income tax expense	(32,637)	(340)	(2,400)	–	(35,377)
Profit (loss) net of tax	125,456	7,027	(5,199)	(19,956)	107,328

Notes to the Financial Statements

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4. Financial information by operating segments (cont'd)

4B. Segment profit or loss and reconciliations (cont'd)

	Property Development \$'000	Investment Properties \$'000	Others \$'000	Elimination \$'000	Group \$'000
2014					
Revenue by segment					
Revenue from external parties	1,074,116	–	–	–	1,074,116
Inter-segment revenue	–	–	272,385	(272,385)	–
Total revenue	1,074,116	–	272,385	(272,385)	1,074,116
Segment results	425,848	–	(7,100)	–	418,748
Share of profit from equity-accounted joint ventures	11,538	–	–	–	11,538
Fair value loss on financial instruments	–	–	(21,517)	–	(21,517)
Interest income	3,367	3	17,905	(19,934)	1,341
Finance costs	(4,991)	–	(30,145)	2,393	(32,743)
Profit (loss) before tax	435,762	3	(40,857)	(17,541)	377,367
Income tax expense	(70,501)	–	–	–	(70,501)
Profit (loss) net of tax	365,261	3	(40,857)	(17,541)	306,866

4C. Segment assets and reconciliations

	Property Development \$'000	Investment Properties \$'000	Others \$'000	Elimination \$'000	Group \$'000
2015					
Segment assets	3,297,834	668,168	1,333,905	(1,459,571)	3,840,336
Investment in joint ventures	37,138	–	–	–	37,138
Available-for-sale financial assets	–	3,326	–	–	3,326
Total assets	3,334,972	671,494	1,333,905	(1,459,571)	3,880,800
2014					
Segment assets	2,922,097	580,788	1,773,931	(1,869,537)	3,407,279
Investment in joint ventures	17,029	–	–	–	17,029
Total assets	2,939,126	580,788	1,773,931	(1,869,537)	3,424,308

Notes to the Financial Statements

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4. Financial information by operating segments (cont'd)

4D. Segment liabilities and reconciliations

	Property Development \$'000	Investment Properties \$'000	Others \$'000	Elimination \$'000	Group \$'000
2015					
Segment liabilities	3,010,850	666,314	1,018,840	(1,385,301)	3,310,703
Total liabilities	3,010,850	666,314	1,018,840	(1,385,301)	3,310,703
2014					
Segment liabilities	2,721,163	578,831	1,466,889	(1,807,760)	2,959,123
Total liabilities	2,721,163	578,831	1,466,889	(1,807,760)	2,959,123

4E. Other material items and reconciliations

	Property Development \$'000	Investment Properties \$'000	Others \$'000	Elimination \$'000	Group \$'000
Depreciation expense					
2015	–	605	433	–	1,038
2014	–	–	173	–	173
Additions to plant and equipment					
2015	–	–	265	–	265
2014	–	–	1,481	–	1,481
Additions to investment properties					
2015	–	81,025	–	–	81,025
2014	–	505,584	–	–	505,584
Impairment loss on development properties					
2015	4,839	–	–	–	4,839
2014	–	–	–	–	–

4F. Geographical information

The Group operates in numerous geographical areas and the main areas of operations undertaken by the Group are as follows:

- Singapore – property development, investment properties and others.
- United Kingdom – property development.
- Cambodia – property development and investment properties.
- Malaysia – property development and investment properties.
- Japan – investment properties.

Notes to the Financial Statements

30 June 2015

4. Financial information by operating segments (cont'd)

4F. Geographical information (cont'd)

Revenue and the non-current assets are attributed to countries by the geographical area in which the assets are located.

	Singapore	United Kingdom	Cambodia	Malaysia	Japan	Others	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>2015</u>							
Segment revenue	701,800	–	–	–	–	–	701,800
Non-current assets	677,364	–	456	223	–	19	678,062
Investments in joint ventures	33,564	–	–	3,574	–	–	37,138
Available-for-sale financial assets	–	–	–	–	3,326	–	3,326
Total non-current assets	710,928	–	456	3,797	3,326	19	718,526
<u>2014</u>							
Segment revenue	1,074,116	–	–	–	–	–	1,074,116
Non-current assets	569,795	–	551	329	–	–	570,675
Investments in joint ventures	12,640	–	–	3,890	–	499	17,029
Total non-current assets	582,435	–	551	4,219	–	499	587,704

4G. Information about major customers

There were no single external customers that had contributed more than 10% to the Group's revenue.

5. Revenue

	Group	
	2015	2014
	\$'000	\$'000
Revenue from sale of development properties (recognised on completion of construction method)	122,080	711,930
Revenue from sale of development properties (recognised on stage of completion method)	579,306	362,186
Management fee income	414	–
Total revenue	701,800	1,074,116

Notes to the Financial Statements

30 June 2015

6. Other income

	Group	
	2015	2014
	\$'000	\$'000
Rental income	2,036	4,511
Other income	2,395	430
Total other income	<u>4,431</u>	<u>4,941</u>

7. Interest income

	Group	
	2015	2014
	\$'000	\$'000
Interest income	<u>2,891</u>	<u>1,341</u>

8. Other credits and (other charges)

	Group	
	2015	2014
	\$'000	\$'000
Customer deposits forfeited	39	854
Foreign exchange adjustment (losses) gains (net)	(9,000)	24,500
Fair value loss arising on derivative not in a designated hedge accounting relationship	(3,333)	(21,517)
Impairment loss on development properties	(4,839)	–
Net	<u>(17,133)</u>	<u>3,837</u>
Presented in profit or loss as:		
Other credits	39	25,354
Other charges	(17,172)	(21,517)
Net	<u>(17,133)</u>	<u>3,837</u>

9. Employee benefits expense

	Group	
	2015	2014
	\$'000	\$'000
Short term employee benefits expense	8,370	20,690
Contribution to defined contribution plan	178	194
Total employee benefits expense	<u>8,548</u>	<u>20,884</u>

Notes to the Financial Statements

30 June 2015

10. Administrative expenses

Included in the administrative expenses are the following:

	Group	
	2015	2014
	\$'000	\$'000
Donations	561	1,514
Employee benefits expense (Note 9)	8,548	20,884
Professional fees	2,684	1,912
	<u>2,684</u>	<u>1,912</u>

11. Finance costs

	Group	
	2015	2014
	\$'000	\$'000
Total interest expense	78,757	70,878
Less: Interest expense capitalised in investment properties (Note 16)	(9,723)	(7,595)
Less: Interest expense capitalised as cost of development properties (Note 21)	(31,426)	(32,956)
Interest expense	<u>37,608</u>	<u>30,327</u>
Amortisation of transaction costs related to borrowings	3,431	2,416
Finance costs	<u>41,039</u>	<u>32,743</u>

12. Income tax

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

	Group	
	2015	2014
	\$'000	\$'000
<u>Current tax expense (income):</u>		
Current tax expense	20,263	46,237
Under (over) adjustments in respect of prior periods	1,101	(624)
Subtotal	<u>21,364</u>	<u>45,613</u>
<u>Deferred tax expense (income):</u>		
Deferred tax expense	14,460	28,707
Over adjustments in respect of prior periods	(447)	(3,819)
Subtotal	<u>14,013</u>	<u>24,888</u>
Total income tax expense	<u>35,377</u>	<u>70,501</u>

Notes to the Financial Statements

30 June 2015

12. Income tax (cont'd)

12A. Components of tax expense (income) recognised in profit or loss include (cont'd):

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% (2014: 17.0%) to profit or loss before income tax as a result of the following differences:

	Group	
	2015 \$'000	2014 \$'000
Profit before tax	142,705	377,367
Less: Share of profit from equity-accounted joint ventures	(20,434)	(11,538)
	<u>122,271</u>	<u>365,829</u>
Income tax expense at 17.0%	20,786	62,191
Not deductible items	15,701	12,987
Exemptions	(1,764)	(234)
Under (over) adjustments in respect of prior periods	654	(4,443)
Total income tax expense	<u>35,377</u>	<u>70,501</u>

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

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

	Group	
	2015 \$'000	2014 \$'000
Tax loss carryforwards	(6,161)	3,430
Deferred tax on profits relating to development properties recognised based on stage of completion method	20,174	21,458
Total deferred income tax expense recognised in profit or loss	<u>14,013</u>	<u>24,888</u>

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

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
From deferred tax assets (liabilities) recognised in profit or loss:				
Tax loss carryforwards	7,601	1,440	–	–
Profits on development properties recognised based on stage of completion method	(47,419)	(27,245)	–	–
Net balance	<u>(39,818)</u>	<u>(25,805)</u>	<u>–</u>	<u>–</u>
Presented in the statements of financial position as follows:				
Deferred tax assets	3,695	2,604	–	–
Deferred tax liabilities	(43,513)	(28,409)	–	–
Net balance	<u>(39,818)</u>	<u>(25,805)</u>	<u>–</u>	<u>–</u>

Notes to the Financial Statements

30 June 2015

12. Income tax (cont'd)

12C. Deferred tax balance in the statements of financial position (cont'd):

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.

Deferred tax on profits relating to development properties is recognised based on stage of completion method. Profits relating to development properties in Singapore are taxed upon completion of the projects.

13. Earnings per share

The following table illustrates the numerators and denominators used to calculate basic and diluted amount per share of no par value:

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

	Group	
	2015 \$'000	2014 \$'000
Numerators:		
Net profit attributed to owners	60,908	286,668
	'000	'000
Denominators:		
Weighted average number of equity shares	2,948,220	2,948,220

The weighted average number of equity shares refers to shares in circulation during the reporting year.

There is no dilutive ordinary share equivalents outstanding at the end of each reporting year.

14. Dividends on equity shares

	Rate per share			
	2015 cents	2014 cents	2015 \$'000	2014 \$'000
<u>Dividends to owners of the Company</u>				
Final tax exempt (1-tier) dividend paid in respect of previous reporting year	0.18	0.60	5,307	17,689
Interim exempt (1-tier) dividend paid	–	3.30	–	97,291
Total dividends paid in the year	0.18	3.90	5,307	114,980

In respect of the current reporting year, the directors propose that a final dividend of 0.41 cent per share be paid to shareholders of the Company after the annual general meeting. 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 2015 is payable in respect of all ordinary shares in issue at the end of the reporting year and including any new qualifying shares issued up to the date the dividend becomes payable. There are no income tax consequences of dividends to owners of the Company.

Notes to the Financial Statements

30 June 2015

14. Dividends on equity shares (cont'd)

Dividends to the non-controlling interests

An interim exempt (1-tier) dividend of \$1,618,000 (2014: \$15,300,000) was paid by the subsidiaries to their non-controlling interests.

15. Plant and equipment

	Group \$'000	Company \$'000
<u>Cost:</u>		
At 1 July 2013	219	219
Additions	1,481	42
Foreign exchange adjustments	4	–
At 30 June 2014	<u>1,704</u>	<u>261</u>
Additions	265	203
Written off	(46)	(43)
Foreign exchange adjustments	23	–
At 30 June 2015	<u>1,946</u>	<u>421</u>
<u>Accumulated depreciation:</u>		
At 1 July 2013	151	151
Depreciation for the year	173	51
At 30 June 2014	<u>324</u>	<u>202</u>
Depreciation for the year	433	66
Written off	(27)	(26)
Foreign exchange adjustments	4	–
At 30 June 2015	<u>734</u>	<u>242</u>
<u>Carrying value:</u>		
At 1 July 2013	<u>68</u>	<u>68</u>
At 30 June 2014	<u>1,380</u>	<u>59</u>
At 30 June 2015	<u>1,212</u>	<u>179</u>

The depreciation expense is charged to administrative expenses.

Notes to the Financial Statements

30 June 2015

16. Investment properties

	Group	
	2015	2014
	\$'000	\$'000
<u>Cost:</u>		
At beginning of the year	566,691	61,107
Additions	66,688	497,989
Transfers from development properties	4,614	–
Capitalised borrowing costs	9,723	7,595
At end of the year	<u>647,716</u>	<u>566,691</u>
<u>Accumulated depreciation:</u>		
At beginning of the year	–	–
Depreciation for the year ^(b)	605	–
At end of the year	<u>605</u>	<u>–</u>
<u>Carrying value:</u>		
At beginning of the year	<u>566,691</u>	<u>61,107</u>
At end of the year	<u>647,111</u>	<u>566,691</u>
Rental income from investment properties	<u>584</u>	<u>–</u>
Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the period	<u>17</u>	<u>–</u>
Borrowing costs included in the cost of qualifying assets are as follows:		
	2015	2014
Capitalisation rates	<u>1.86% – 3.11%</u>	<u>2.21% – 3.00%</u>

Description / Location	Development type	Tenure	Gross Floor Area (sqm)	Interest held by the Group
<u>Investment properties</u>				
Space@Tampines ^{(a) (d)} 18 Tampines Industrial Crescent, Singapore	Industrial	30 years leasehold from 10 December 2012	65,893	70%
2 industrial units at Oxley Bizhub ^(a) 61/65 Ubi Road 1 Singapore	Industrial	60 years leasehold from 15 November 2010	1,428	100%
<u>Investment properties under construction</u>				
Novotel Singapore on Stevens / Ibis Singapore on Stevens ^{(a) (c)} 30 Stevens Road, Singapore	Hotel	103 years leasehold from 18 July 2013	29,564	100%

Notes to the Financial Statements

30 June 2015

16. Investment properties (cont'd)

- (a) All the investment properties are pledged as security for the bank facilities (see Note 26).
- (b) The depreciation expense is charged to administrative expenses.
- (c) The investment property is under construction as at the end of the reporting year.
- (d) The property had completed construction during the reporting year 2015.

There are no restrictions on the realisability of investment properties or the remittance of income and proceeds of disposal. The investment properties are leased out under operating leases. Also see Note 33 on operating lease income commitments. The management has not entered into contractual obligations for the maintenance or enhancement of the investment properties.

The fair value of the investment properties was measured based on the highest and best use method to reflect the actual market state and circumstances as of the end of the reporting year. The fair value was based on valuations made by Colliers International Consultancy & Valuation (Singapore) Pte Ltd and PREMAS Valuers & Property Consultants Pte. Ltd., firms of independent professional valuers yearly. The firms hold recognised and relevant professional qualifications with sufficient recent experience in the location and category of the investment property being valued.

Management determined that the highest and best use of the asset is the current use and that it would provide maximum value to market participants principally through its use in combination with other assets.

For fair value measurements categorised within Level 2 and 3 of the fair value hierarchy, a description of the valuation techniques and the significant other observable inputs used in the fair value measurement are as follows:

Asset	Space@Tampines
Fair value	\$200,000,000
Fair value hierarchy level	Level 2
Valuation technique for recurring fair value measurements	Comparison with market evidence of recent transaction prices for similar properties
Significant observable inputs and range (weighted average)	Price per square meter: \$3,535
Sensitivity on management's estimates – 10% variation from estimate	Impact – lower by \$20,000,000; higher by \$20,000,000
Asset	2 industrial units at Oxley Bizhub
Fair value	\$8,600,000
Fair value hierarchy level	Level 2
Valuation technique for recurring fair value measurements	Comparison with market evidence of recent transaction prices for similar properties
Significant observable inputs and range (weighted average)	Price per square meter: \$6,019 to \$6,028
Sensitivity on management's estimates – 10% variation from estimate	Impact – lower by \$860,000; higher by \$860,000

Notes to the Financial Statements

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16. Investment properties (cont'd)

Asset	Novotel Singapore on Stevens / Ibis Singapore on Stevens (Under construction)
Fair value	\$696,199,000
Fair value hierarchy level	Level 3
Valuation technique for recurring fair value measurements	Direct comparison method / residual method (Gross development value less construction costs to complete)
Significant unobservable inputs and range (weighted average)	Price per square meter: \$23,549
Sensitivity on management's estimates – 10% variation from estimate	Impact – lower by \$69,600,000; higher by \$69,600,000

17. Investments in subsidiaries

	Company	
	2015 \$'000	2014 \$'000
Movements during the year:		
Cost at beginning of the year	25,035	24,035
Additions	–	1,000
Cost at end of the year	<u>25,035</u>	<u>25,035</u>
Total cost comprising:		
Unquoted equity shares at cost	<u>25,035</u>	<u>25,035</u>
Net book value of subsidiaries	<u>326,052</u>	<u>217,919</u>

The listing of and information on the subsidiaries are given in Note 38.

18. Investments in joint ventures

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Movements in carrying value:				
Balance at beginning of the year	17,029	5,110	12,640	1,097
Additions	490	532	490	–
Share of profit for the year	20,434	11,538	20,434	11,543
Transfer ⁽¹⁾	(498)	–	–	–
Foreign exchange adjustments	(317)	(151)	–	–
Balance at end of the year	<u>37,138</u>	<u>17,029</u>	<u>33,564</u>	<u>12,640</u>
Carrying value comprising:				
Unquoted equity shares at cost	5,035	5,045	990	500
Share of profit, net of dividends received	<u>32,103</u>	<u>11,984</u>	<u>32,574</u>	<u>12,140</u>
	<u>37,138</u>	<u>17,029</u>	<u>33,564</u>	<u>12,640</u>
Share of net book value of joint ventures	<u>33,211</u>	<u>14,240</u>	<u>33,074</u>	<u>12,640</u>

Notes to the Financial Statements

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18. Investments in joint ventures (cont'd)

- (1) During the reporting year, the Company's wholly-owned subsidiary, Oxley International Holdings Pte. Ltd., acquired the remaining shares of Oxley Myanmar Pte. Ltd.. Consequently, Oxley Myanmar Pte. Ltd. became a wholly-owned subsidiary of the Group.

The Group has not recognised losses exceeding the amount of the investment in Oxley Diamond (Cambodia) Co., Ltd. amounting to \$2,196,000 (2014: \$1,042,000). The Group has not incurred legal or constructive obligations on behalf of these joint ventures.

The joint ventures held by the Company and the Group are listed below:

Name of joint ventures, country of incorporation, place of operations, principal activities and independent auditor	Percentage of equity held by the Group	
	2015 %	2014 %
<u>Held by the Company</u>		
Oxley-Lian Beng Pte. Ltd. ^(a)		
Singapore		
Property development		
RSM Chio Lim LLP	50	50
<u>Held through Oxley Emerald Sdn. Bhd.</u>		
Posh Properties Sdn. Bhd. ^{(b) (e)}		
Malaysia		
Property development		
Yeo & Associates	50	50
<u>Held through Oxley China Pte. Ltd.</u>		
KAP Holdings (China) Pte Ltd ^{(c) (e)}		
Singapore		
Investment holding		
Deloitte & Touche LLP	50	50
<u>Held through Oxley Holdings (Cambodia) Co., Ltd.</u>		
Oxley Diamond (Cambodia) Co., Ltd. ^{(d) (e)}		
Cambodia		
Property development		
Deloitte (Cambodia) Co. Ltd.	50	50

- (a) 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 dated 12 June 2013 involving sharing of control over strategic, financial and operating decisions related to Oxley-Lian Beng Pte. Ltd..

- (b) 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..

- (c) KAP Holdings (China) Pte Ltd is jointly controlled by its shareholders as a result of a joint venture agreement dated 6 December 2013 and supplemental with further agreements dated 6 June 2014 and 6 August 2014, involving sharing of control over strategic, financial and operating decisions related to KAP Holdings (China) Pte Ltd.

Notes to the Financial Statements

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18. Investments in joint ventures (cont'd)

- (d) Oxley Diamond (Cambodia) Co., Ltd. is jointly controlled by its shareholders as a result of a joint venture agreement dated 15 July 2013, involving sharing of control over strategic, financial and operating decisions related to Oxley Diamond (Cambodia) Co., Ltd..
- (e) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member. Their names are indicated above.

There is a joint venture that is considered material to the Group. The summarised financial information of the material joint venture and the accounts (and not the Group's share of those amounts) based on the financial statements of the joint venture are as follows:

	Group and Company	
	2015	2014
	\$'000	\$'000
Joint venture – Oxley-Lian Beng Pte. Ltd.		
Revenue	140,249	79,969
Profit for the year	40,868	23,086
Total comprehensive income	40,868	23,086
Interest income	1,982	384
Interest expense	(1,927)	(475)
Income tax expense	(9,001)	(4,728)
Current assets	255,486	223,351
Cash and cash equivalents	41,439	26,289
Non-current assets	–	840
Current liabilities	(176,362)	(10,719)
Non-current liabilities	(12,977)	(188,193)
Reconciliation:		
Net assets of the joint venture	66,147	25,279
Proportion of the reporting entity's interest in the joint venture	50%	50%
Carrying amount of the interest in the joint venture	<u>33,074</u>	<u>12,640</u>
Share of the commitments – development expenditure contracted for development properties	<u>17,811</u>	<u>32,368</u>

There are joint ventures that are considered not material to the Group. The summarised financial information of all the non-material joint ventures and the aggregated amounts (not the Group's share of these amounts) based on the financial statements of the joint ventures are as follows. These are not adjusted to reflect adjustments made by the Group when using the equity method.

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Loss for the year	(2,311)	(2,099)	–	–
Net assets	<u>295</u>	<u>3,201</u>	<u>–</u>	<u>–</u>
Share of the commitments – development expenditure contracted for development properties	<u>79,132</u>	<u>–</u>	<u>–</u>	<u>–</u>

There are no significant restrictions on the ability of the joint ventures to transfer funds to the reporting entity in the form of cash dividends.

Notes to the Financial Statements

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19. Other receivables, non-current

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Loan receivable from a joint venture ^(a) (Note 3)	26,044	–	26,044	–
Loan receivable from subsidiaries ^(a) (Note 3)	–	–	154,407	–
Balance at end of the year	<u>26,044</u>	<u>–</u>	<u>180,451</u>	<u>–</u>

^(a) The loans are quasi-equity loans with no fixed repayment terms, non-interest bearing, unsecured and not expected to be settled in the foreseeable future.

20. Available-for-sale financial assets

	Group	
	2015 \$'000	2014 \$'000
Balance is made up of:		
Unquoted investments at cost less allowance for impairment	<u>3,326</u>	<u>–</u>
Movements during the year:		
Balance at beginning of the year	–	–
Additions	<u>3,326</u>	<u>–</u>
Balance at end of the year	<u>3,326</u>	<u>–</u>

The above relates to the Group's 100% interests in certain structured entities in Japan. These are unconsolidated structured entities and hence accounted in accordance with FRS 39. The fair value of the above unquoted investments as available-for-sale financial assets is deemed to be not reliably measurable as the probabilities of the various estimates within the range cannot be reasonably assessed as used in estimating fair values. Consequently the investment is carried at cost less allowance for impairment.

Notes to the Financial Statements

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21. Development properties

	Group	
	2015	2014
	\$'000	\$'000
Development properties completed and held for sale	6,058	1,305
Development properties held for sale in the process of development accounted under the completion of construction method	1,543,323	1,203,911
Unsold development properties in the process of development accounted under the stage of completion method (Note 21A)	280,221	150,023
	<u>1,829,602</u>	<u>1,355,239</u>
Development properties are stated after allowance. Movements in allowance:		
Balance at beginning of the year	–	–
Charge to profit or loss included in other charges	4,839	–
Balance at end of the year	<u>4,839</u>	<u>–</u>

21A. Development properties in the process of development accounted under the stage of completion method

	Group	
	2015	2014
	\$'000	\$'000
Aggregate amount of costs incurred and recognised profits (less recognised losses) to date on uncompleted contracts	1,626,473	1,624,157
Less: Progress payments received and receivable and advances to date	(667,198)	(658,424)
Net amount arising from development properties at end of the year	<u>959,275</u>	<u>965,733</u>
Included in the statements of financial position as follows:		
Development properties	280,221	150,023
Trade receivables (Note 22)	679,054	815,710
	<u>959,275</u>	<u>965,733</u>

Borrowing costs included in the cost of qualifying assets are as follows:

	2015	2014
Capitalisation rates	<u>1.77% – 7.85%</u>	<u>1.63% – 5.35%</u>
	\$'000	\$'000
Borrowing costs capitalised included in additions during the year (Note 11)	<u>31,426</u>	<u>32,956</u>

Certain development properties are mortgaged to banks as securities for the bank facilities (Note 26).

The listing of and details of the development properties are given in Note 39.

Notes to the Financial Statements

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22. Trade and other receivables

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<u>Trade receivables:</u>				
Outside parties	83,528	181,701	30	8
Unbilled revenue on completed properties	44,904	7,372	–	–
Unbilled revenue on properties under development (Note 21A)	679,054	815,710	–	–
Subtotal	<u>807,486</u>	<u>1,004,783</u>	<u>30</u>	<u>8</u>
<u>Other receivables:</u>				
Non-controlling interests ^(a) (Note 3)	60,661	50,888	–	–
Subsidiaries ^(a) (Note 3)	–	–	989,519	1,060,923
Joint ventures ^(a) (Note 3)	47,957	25,602	12,465	–
Available-for-sale financial assets ^(a)	49,317	–	12,659	–
Subtotal	<u>157,935</u>	<u>76,490</u>	<u>1,014,643</u>	<u>1,060,923</u>
Total trade and other receivables	<u>965,421</u>	<u>1,081,273</u>	<u>1,014,673</u>	<u>1,060,931</u>

Other receivables with interest bearing balances are as follows:

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<u>Fixed interest rate of 3% (2014: 3%) per annum</u>				
Non-controlling interests	833	–	–	–
Subsidiaries	<u>–</u>	<u>–</u>	<u>58,444</u>	<u>55,068</u>
<u>Floating interest rate of 5.35% (2014: 5.35% - 5.38%) per annum</u>				
Non-controlling interests	37,138	37,138	–	–
Subsidiaries	–	–	480,295	313,275
Available-for-sale financial assets	<u>49,317</u>	<u>–</u>	<u>12,659</u>	<u>–</u>

^(a) The balances have no fixed repayment terms.

Notes to the Financial Statements

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23. Other assets

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Deposits and stamp duties paid for purchases of land	10,007	39,817	–	–
Deposits to secure services	11,425	355	149	157
Prepayments	1,845	–	–	–
	<u>23,277</u>	<u>40,172</u>	<u>149</u>	<u>157</u>

24. Cash and cash equivalents

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Not restricted in use	134,325	115,694	2,861	32,302
Project Accounts ^(a)	209,649	244,226	–	–
Cash at end of the year	<u>343,974</u>	<u>359,920</u>	<u>2,861</u>	<u>32,302</u>

The interest earning balances are not significant.

^(a) Restricted cash account: This relates to monies received from buyers of which they can be utilised only for designated types of payments that relate to the property development projects.

25. Share capital

Group and Company	Number of shares issued '000	Share capital \$'000
Ordinary shares of no par value:		
Balance at beginning and end of the year 30 June 2014 and 30 June 2015	<u>2,948,220</u>	<u>163,880</u>

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 certain minimum share capital before the loans were granted to the respective subsidiaries.

Notes to the Financial Statements

30 June 2015

25. Share capital (cont'd)

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.

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.

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 reserves).

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Net debt:				
All current and non-current borrowings	2,406,038	2,268,832	645,767	642,652
Less cash and cash equivalents	(343,974)	(359,920)	(2,861)	(32,302)
Net debt	<u>2,062,064</u>	<u>1,908,912</u>	<u>642,906</u>	<u>610,350</u>
Adjusted capital:				
Total equity	<u>570,097</u>	<u>465,185</u>	<u>313,091</u>	<u>309,039</u>
Debt-to-adjusted capital ratio	<u>362%</u>	<u>410%</u>	<u>205%</u>	<u>198%</u>

The improvement as shown by the decrease in the debt-to-adjusted capital ratio of the Group for the reporting year resulted primarily from the improved retained earnings. 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.

All reserves classified on the face of the statement of financial position as retained earnings represents past accumulated earnings and are distributable. The other reserves are not available for cash dividends unless realised.

Notes to the Financial Statements

30 June 2015

26. Other financial liabilities

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<u>Non-current:</u>				
<u>Financial instruments with floating interest rates</u>				
Bank loans (secured) (Note 26A)	1,087,814	1,326,868	–	–
<u>Financial instruments with fixed interest rates</u>				
Fixed rate notes (Note 26B)	500,000	650,000	425,000	650,000
Less: Unamortised transaction costs	(4,549)	(7,348)	(3,884)	(7,348)
Derivative financial instruments (Note 29)	24,850	21,517	24,850	21,517
Subtotal – non-current	1,608,115	1,991,037	445,966	664,169
<u>Current:</u>				
<u>Financial instruments with floating interest rates</u>				
Bank loans (secured) (Note 26A)	598,121	299,312	–	–
<u>Financial instruments with fixed interest rates</u>				
Fixed rate notes (Note 26B)	225,000	–	225,000	–
Less: Unamortised transaction costs	(348)	–	(349)	–
Subtotal – current	822,773	299,312	224,651	–
Total	2,430,888	2,290,349	670,617	664,169
The non-current portion is repayable as follows:				
Due within 2 to 5 years	1,608,115	1,991,037	445,966	664,169
Total non-current portion	1,608,115	1,991,037	445,966	664,169

The range of floating interest rates paid were as follows:

	Group		Company	
	2015	2014	2015	2014
Bank loans (secured)	1.77% – 7.85%	1.63% – 5.35%	–	–

The range of fixed interest rates paid were as follows:

	Group		Company	
	2015	2014	2015	2014
Fixed rate notes	4.75% – 5.15%	4.75% – 5.10%	4.75% – 5.10%	4.75% – 5.10%

The weighted effective interest rates paid were as follows:

	Group		Company	
	2015	2014	2015	2014
Fixed rate notes	5.14% – 5.85%	5.14% – 5.68%	5.14% – 5.68%	5.14% – 5.68%

The floating rate debt instruments are with interest rates that are re-set regularly at one, three or six months intervals.

Notes to the Financial Statements

30 June 2015

26. Other financial liabilities (cont'd)

26A. Bank loans (secured)

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

- (a) First legal mortgage on the investment properties disclosed in Note 16;
- (b) First legal mortgage on some of the development properties disclosed in Note 21;
- (c) 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;
- (d) Joint and several guarantees from directors and a shareholder of the Company, as well as the non-controlling shareholders of the subsidiaries;
- (e) Corporate guarantee by the Company and fellow subsidiaries;
- (f) Deed of subordination of shareholder and related companies' loan; and
- (g) Compliance with certain covenants.

The repayment terms of the bank loans are in one lump sum ranging from 36 to 70 months (2014: 30 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 fair value of the bank loans is a reasonable approximation of the carrying amount due to their short term nature or that they are floating rate instruments that are frequently re-priced to market interest rates.

26B. Fixed rate notes

On 6 May 2013 and 15 November 2013, the Company established the \$300,000,000 Multicurrency Medium Term Note Programme and \$500,000,000 Multicurrency Medium Term Note Programme respectively (collectively known as "Programme").

On 6 September 2013, the limit for the \$300,000,000 Multicurrency Medium Term Note Programme has been increased to \$500,000,000. 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.

On 17 October 2014, the Company increased the limit for one of the \$500,000,000 Multicurrency Medium Term Note Programme to \$1,000,000,000. It was amended to include a subsidiary, Oxley MTN Pte. Ltd., as one of the issuers.

Notes to the Financial Statements

30 June 2015

26. Other financial liabilities (cont'd)

26B. Fixed rate notes (cont'd)

During the reporting year, Oxley MTN Pte. Ltd. issued a \$75,000,000 note which is due on 31 October 2016 (see below).

The total facility drawn down as at 30 June 2015 under the Programme is \$725,000,000, consisting of:

1. \$150,000,000 5.10% notes due 2017. The \$150,000,000 notes were issued on 16 May 2013 and will mature on 16 May 2017 and bear a fixed interest rate of 5.10% per annum, payable semi-annually in arrears.
2. \$125,000,000 4.75% notes due 2018. The \$125,000,000 notes were issued on 11 July 2013 and will mature on 11 July 2018 and bear a fixed interest rate of 4.75% per annum, payable semi-annually in arrears.
3. \$135,000,000 4.75% notes due 2015. The \$135,000,000 notes were issued on 23 September 2013 and will mature on 23 September 2015 and bear a fixed interest rate of 4.75% per annum, payable semi-annually in arrears. Subsequent to the end of the reporting year, this note has been settled.
4. \$90,000,000 4.75% notes due 2015. The \$90,000,000 notes were issued on 6 November 2013 and will mature on 23 September 2015 and bear a fixed interest rate of 4.75% per annum, payable semi-annually in arrears. Subsequent to the end of the reporting year, this note has been settled.
5. \$100,000,000 5.10% notes due 2016. The \$100,000,000 notes were issued on 5 December 2013 and will mature on 5 December 2016 and bear a fixed interest rate of 5.10% per annum, payable semi-annually in arrears.
6. \$50,000,000 5.10% notes due 2016. The \$50,000,000 notes were issued on 21 February 2014 and will mature on 5 December 2016 and bear a fixed interest rate of 5.10% per annum, payable semi-annually in arrears.
7. \$75,000,000 5.15% notes due 2016. The \$75,000,000 notes were issued on 31 October 2014 and will mature on 31 October 2016 and bear a fixed interest rate of 5.15% per annum, payable semi-annually in arrears.

	Group		Company	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Fair value of the fixed rate notes (Level 1)	724,747	652,308	649,334	652,308

Notes to the Financial Statements

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27. Trade and other payables

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<u>Trade payables:</u>				
Outside parties and accrued liabilities	119,105	109,424	6,229	24,561
Related parties (Note 3)	4,852	7,103	–	–
Subtotal	<u>123,957</u>	<u>116,527</u>	<u>6,229</u>	<u>24,561</u>
<u>Other payables:</u>				
Rental deposits	743	–	–	–
Subsidiaries ^(b) (Note 3)	–	–	232,543	100,001
Joint ventures ^(b) (Note 3)	33,554	34,091	33,231	33,354
Non-controlling interests ^(a) ^(b) (Note 3)	81,911	114,230	–	–
Subtotal	<u>116,208</u>	<u>148,321</u>	<u>265,774</u>	<u>133,355</u>
Total trade and other payables	<u>240,165</u>	<u>264,848</u>	<u>272,003</u>	<u>157,916</u>

Other payables with interest bearing balances are as follows:

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<u>Fixed interest rate of 3% (2014: 3%) per annum</u>				
Non-controlling interests	37,476	19,247	–	–
Subsidiaries	–	–	867	–
Joint ventures	<u>32,200</u>	<u>33,300</u>	<u>32,200</u>	<u>33,300</u>
<u>Floating interest rate of 5.35% (2014: 5.35% - 5.38%) per annum</u>				
Non-controlling interests	9,470	61,065	–	–
Subsidiaries	<u>–</u>	<u>–</u>	<u>152,519</u>	<u>47,901</u>

^(a) Advances from non-controlling interests were to finance the purchases of development properties.

^(b) The balances have no fixed repayment terms.

28. Other liabilities

	Group	
	2015 \$'000	2014 \$'000
Progress payments	<u>576,027</u>	<u>318,988</u>

This pertains to progress payments received and receivable from buyers of industrial and commercial development properties (Note 21).

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29. Derivative financial instruments

The table below summarises the fair value of derivatives outstanding at the end of the reporting year. All derivatives are not designated as hedging instruments.

	Group and Company	
	2015	2014
	\$'000	\$'000
<u>Liabilities – Derivatives with negative fair values:</u>		
Currency swap	24,850	21,517
	<hr/>	<hr/>
The movements during the year were as follows:		
Balance at the beginning of the year	21,517	–
Losses recognised in profit or loss under other charges	3,333	21,517
Total net balance at end of the year (Note 26)	<hr/> 24,850	<hr/> 21,517

These include the gross amount of all notional values for contracts that have not yet been settled or cancelled. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contracts may be offset by that of other contracts.

	Maturity date	Reference currency	Principal		Fair value	
			2015	2014	2015	2014
			'000	'000	\$'000	\$'000
Currency swap	20 December 2016	GBP	163,900	163,900	24,850	21,517
			<hr/>	<hr/>	<hr/>	<hr/>

There are contractual agreements or currency swaps with other parties to exchange streams of payments over time based on specified notional amounts. The entity pays a specified amount in one currency and receives a specified amount in another currency. The currency swaps for which gross cash flows are exchanged are shown gross. The increases or decreases in the fair values of the foreign currency denominated financial assets and liabilities are partially offset by gains and losses on the economic hedging instruments. The purpose of these contracts is to mitigate the fluctuations of expected sales denominated in the non-functional currencies. As a matter of principle, the entity does not enter into derivative contracts for speculative purposes.

The currency swap contract is not traded in an active market. As a result, its fair value is based on valuation techniques currently consistent with generally accepted valuation methodologies for pricing financial instruments, and incorporate all factors and assumptions that knowledgeable, willing market participants would consider in setting the price (Level 2).

Notes to the Financial Statements

30 June 2015

30. Financial instruments: information on financial risks

30A. 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:

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<u>Financial assets:</u>				
Cash and cash equivalents	343,974	359,920	2,861	32,302
Loans and receivables	965,421	1,081,273	1,014,673	1,060,931
Available-for-sale financial assets	3,326	–	–	–
At end of the year	<u>1,312,721</u>	<u>1,441,193</u>	<u>1,017,534</u>	<u>1,093,233</u>
<u>Financial liabilities:</u>				
Other financial liabilities measured at amortised cost	2,406,038	2,268,832	645,767	642,652
Derivative financial instruments at fair value	24,850	21,517	24,850	21,517
Trade and other payables measured at amortised cost	240,165	264,848	272,003	157,916
At end of the year	<u>2,671,053</u>	<u>2,555,197</u>	<u>942,620</u>	<u>822,085</u>

Further quantitative disclosures are included throughout these financial statements.

30B. Financial risk management

There are exposures to the financial risks 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:

1. Minimise interest rate, currency, credit and market risks for all kinds of transactions.
2. 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 (if necessary).
3. All financial risk management activities are carried out and monitored by management staff.
4. All financial risk management activities are carried out following good market practices.
5. When appropriate consideration is given to entering into derivatives or any other similar instruments solely for hedging purposes.

There have been no changes to management's practices to manage the risks during the reporting year.

Notes to the Financial Statements

30 June 2015

30. Financial instruments: information on financial risks (cont'd)

30C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statements of financial position. 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.

30D. 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, receivables and certain other financial assets. 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. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings. For credit risk on receivables, an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. 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 acceptable as it would receive at least 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 debtors.

Note 24 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.

30E. Liquidity risk – financial liabilities maturity analysis

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

Group	Less than 1 year \$'000	1 – 5 years \$'000	Total \$'000
<u>Non-derivative financial liabilities</u>			
<u>2015:</u>			
Gross borrowing commitments	895,064	1,799,922	2,694,986
Trade and other payables	242,762	–	242,762
At end of the year	<u>1,137,826</u>	<u>1,799,922</u>	<u>2,937,748</u>
<u>2014:</u>			
Gross borrowing commitments	369,637	2,076,091	2,445,728
Trade and other payables	264,848	–	264,848
At end of the year	<u>634,485</u>	<u>2,076,091</u>	<u>2,710,576</u>

Notes to the Financial Statements

30 June 2015

30. Financial instruments: information on financial risks (cont'd)

30E. Liquidity risk – financial liabilities maturity analysis (cont'd)

Company	Less than 1 year \$'000	1 – 5 years \$'000	Total \$'000
<u>Non-derivative financial liabilities:</u>			
<u>2015:</u>			
Gross borrowing commitments	251,319	452,437	703,756
Trade and other payables	281,154	–	281,154
At end of the year	532,473	452,437	984,910
<u>2014:</u>			
Gross borrowing commitments	31,925	697,117	729,042
Trade and other payables	157,916	–	157,916
At end of the year	189,841	697,117	886,958

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

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

Group and Company	Less than 1 year \$'000	1 – 5 years \$'000	Total \$'000
<u>Derivative financial liabilities:</u>			
<u>2015:</u>			
Currency swap	3,218	349,452	352,670
At end of the year	3,218	349,452	352,670
<u>2014:</u>			
Currency swap	3,276	353,854	357,130
At end of the year	3,276	353,854	357,130

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.

Notes to the Financial Statements

30 June 2015

30. Financial instruments: information on financial risks (cont'd)

30E. Liquidity risk – financial liabilities maturity analysis (cont'd)

Financial guarantee contracts – For financial guarantee contracts, the maximum earliest period in which the guarantee amount can be claimed by the other party is used. At the end of the reporting year no claims on the financial guarantees are expected to be payable. The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

Company	Less than 1 year \$'000	1 – 5 years \$'000	Total \$'000
<u>2015:</u>			
Bank guarantee in favour of joint ventures (Note 3)	77,447	–	77,447
Bank guarantee in favour of subsidiaries (Note 3)	476,194	981,130	1,457,324
	<u>553,641</u>	<u>981,130</u>	<u>1,534,771</u>
<u>2014:</u>			
Bank guarantee in favour of joint ventures (Note 3)	–	94,097	94,097
Bank guarantee in favour of subsidiaries (Note 3)	275,960	1,038,793	1,314,753
	<u>275,960</u>	<u>1,132,890</u>	<u>1,408,850</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 (2014: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statements of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

	Group	
	2015 \$'000	2014 \$'000
<u>Bank facilities:</u>		
Undrawn borrowing facilities	<u>214,402</u>	<u>566,696</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.

30F. Interest rate risk

The interest rate risk exposure is mainly from changes in fixed and floating interest rates and it mainly concerns financial liabilities which are both fixed and floating rates. The interest from financial assets including cash balances is not significant. The following table analyses the breakdown of the significant financial instruments (excluding financial derivatives) by type of interest rate:

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<u>Financial assets with interest:</u>				
Floating rates	86,455	37,138	492,954	313,275
Fixed rates	833	–	58,444	55,068
At end of the year	<u>87,288</u>	<u>37,138</u>	<u>551,398</u>	<u>368,343</u>

Notes to the Financial Statements

30 June 2015

30. Financial instruments: information on financial risks (cont'd)

30F. Interest rate risk (cont'd)

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<u>Financial liabilities with interest:</u>				
Floating rates	1,695,405	1,687,245	152,519	47,901
Fixed rates	789,779	695,199	678,834	675,952
At end of the year	<u>2,485,184</u>	<u>2,382,444</u>	<u>831,353</u>	<u>723,853</u>

The floating rate debt instruments are with interest rates that are re-set at regular intervals. The interest rates are disclosed in the respective notes.

Sensitivity analysis:

	Group	
	2015 \$'000	2014 \$'000
<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	1,279	1,352
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	<u>278</u>	<u>249</u>

The analysis has been performed for fixed interest rate and floating interest rate over a year for financial instruments. The impact of a change in interest rates on fixed interest rate financial instruments has been assessed in terms of changing of their fair value. 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).

30G. Foreign currency risk

The Group transacts business in various foreign currencies, including Singapore Dollar, Great Britain Pound, US Dollar and Japanese Yen, and therefore is exposed to foreign exchange risk.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective group entities' functional currencies are as follows:

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<u>Financial assets</u>				
Singapore Dollar	22	8	–	–
Great Britain Pound	6,910	462,434	489,095	447,408
US Dollar	35,686	–	105,688	79,369
Japanese Yen	46,396	–	12,659	–
Total financial assets	<u>89,014</u>	<u>462,442</u>	<u>607,442</u>	<u>526,777</u>

Notes to the Financial Statements

30 June 2015

30. Financial instruments: information on financial risks (cont'd)

30G. Foreign currency risk (cont'd)

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<u>Financial liabilities</u>				
Singapore Dollar	(24)	(166,791)	–	–
<u>Net financial assets (liabilities) at end of the year</u>				
Singapore Dollar	(2)	(166,783)	–	–
Great Britain Pound	6,910	462,434	489,095	447,408
US Dollar	35,686	–	105,688	79,369
Japanese Yen	46,396	–	12,659	–

Sensitivity analysis:

If the relevant foreign currency weakens by 10% against the functional currency of each group entity, profit or loss will increase (decrease) by:

	Group		Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Singapore Dollar	–	16,678	–	–
Great Britain Pound	(691)	(46,243)	(4,891)	(44,741)
US Dollar	(3,569)	–	(10,569)	(7,937)
Japanese Yen	(4,640)	–	(1,266)	–

If the relevant foreign currency strengthens by 10% against the functional currency of each group entity, the effect on profit or loss will be vice-versa. The analysis above has been carried out on the basis that there are no hedged transactions.

The Group enters into cross currency swaps to hedge the foreign exchange risk of its loans denominated in foreign currency.

The fair value loss of the cross currency swaps as at 30 June 2015 was \$24,850,000 (2014: \$21,517,000) (Note 29).

31. 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:

	Group	
	2015 \$'000	2014 \$'000
Development expenditure contracted for development properties ^(a)	478,152	527,259
Commitment to purchase properties (Note 23)	–	210,893

^(a) The development expenditure includes contracts with a related party amounting to \$472,000 (2014: \$544,000).

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32. Operating lease payment commitments – as lessee

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

	Group	
	2015	2014
	\$'000	\$'000
Not later than one year	1,230	1,816
Later than one year and not later than five years	<u>1,005</u>	<u>3,432</u>
Rental expense for the year	<u>1,279</u>	<u>632</u>

Operating lease payments are for rentals payable for office premises. The leases from the owners range from one to three years.

33. Operating lease income commitments – as lessor

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

	Group	
	2015	2014
	\$'000	\$'000
Not later than one year	8,266	457
Later than one year and not later than five years	<u>47,355</u>	<u>125</u>
Rental income for the year	<u>2,036</u>	<u>4,511</u>

Operating lease income commitments are for certain investment properties and for certain residential properties acquired for the purpose of redevelopment.

34. Items in profit or loss

In addition to the profit and loss line items disclosed elsewhere in the notes to the financial statements, this item includes the following charges:

	Group	
	2015	2014
	\$'000	\$'000
Audit fees to the independent auditor of the Company	255	268
Audit fees to other independent auditors	244	196
Other fees to the Company's independent auditor	90	79
Other fees to other independent auditors	<u>15</u>	<u>95</u>

Notes to the Financial Statements

30 June 2015

35. Subsequent events

On 24 July 2015, pursuant to a subscription and shareholders' agreement, the Company subscribed for 7,500,000 shares for a subscription price of GBP50,000,000, which constitute 20% of the total issued and paid-up share capital of Galliard (Group) Limited, a company incorporated in England.

36. 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 material modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 27	Consolidated and Separate Financial Statements (Amendments to)
FRS 27	Separate Financial Statements (Revised)
FRS 27	Amendments to FRS27: Equity Method in Separate Financial Statements
FRS 28	Investments in Associates and Joint Ventures (Revised)
FRS 36	Amendments to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets (relating to goodwill) (*)
FRS 39	Amendments to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting (*)
FRS 110	Consolidated Financial Statements
FRS 110	Amendments to FRS 110, FRS 111 and FRS 112
FRS 111	Joint Arrangements
FRS 112	Disclosure of Interests in Other Entities
INT FRS 121	Levies (*)
FRS 19	Amendments to FRS 19: Defined Benefit Plans: Employee Contributions
Various	Improvements to FRSs (Issued in January 2014). Relating to FRS 102 Share-based Payment FRS 103 Business Combinations (*) FRS 108 Operating Segments FRS 113 Fair Value Measurement FRS 16 Property, Plant and Equipment FRS 24 Related Party Disclosures FRS 38 Intangible Assets
Various	Improvements to FRSs (Issued in February 2014). Relating to FRS 103 Business Combinations (*) FRS 113 Fair Value Measurement FRS 40 Investment Property

(*) Not relevant to the entity.

Notes to the Financial Statements

30 June 2015

37. 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	Amendments to FRS 1: Disclosure Initiative	1 Jan 2016
FRS 16 and FRS 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
FRS 16 and FRS 41	Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants (*)	1 Jan 2016
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 Jan 2016
FRS 110, FRS 112 and FRS 28	Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception	1 Jan 2016
FRS 111	Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations	1 Jan 2016
FRS 114	Regulatory Deferral Accounts (*)	1 Jan 2016
Various	Improvements to FRSs (November 2014)	1 Jan 2016
FRS 115	Revenue from Contracts with Customers	1 Jan 2018
FRS 109	Financial Instruments	1 Jan 2018

(*) Not relevant to the entity.

Notes to the Financial Statements

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38. Listing of and information on subsidiaries

The listing of and information on the subsidiaries are given below:

Name of subsidiaries and principal activities	Cost in Books of Company		Effective Percentage of Equity Held by Group	
	2015 \$'000	2014 \$'000	2015 %	2014 %
<u>Held by the Company</u>				
Action Property Pte. Ltd. ^{(d) (i)} Property development	510	510	51	51
Ascend Assets Pte. Ltd. ^{(c) (d)} Property development	910	910	100	100
Galaxy Land Pte. Ltd. ^{(d) (i)} Property development	1,308	1,308	100	100
Hume Homes Pte. Ltd. ^{(d) (i)} Property development	1,173	1,173	100	100
Oxley Ascend Capital Pte. Ltd. ^{(c) (d)} Property development	833	833	100	100
Oxley Ascend Realty Pte. Ltd. ^{(d) (i)} Property development	550	550	55	55
Oxley Assets Pte. Ltd. ^{(d) (i)} Property development	994	994	100	100
Oxley Bliss Pte. Ltd. ^{(d) (i)} Investment property	700	700	70	70
Oxley Blossom Pte. Ltd. ^{(d) (i)} Property development	1,000	1,000	100	100
Oxley Bright Pte. Ltd. ^{(d) (i) (l) (m)} Property development	– ^(a)	– ^(a)	100	100
Oxley Concept Pte. Ltd. ^{(d) (i)} Property development	596	596	60	60
Oxley Connections Pte. Ltd. ^{(d) (i)} Investment holding	2,600	2,600	52	52
Oxley Consortium Pte. Ltd. ^{(d) (i)} Property development	1,000	1,000	100	100
Oxley Fort Pte. Ltd. ^{(d) (i)} Property development	1,000	1,000	100	100
Oxley Gem Pte. Ltd. ^{(d) (i)} Investment property	1,000	1,000	100	100

Notes to the Financial Statements

30 June 2015

38. Listing of and information on subsidiaries (cont'd)

Name of subsidiaries and principal activities	Cost in Books of Company		Effective Percentage of Equity Held by Group	
	2015 \$'000	2014 \$'000	2015 %	2014 %
<u>Held by the Company (cont'd)</u>				
Oxley Global Pte. Ltd. ^{(d) (i)} Property development	1,000	1,000	100	100
Oxley International Holdings Pte. Ltd. ^{(d) (k) (m)} Investment holding	– ^(a)	– ^(a)	100	100
Oxley Module Pte. Ltd. ^{(d) (i)} Property development	656	656	66	66
Oxley Mosaic Pte. Ltd. ^{(d) (i)} Property development	1,000	1,000	100	100
Oxley MTN Pte. Ltd. ^{(d) (i)} Provision of financial and treasury services Incorporated on 7 October 2014	– ^(a)	–	100	–
Oxley Niche Pte. Ltd. ^{(d) (i)} Property development	1,000	1,000	100	100
Oxley Rise Pte. Ltd. ^{(d) (i) (m)} Property development	1,000	1,000	100	100
Oxley Rising Pte. Ltd. ^{(d) (i)} Property development	– ^(a)	– ^(a)	100	100
Oxley Sanctuary Pte. Ltd. ^{(d) (i)} Property development	550	550	55	55
Oxley Sims Pte. Ltd. ^{(d) (i)} Property development	1,000	1,000	100	100
Oxley Sparkle Pte. Ltd. ^{(d) (i) (l) (m)} Property development	– ^(a)	– ^(a)	100	100
Oxley Star Pte. Ltd. ^{(d) (i)} Property development	671	671	67.5	67.5
Oxley Vibes Pte. Ltd. ^{(d) (i)} Property development	900	900	90	90
Oxley Vibrant Pte. Ltd. ^{(d) (i)} Property development	1,000	1,000	100	100
Oxley Vista Pte. Ltd. ^{(d) (i)} Property development	550	550	55	55

Notes to the Financial Statements

30 June 2015

38. Listing of and information on subsidiaries (cont'd)

Name of subsidiaries and principal activities	Cost in Books of Company		Effective Percentage of Equity Held by Group	
	2015 \$'000	2014 \$'000	2015 %	2014 %
<u>Held by the Company (cont'd)</u>				
Oxley Viva Pte. Ltd. ^{(d) (l)} Property development	550	550	55	55
Oxley Wealth Pte. Ltd. ^{(c) (d)} Property development	434	434	51	51
Oxley YCK Pte. Ltd. ^{(d) (l) (m)} Property development	550	550	55	55
Oxley Zest Pte. Ltd. ^{(d) (l) (l) (m)} Property development	– ^(a)	– ^(a)	100	100
Oxley Batam Pte. Ltd. ^{(d) (l) (l) (m)} (Formerly known as Totality Pte. Ltd.) Property development	– ^(a)	– ^(a)	100	100
<u>Held through Oxley Connections Pte. Ltd.</u>				
Orchard Suites Residence Pte. Ltd. ^{(d) (l)} Property development			52	52
<u>Held through Oxley International Holdings Pte. Ltd.</u>				
Oxley Cambodia Pte. Ltd. ^{(d) (k) (m)} Investment holding			100	100
Oxley China Pte. Ltd. ^{(d) (k) (m)} Investment holding			100	100
Oxley Malaysia Pte. Ltd. ^{(d) (k) (m)} Investment holding			100	100
Oxley London Pte. Ltd. ^{(d) (k) (m)} Investment holding			100	100
Oxley Myanmar Pte. Ltd. ^{(d) (k)} Investment holding			100	50
Oxley UK Pte. Ltd. ^{(b) (d) (k) (m)} (Formerly known as Maison Pte. Ltd.) Investment holding			100	100
Oxley Japan Pte. Ltd. ^{(d) (k) (m)} Investment holding Incorporated on 6 November 2014			100	–
Oxley Dublin Pte Ltd ^{(d) (k) (m)} Investment holding Incorporated on 22 December 2014			100	–

Notes to the Financial Statements

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38. Listing of and information on subsidiaries (cont'd)

Name of subsidiaries and principal activities	Effective Percentage of Equity Held by Group	
	2015 %	2014 %
<u>Held through Oxley Cambodia Pte. Ltd.</u> Oxley Holdings (Cambodia) Co., Ltd. ^{(e) (k) (m)} Investment holding	100	100
<u>Held through Oxley Holdings (Cambodia) Co., Ltd.</u> Oxley-Worldbridge (Cambodia) Co., Ltd. ^{(e) (k) (m)} Property development	49 ⁽ⁿ⁾	49 ⁽ⁿ⁾
Oxley Emerald (Cambodia) Co., Ltd ^{(e) (k) (m)} Property development	75	75
Oxley Gem (Cambodia) Co., Ltd ^{(e) (k) (m)} Property development	75	75
Oxley Sapphire (Cambodia) Co., Ltd ^{(e) (k) (m)} Property development	75	75
<u>Held through Oxley Malaysia Pte. Ltd.</u> Oxley Holdings (Malaysia) Sdn. Bhd. ^{(f) (k) (m)} Investment holding	100	100
<u>Held through Oxley Holdings (Malaysia) Sdn. Bhd.</u> Oxley Diamond Sdn. Bhd. ^{(f) (k) (m)} Property development	100	100
Oxley Emerald Sdn. Bhd. ^{(f) (k) (m)} Property development	100	100
Oxley Gem Sdn. Bhd. ^{(f) (k) (l) (m)} Property development	100	100
Oxley Ruby Sdn. Bhd. ^{(f) (k) (m)} Property development	100	100
Oxley Sapphire Sdn. Bhd. ^{(f) (k) (m)} Property development	100	100
Oxley Star Sdn. Bhd. ^{(f) (k) (m)} Property development	100	100
Oxley Zest Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100
Oxley Rising Sdn Bhd ^{(f) (k) (m)} Property development	100	100
Oxley Mosaic Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100

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38. Listing of and information on subsidiaries (cont'd)

Name of subsidiaries and principal activities	Effective Percentage of Equity Held by Group	
	2015 %	2014 %
<u>Held through Oxley Holdings (Malaysia) Sdn. Bhd. (cont'd)</u>		
Oxley Treasure Sdn Bhd ^{(f) (k) (m)} Property development	100	100
Stellar Treasure Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100
Oxley World Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100
Oxley Concept Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100
Oxley Jade Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100
Oxley Development Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100
Oxley Land Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100
Oxley Realty Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100
Boulevard Channel Sdn Bhd ^{(f) (k) (l) (m)} Property development	100	100
<u>Held through Oxley London Pte. Ltd.</u>		
Oxley Wharf Limited ^{(g) (k)} Investment holding	100	100
Oxley Wharf Property 1 Limited ^{(g) (k) (m)} Property development	100	100
Oxley Wharf Property 2 Limited ^{(g) (k) (m)} Property development	100	100
Oxley Wharf Property 3 Limited ^{(g) (k)} Property development	100	100
Oxley Wharf Property 4 Limited ^{(g) (k)} Property development	100	100

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38. Listing of and information on subsidiaries (cont'd)

Name of subsidiaries and principal activities	Effective Percentage of Equity Held by Group	
	2015 %	2014 %
<u>Held through Oxley London Pte. Ltd. (cont'd)</u>		
Oxley Wharf Property 6 Limited ^{(g) (k) (l) (m)} Property development	100	100
Oxley Wharf Property 7 Limited ^{(g) (k) (l) (m)} Property development	100	100
<u>Held through Oxley Japan Pte. Ltd.</u>		
Oxley Akasaka Pte. Ltd. ^{(b) (d) (k) (l) (m)} (Formerly known as Berri Pte. Ltd.) Property development	100	100
<u>Held through Oxley Myanmar Pte. Ltd.</u>		
Oxley Yangon Company Limited ^{(h) (k) (m)} Investment holding Incorporated on 29 September 2014	100	—
<u>Held through Oxley Yangon Company Limited</u>		
Oxley Consultancy & Management Company Limited ^{(h) (k) (m)} Property development Incorporated on 6 March 2015	100	—
<u>Held through Oxley UK Pte Ltd</u>		
Oxley Deanston Limited ^{(g) (k) (m)} (Formerly known as Oxley Wharf Property 5 Limited) Property development	100	100
<u>Held through Oxley Dublin Pte Ltd</u>		
Oxley Docklands Quay Limited ^{(i) (k) (m)} Property development Incorporated on 20 February 2015	100	—

(a) Cost of investment is less than \$1,000.

(b) In 2014, the investments of these subsidiaries are held directly by the Company. In 2015, the direct interest in these investments are transferred to subsidiaries within the Group.

(c) Not audited as these companies are under members voluntary liquidation.

(d) Incorporated in Singapore

(e) Incorporated in Cambodia

(f) Incorporated in Malaysia

(g) Incorporated in United Kingdom

(h) Incorporated in Myanmar

(i) Incorporated in Ireland

(j) Audited by RSM Chio Lim LLP, a member of RSM International

(k) Audited by various member firms of Deloitte Touche Tohmatsu Limited

(l) The entity is dormant during the reporting year.

(m) The Company has given an undertaking of continuing financial support to these subsidiaries. This undertaking is provided by the Company without charge.

(n) 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.

Notes to the Financial Statements

30 June 2015

38. Listing of and information on subsidiaries (cont'd)

As is required by Rule 716 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the audit committee and the board of directors of the Company have satisfied themselves that the appointment of different auditors for certain of its overseas subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

There are subsidiaries that have non-controlling interests ("NCI") that are considered material to the reporting entity and additional disclosures on the (amounts before inter-company eliminations) are presented below.

Name of the subsidiary:	Oxley Viva Pte. Ltd.		Oxley Sanctuary Pte. Ltd.	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
The profit allocated to NCI of the subsidiary during the reporting year	25,238	3,102	16,241	1,373
Accumulated NCI of the subsidiary at the end of the reporting year	32,081	6,844	19,594	3,353
The summarised financial information of the subsidiary (not adjusted for the percentage ownership held by the Group and amounts before inter-company eliminations) is as follows:				
Current assets	262,411	276,585	323,708	272,809
Non-current assets	–	–	–	1,394
Current liabilities	(124,577)	(106,133)	(6,507)	(2,967)
Non-current liabilities	(62,843)	(155,243)	(271,615)	(263,786)
Revenue	234,829	59,860	121,778	3,820
Profit for the reporting year	59,784	15,147	38,136	3,051
Total comprehensive income	59,784	15,147	38,136	3,051
Operating cash flows, increase	59,130	67,468	9,669	74,062
Net cash flows, (decrease) increase	(30,540)	74,998	3,326	26,658

Notes to the Financial Statements

30 June 2015

39. Listing of and information on development properties

The listing of and information on the development properties are given below:

Project Name (where available)/ Location	Description	Tenure	Approximate Area (sqm)		Percentage of Completion at 30 June 2015	Interest Held by the Group	Expected Completion Date
			Land Area	Gross Floor Area			
<u>Singapore</u>							
<u>Mixed developments</u>							
RV Point 233 River Valley Road, Singapore	8-storey development, mechanised car park and communal facilities	999-year leasehold from 1 July 1841	507	2,038	100%	100%	Completed
Viva Vista 3 South Buona Vista Road, Singapore	5-storey development with attic and mechanised car park	Freehold	3,626	9,013	100%	100%	Completed
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	100%	66%	Completed
Oxley Edge 308 River Valley Road, Singapore	4-storey development with attic, mechanised car park, and swimming pool	Freehold	1,121	3,226	47%	100%	2016
Vibes@Kovan 93 Kovan Road, Singapore	5-storey development with attic, mechanised car park, swimming pool and communal facilities	Freehold	723	2,157	100%	100%	Completed
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	19,471	89%	90%	2015
Floraview, Floravista and Floraville 1,3,5,7 Ang Mo Kio Street 66/ 2 Cactus Road	4-storey shop flat with attic, shops /restaurant, basement carpark, residential flats and ancillary facilities And 4-storey apartment with attic, basement car park and ancillary facilities	Freehold	8,249	12,434	16%/6%	55%	2017

Notes to the Financial Statements

30 June 2015

39. Listing of and information on development properties (cont'd)

Project Name (where available)/ Location	Description	Tenure	Approximate Area (sqm)		Percentage of Completion at 30 June 2015	Interest Held by the Group	Expected Completion Date
			Land Area	Gross Floor Area			
<u>Singapore (Cont'd)</u>							
<u>Mixed developments (Cont'd)</u>							
NEWest 1 & 3 West Coast Drive	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	60%	55%	2016
339, 339A, 339B, 339C Joo Chiat Road, Singapore	5-storey development with residential flats, attic and commercial units ^(a)	Freehold	593	897	4%	100%	2016 ^(b)
KAP & KAP Residences 9 & 11 King Albert Park, Singapore	4/5-storey development with commercial podium, residential blocks and basement carparks	Freehold	5,535	17,161	24%	55%	2016
The Rise@Oxley 71 & 73 Oxley Rise Road, Singapore	10-storey development with commercial podium, residential flats and basement carparks	Freehold	2,381	10,712	8%	100%	2017
<u>Residential developments</u>							
Vibes@Upper Serangoon 488 Upper Serangoon Road, Singapore	5-storey development with attic, mechanised car park, swimming pool and gym	Freehold	997	3,052	99%	100%	2015
Presto@Upper Serangoon 528 Upper Serangoon Road, Singapore	5-storey development with attic, mechanised car park, swimming pool and gym	Freehold	585	1,820	99%	100%	2015
Devonshire Residences 55 Devonshire Road, Singapore	25-storey development, mechanised car park, swimming pool and communal facilities	Freehold	1,245	3,835	90%	52%	2015
Suites@Braddell 56 Braddell Road, Singapore	5-storey development with attic, mechanised car park, swimming pool and communal facilities	Freehold	1,108	1,552	100%	100%	Completed

Notes to the Financial Statements

30 June 2015

39. Listing of and information on development properties (cont'd)

Project Name (where available)/ Location	Description	Tenure	Approximate Area (sqm)		Percentage of Completion at 30 June 2015	Interest Held by the Group	Expected Completion Date
			Land Area	Gross Floor Area			
<u>Singapore (Cont'd)</u>							
<u>Industrial developments</u>							
Eco-tech@ Sunview 1 Sunview Road, Singapore	9-storey light industrial factory, carpark and ancillary facilities	30-year leasehold from 25 January 2013	28,173	70,432	100% ^(d)	51%	Completed
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
<u>Commercial developments</u>							
Oxley Tower 138 Robinson Road, Singapore	32-storey development and car park	Freehold	1,490	16,839	33%	100%	2016
Robinson Square 144 Robinson Road, Singapore	20-storey development and mechanised car park	Freehold	422	4,755	100%	100%	Completed
The Flow 66 East Coast Road, Singapore	7-storey commercial development with basement and mechanised car park	Freehold	2,176	6,527	23%	100%	2016
<u>Cambodia</u>							
<u>Mixed developments</u>							
The Garage ^(f) Street #84, Phum #13, Sangkat Srah Chork, Khan Daun Penh, Phnom Penh, Cambodia	Mixed retail, hotel & residential development	Freehold	8,921	– ^(a)	Has not commenced construction	75%	– ^(b)
The Peak Samdach Hun Sen Street Village 14, Sangkat Tonle Bassac, Khan Chamkamor, Phnom Penh, Cambodia	Mixed retail, hotel, office and residential development	Freehold	12,609	208,750	Has not commenced construction	75%	2020

Notes to the Financial Statements

30 June 2015

39. Listing of and information on development properties (cont'd)

Project Name (where available)/ Location	Description	Tenure	Approximate Area (sqm)		Percentage of Completion at 30 June 2015	Interest Held by the Group	Expected Completion Date
			Land Area	Gross Floor Area			
<u>Cambodia (Cont'd)</u>							
<u>Residential development</u>							
Riverside ^(f)	– ^(a)	Freehold	37,689	– ^(a)	Has not commenced construction	75%	– ^(b)
National Road, No 1, Kdey Tokoy Village, Veal Sbov Commune, Khan Mean Chey, Phnom Penh, Cambodia							
<u>Malaysia</u>							
<u>Mixed developments</u>							
Pepper Hill ^(f)	– ^(a)	Freehold	119,876	– ^(a)	Has not commenced construction	70%	– ^(b)
Penang Mukim 18, Daerah Timor Laut, Penang, Malaysia							
KLCC (Oxley Tower) ^(f)	Mixed retail, hotel, office and residential development	Freehold	12,575	– ^(a)	Has not commenced construction	100%	– ^(b)
Lot 99, Section 0058 Mukim Bandar Kuala Lumpur, Daerah Kuala Lumpur, Malaysia							
Medini ^(f)	– ^(a)	99 years + 30 years extension	17,280	– ^(a)	Has not commenced construction	100%	– ^(b)
Plot B3 & B5 Iskandar, Johor, Malaysia							
Section 16 ^(f)	– ^(a)	Freehold	20,234	– ^(a)	Has not commenced construction	100%	– ^(b)
Lot 904, Bt 6 Jalan Damansara, Mukim Sungai Buluh, Daerah Petaling, Negeri Selangor, Malaysia							

Notes to the Financial Statements

30 June 2015

39. Listing of and information on development properties (cont'd)

Project Name (where available)/ Location	Description	Tenure	Approximate Area (sqm)		Percentage of Completion at 30 June 2015	Interest Held by the Group	Expected Completion Date
			Land Area	Gross Floor Area			
<u>Malaysia (Cont'd)</u>							
<u>Residential development</u>							
Beverly ^(f)	– ^(a)	Freehold	61,588	– ^(a)	Has not commenced construction	70%	– ^(b)
Lot 347, GM 269 Bandar Ulu Kelang, Daerah Gombak, Negeri Selangor, Malaysia							
<u>Ireland</u>							
<u>Mixed development</u>							
Project Wave ^(f)	Commercial and residential	Leasehold	23,500	85,000	Has not commenced construction	100%	2020
North Wall Quay, Dublin 1							
<u>London</u>							
<u>Mixed development</u>							
Royal Wharf	Township development	Freehold & Leasehold	149,734	363,000	9.5% ^(c) 1% ^(e)	100%	2017 ^(c) 2018 ^(e)
North Woolwich Road, London, United Kingdom							

^(a) The plans for these projects are subject to modification.

^(b) These projects are yet to be launched.

^(c) The target completion date and percentage of completion is for Royal Wharf Phase 1, which was launched in March 2014.

^(d) The projects achieved TOP subsequent to the end of the reporting year 2015.

^(e) The target completion date and percentage of completion is for Royal Wharf Phase 2, which was launched in September 2014.

^(f) Project names are for illustrative purpose only.

Statistics of Shareholdings

(As at 21 September 2015)

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 21 September 2015)

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHAREHOLDINGS
1 – 99	21	1.44	341	0.00
100 – 1,000	43	2.95	32,423	0.00
1,001 – 10,000	466	32.01	3,395,560	0.12
10,001 – 1,000,000	878	60.30	71,749,860	2.43
1,000,001 and above	48	3.30	2,873,041,787	97.45
TOTAL	1,456	100.00	2,948,219,971	100.00

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 21 September 2015)

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Bullish Investment Pte. Ltd. ^{(1), (2)}	1,503,592,200	51.00	-	-
Ching Chiat Kwong ⁽¹⁾	364,226,910	12.35	1,503,592,200	51.00
Low See Ching (Liu Shijin) ⁽²⁾	236,546,591	8.02	1,503,592,200	51.00
Tee Wee Sien (Zheng Weixian)	355,983,464	12.07	-	-

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 21 September 2015)

TWENTY LARGEST SHAREHOLDERS

(As at 21 September 2015)

NO.	NAME	NO. OF SHARES	%
1	RAFFLES NOMINEES (PTE) LIMITED	869,984,690	29.51
2	BULLISH INVESTMENT PTE LTD	588,752,200	19.97
3	MAYBANK NOMINEES (SINGAPORE) PRIVATE LIMITED	292,143,000	9.91
4	DBS NOMINEES (PRIVATE) LIMITED	223,018,700	7.56
5	HONG LEONG FINANCE NOMINEES PTE LTD	218,100,000	7.40
6	BANK OF SINGAPORE NOMINEES PTE. LTD.	171,689,820	5.82
7	OCBC SECURITIES PRIVATE LIMITED	76,209,450	2.58
8	TEE WEE SIEN (ZHENG WEIXIAN)	65,803,464	2.23
9	CITIBANK NOMINEES SINGAPORE PTE LTD	55,104,692	1.87
10	DB NOMINEES (SINGAPORE) PTE LTD	47,835,000	1.62
11	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	41,758,014	1.42
12	SBS NOMINEES PRIVATE LIMITED	31,680,000	1.07
13	UOB KAY HIAN PRIVATE LIMITED	27,707,177	0.94
14	THE BANK OF EAST ASIA (NOMINEES) PRIVATE LIMITED	25,000,000	0.85
15	CHAN YEOK PHENG	20,439,000	0.69
16	MAYBANK KIM ENG SECURITIES PTE. LTD.	19,872,800	0.67
17	TAN YONG HOA	17,795,108	0.60
18	CIMB SECURITIES (SINGAPORE) PTE. LTD.	8,037,780	0.27
19	TAY HIN NGAN (ZHENG XINYAN)	5,996,000	0.20
20	PHILLIP SECURITIES PTE LTD	5,697,823	0.19
	TOTAL	2,812,624,718	95.37

SHARES HELD BY PUBLIC

Based on the information provided to the Company as at 21 September 2015, approximately 16.44% 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.

Appendix

12 October 2015

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 Wednesday, 28 October 2015 at 10.30 am at the Stamford 1 (Level 1) 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

Appendix

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 Wednesday, 28 October 2015 at 10.30 am at the Stamford 1 (Level 1) 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

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<i>“Controlling Shareholder”</i>	:	A person who:- <ul style="list-style-type: none">(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>	:	21 September 2015, 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.

Appendix

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 27 October 2014, 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 28 October 2015, 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 director of Oxley Construction is Mr Ching Chiat Kwong.

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

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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 Controller, 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

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2.4 Guidelines and review procedures under Shareholders' Mandate (Cont'd)

- (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 Lim Yeow Hua @ Lim You Qin) 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 27 October 2014 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.

Appendix

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	%
Directors				
Ching Chiat Kwong ⁽¹⁾	364,226,910	12.35	1,503,592,200	51.00
Low See Ching ⁽²⁾	236,546,591	8.02	1,503,592,200	51.00
Ng Weng Sui Harry	350,000	0.01	-	-
Phua Sian Chin	-	-	-	-
Lim Yeow Hua @ Lim You Qin	-	-	-	-
Substantial Shareholders (other than Directors)				
Bullish Investment Pte. Ltd. ^{(1), (2)}	1,503,592,200	51.00	-	-
Tee Wee Sien	355,983,464	12.07	-	-

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 Low See Ching, Mr Ng Weng Sui Harry, Mr Phua Sian Chin and Mr Lim Yeow Hua @ Lim You Qin, 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 2015 of the Company, will be held on Wednesday, 28 October 2015 at 10.30 am at the Stamford 1 (Level 1) 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.

Appendix

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 full 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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of OXLEY HOLDINGS LIMITED (the “**Company**”) will be held at the Stamford 1 (Level 1) of Raffles Country Club at 450 Jalan Ahmad Ibrahim, Singapore 639932 on Wednesday, 28 October 2015 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 2015 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 0.41 Singapore cent per ordinary share for the financial year ended 30 June 2015.

Resolution 3

3. To re-elect Mr Low See Ching 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\$260,000 for the financial year ending 30 June 2016, to be paid quarterly in arrears. [FY2015: S\$260,000]

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.

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

Notice of Annual General Meeting

- (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
 - (iii) 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
- (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)]

Notice of Annual General Meeting

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 2015 (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

OOI CHEE ENG
Company Secretary

Singapore
12 October 2015

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 2015). 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.

Personal data privacy:-

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the annual general meeting ("AGM") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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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) _____ (NRIC/Passport/Registration No.)

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 Stamford 1 (Level 1) of Raffles Country Club at 450 Jalan Ahmad Ibrahim, Singapore 639932 on Wednesday, 28 October 2015 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
	Ordinary Business		
1.	Audited accounts for financial year ended 30 June 2015		
2.	Payment of final one-tier tax exempt dividend		
3.	Re-election of Mr Low See Ching as a Director		
4.	Re-election of Mr Ng Weng Sui Harry as a Director		
5.	Payment of Directors' fees of S\$260,000 for financial year ending 30 June 2016		
6.	Re-appointment of RSM Chio Lim LLP as auditors		
	Special Business		
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 _____ 2015

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

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Co. Reg. No. 201005612G