



## ANNUAL REPORT 2018



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*Novotel / Mercure on Stevens, Singapore, are Oxley's maiden foray into the hospitality business. Both hotels commenced operations in financial year 2018. Novotel on Stevens has 254 rooms and Mercure on Stevens has 518 rooms.*

Note: All perspectives of Oxley's development properties shown in this report are artists' impressions.

# CORPORATE PROFILE

Oxley Holdings Limited (“Oxley” or “the Group”) is an international property group incorporated in 2010 and headquartered in Singapore. Oxley specialises in the development of quality residential, commercial, industrial and hospitality projects. These developments are typically located in choice areas that are easily accessible. Most of its projects incorporate retail elements, as well as lifestyle features and facilities.

Oxley is listed on the Main Board of the SGX-ST (SGX: 5UX) and has a market capitalisation of approximately S\$1.4 billion as at 28 September 2018. As of September 2018, Oxley has launched a portfolio of 38 projects, of which 28 projects have been completed.

Oxley has a strong reputation in market foresight, execution, marketing and sales, which is evident in its project track record in Singapore in the past years. Oxley has made several land purchases in Singapore in recent years and has launched more than half of its new Singapore projects to-date, with plans to launch the remaining new Singapore projects in the months to come.

In the financial year ended 2018 (“FY2018”), Oxley completed the acquisition of Chevron House, an iconic grade-A office building in Raffles Place. Oxley’s hotels, Novotel Singapore on Stevens and Mercure Singapore on Stevens, commenced operation in FY2018. In addition, Oxley acquired a 19% stake in Singapore-listed United Engineers Limited and a 10% stake in Aspen (Group) Holdings Limited, a Malaysian-based property group listed on Catalist in Singapore.

Oxley holds a 20% stake in Galliard (Group) Limited, a leading integrated property group in the UK, and a 40% stake in Pindan Group Pty Ltd, an integrated property group based in Western Australia.

Building on this strong foundation, Oxley has also made remarkable progress in expanding its footprint overseas. Currently, the Group has overseas business presence across 10 geographical markets namely the United Kingdom (the “UK”), Ireland, Cambodia, Malaysia, Myanmar, Indonesia, Cyprus, China, Vietnam and Australia. Its overseas flagship projects include Royal Wharf, a waterfront township development in London, The Peak and The Bridge, two mixed-use developments in Phnom Penh, Cambodia, and Dublin Landings, the largest mixed-use development in the business district of Dublin, Ireland.



*Our Corporate Office - Oxley Tower, Singapore is located along Robinson Road.*

In May 2018, the Irish government agency appointed Oxley as a partner for the redevelopment of the core city centre in Dublin - Connolly Station site.

In Myanmar, an Oxley consortium has been selected by the government as the “preferred bidder” for the Yangon Central Railway Station Area Comprehensive Development Project in February 2018. The project will occupy an area of 25.7 hectares.



# CORPORATE PROFILE 集团简介

豪利控股有限公司（「豪利」或「集团」）成立于2010年，总部设在新加坡，是一家国际化房地产集团。集团专注于优质住宅，商业，工业和酒店业的开发项目。集团的开发项目多位于交通便利的优质地段，且大多配有零售单位，及别具一格的休闲娱乐设施。

豪利集团于新加坡证券交易所主板上市（新交所代码：5UX），截至2018年9月28日，集团市值约为14亿新元。至2018年9月，豪利推出了38个项目，其中28个项目已竣工。



位于柬埔寨的The Bridge已竣工并于2018财年交付给买家。

豪利对于市场的展望，运行与行销方面皆享有盛誉，这些都体现在集团近年来在新加坡进行的开发项目中。近年集团已在新加坡进行数项土地收购，迄今已推出超过一半的项目，并计划在今年内推出其余项目。

2018财年，豪利成功收购位于莱佛士坊的标志性甲级办公楼其士大厦（Chevron House）。在酒店业方面，集团位于史蒂芬路（Stevens Road）的诺富特酒店（Novotel）和美居酒店（Mercure）均已在2018财年开业。此外，集团收购了新加坡上市公司联合工程有限公司（United Engineers Limited）19%的股权和Aspen（Group）Holdings Limited的10%股权，后者是一家在新加坡凯利板上市的马来西亚房地产集团。

豪利也持有英国著名综合房地产集团Galliard（Group）Limited的20%股权，以及位于西澳大利亚的综合房地产集团Pindan Group Pty Ltd 40%的股权。

豪利在房地产业扎实的基础促使豪利在拓展海外业务方面也取得了显著的进展。集团目前在十个海外地区拥有业务，分别为英国，爱尔兰，柬埔寨，马来西亚，缅甸，印度尼西亚，塞浦路斯，中国，越南及澳洲。集团在海外的旗舰项目包括皇家码头（Royal Wharf）- 位于伦敦水滨城镇的开发项目，The Peak和The Bridge - 位于柬埔寨金边的两个综合开发项目，以及Dublin Landings - 爱尔兰都柏林商业区最大的综合开发项目。

2018年5月，爱尔兰政府机构任命豪利集团为重建都柏林城镇中心 - 康诺利站（Connolly Station）的合作伙伴。

2018年2月，缅甸政府指定豪利集团与缅甸合作伙伴为仰光中央铁路站区综合开发项目的首选投标方。该项目占地约25.7公顷。

# 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

## COMPANY SECRETARY

Chan Yean Chun

## REGISTERED OFFICE

138 Robinson Road

#30-01 Oxley Tower

Singapore 068906

## SHARE REGISTRAR

Boardroom Corporate & Advisory  
Services Pte. Ltd.

50 Raffles Place #32-01

Singapore Land Tower

Singapore 048623

## EXTERNAL AUDITOR

RSM Chio Lim LLP

8 Wilkie Road #04-08

Wilkie Edge

Singapore 228095

Partner-in-charge:

Chan Weng Keen

(Public Accountant and Chartered Accountant Singapore)

(Effective from reporting year ended 30 June 2016)

## INTERNAL AUDITOR

Pioneer Management Services Pte. Ltd.

4 Shenton Way #04-01

SGX Centre 2

Singapore 068807

Director-in-charge: Low Sok Lee Mona

## PRINCIPAL BANKERS

Bank of China

CIMB Bank

Malayan Banking Berhad

Oversea-Chinese Banking Corporation Limited



Mayfair Gardens, Singapore, is located along Dunearn Road in Bukit Timah. This project was launched in September 2018 and 40% of the units were sold in the first weekend of the launch.



# OUR PRESENCE

## IRELAND

- 1** FINANCIAL DISTRICT DEVELOPMENT  
Dublin Landings
- 1** UPCOMING DEVELOPMENT PROPERTY  
Connolly Station

## UNITED KINGDOM

- 1** TOWNSHIP DEVELOPMENT  
Royal Wharf
- 1** UPCOMING DEVELOPMENT PROPERTY  
Deanston Wharf
- 20%** INVESTMENT  
Galliard (Group) Limited

## MYANMAR

- 1** DEVELOPMENT PROPERTY  
Min Residences
- 1** TRANSIT-ORIENTED DEVELOPMENT  
Yangon Central Railway Station



## CYPRUS

- 1** UPCOMING WATERFRONT DEVELOPMENT  
Limassol Oxley Cyprus Development

## MALAYSIA

- 1** DEVELOPMENT PROPERTY  
Oxley Towers Kuala Lumpur City Centre
- 2** UPCOMING HOTELS  
Jumeirah Kuala Lumpur Hotel  
SO Sofitel Kuala Lumpur Hotel
- 5** UPCOMING DEVELOPMENT PROPERTIES  
Beverly  
Medini  
Pepper Hill  
Robson  
Section16

## CAMBODIA

3

### DEVELOPMENT PROPERTIES

The Bridge  
The Palms  
The Peak

1

### UPCOMING HOTEL

Shangri-La Hotel

1

### UPCOMING DEVELOPMENT PROPERTY

The Garage

## CHINA

1

### TOWNSHIP DEVELOPMENT

Sino-Singapore Health City  
中新健康城

## VIETNAM

3

### UPCOMING TOWNSHIP DEVELOPMENTS

Hanoi Gia Lam  
Phu Thinh Land  
Thao Dien

## SINGAPORE

7

### DEVELOPMENT PROPERTIES

Affinity at Serangoon  
Mayfair Gardens/ Mayfair Modern  
Riverfront Residences  
Sea Pavilion Residences  
Sixteen35 Residences  
The Addition  
The Verandah Residences

5

### UPCOMING DEVELOPMENT PROPERTIES

Ampas Apartment  
Kent Ridge Hill Residences  
Parkwood Residences  
Pei-Fu Industrial  
The Plaza

2

### INVESTMENT PROPERTIES

Chevron House  
Space @ Tampines

2

### HOTELS

Novotel Singapore on Stevens  
Mercure Singapore on Stevens

19%

### INVESTMENT

United Engineers Limited

10%

### INVESTMENT

Aspen (Group) Holdings Limited

## INDONESIA

1

### PROPERTY MANAGEMENT

Oxley Convention City

## AUSTRALIA

40%

### INVESTMENT

Pindan Group Pty Ltd



## CHAIRMAN'S STATEMENT

*"Oxley is grateful to have loyal shareholders who have trusted the management over these years since our IPO. This motivates us to actively evaluate business opportunities, yet exercise prudent financial management at all times."*

“豪利控股由衷感谢股东们自集团上市以来给予管理团队坚定不移的信任。这激励我们积极地评估商机并谨慎地进行财务管理。”



## DEAR SHAREHOLDERS,

On behalf of the Board of Oxley Holdings Limited (the “Company”, and together with its subsidiaries, the “Group”), I am pleased to present our Annual Report for the financial year ended 30 June 2018 (“FY2018”).

For the year ended 30 June 2018, the Group has achieved net profit attributable to shareholders of S\$285.0 million, a 31% increase compared to FY2017. The Group has expanded its market presence in the Singapore market with the acquisition of 11 residential and 1 commercial land sites, and expanded into the office sector with the acquisition of Chevron House in Raffles Place.

On the global front, Oxley has been selected as the preferred bidder for the Yangon Central Railway Station Area Comprehensive Development Project. The Yangon Project will occupy a site area of 25.7 hectares, with an intended development gross floor area of 1.1 million square metres. Oxley was also appointed by C oras Iompair  ireann, the Irish government agency, as a partner for the redevelopment of the core city centre in Dublin - Connolly Station site, with an expected GDV of S\$1.3 billion.

## FINANCIAL HIGHLIGHTS

Net profit after tax of the Group increased by 24% to S\$282.1 million compared to that of FY2017. Earnings per share was 7.27 Singapore cents for FY2018, compared to 5.65 Singapore cents for FY2017.

As at 30 June 2018, the Group had a total unbilled contract value of S\$1.8 billion. Significant portion of cashflow coming into the Group will meet the working capital needs of the Group, provide resources to repay the bonds due in years 2019 to 2022 and fund the potential investment opportunities.

## DIVIDEND

To acknowledge our shareholders’ continued trust and support, the Board proposed a final dividend of 0.78 Singapore cent per share for FY2018. Together with the interim dividend of 0.72 Singapore cent that was previously announced, the full year dividend for FY2018 will be 1.50 Singapore cents per share.

Our Group’s Net Profit Attributable to Shareholders has increased by

**31%**  
to S\$285.0 million



## OPERATIONAL REVIEW

In Singapore, we have acquired 12 parcels of land. The Verandah Residences achieved 100% sales of the 170 units within three months after its official launch in April 2018. Riding on the success of The Verandah Residences, Oxley launched 300 residential units in Phase 1 of Affinity at Serangoon in May 2018. To date, more than 200 units have been sold. Riverfront Residences, a 1,472-unit residential development, was launched in July 2018. To date, we have sold more than 730 units. The remaining projects will be launched over the next few months in 2018.

In the hospitality sector, our 254-room Novotel Singapore on Stevens and 518-room Mercure Singapore on Stevens which were opened in FY2018 continue to see commendable occupancy rates. Both Novotel and Mercure Singapore on Stevens achieved occupancy rates of 84% for the month of August 2018. We believe the buoyant Singapore tourism industry will continue to propel the performance of the hotels.

In the office sector, we completed the acquisition of Chevron House in March 2018. The 32-storey commercial building has an existing net lettable floor area of 24,273 square metres. Our asset enhancement initiative for Chevron House will increase the net lettable area by at least 40%. A gain in fair value of S\$106.7 million was recognised in FY2018.

Oxley continues to increase its stake in United Engineers Limited (“UEL”). As at 30 June 2018, Oxley had acquired more than 19% of UEL shares valued at S\$341.6 million.



# CHAIRMAN'S STATEMENT



*Riverfront Residences, Singapore, is located along Hougang Avenue 7. More than 730 units have been sold as at 30 September 2018.*

## INTERNATIONAL HORIZONS

FY2018 has been a year which affirmed our Group's position in the overseas market. We have identified strategic assets in key markets and aligned our portfolio allocation accordingly. Currently, we have business operations in 10 countries outside of Singapore.

In London, Oxley has one of the largest presences in the housing market. More than 90% of the units in Royal Wharf have been sold and we had successfully handed over more than 1,500 units as at 30 June 2018.

In Ireland, Block D1 of Dublin Landings was sold for an aggregate price of €164.2 million in FY2018. WeWork, the shared workspace provider, has also recently committed to lease around 100,000 sqft of office space in Block D2. Oxley is currently negotiating with a buyer to sell Block D2 after FY2018, generating positive cash flow for the Group.

The success of Dublin Landings has strengthened our foothold in Ireland. This led to our agreement with C oras Iompair  ireann in FY2018 to develop a site comprising part of the land at Connolly Station of approximately 2.0 hectares. Connolly Station is one of the most accessible and central locations in Dublin City Centre with approximately 30,000 commuter volume per day.

Closer to home in Asia, Oxley achieved another milestone when our consortium was chosen as the preferred bidder for Yangon Central Railway Station Area Comprehensive Development Project in Myanmar. This US\$2.6 billion project will be a mixed-use development project comprising a new central transportation hub that integrates rail and mass transit, surrounded by housing and office amenities. This will be the largest mixed-use development project in Myanmar.

Our two iconic projects in Phnom Penh, Cambodia, The Bridge and The Peak, had made good progress during FY2018. The Bridge was completed and handed over in FY2018. The Peak is currently under construction, and the mall is expected to commence operation in 2020. We have appointed CapitaLand Retail Management Pte Ltd to manage the retail mall.

## AWARDS AND ACCOLADES

Oxley is proud to announce that we have been included on the FTSE ST Large & Mid Cap Index and the FTSE ST Mid Cap Index.

At the PropertyGuru Asia Property Awards (Singapore) 2017, Oxley's T-Space won the Best Industrial Development award. It was also highly commended in the Best Commercial Landscape Architectural Design category. Oxley Tower won the Best Office Architectural Design award. In the



*Affinity at Serangoon, Singapore, is located along Serangoon North Avenue 1. More than 200 units have been sold in phase 1 of the launch.*

Hotel category, Novotel Singapore on Stevens and Mercure Singapore on Stevens were collectively crowned the winner in the Best Hotel Architectural Design category. They were also highly commended in the Best Hotel Development category.

#### **LOOKING FORWARD- SUSTAINABLE GROWTH ON ALL ENGINES**

The Singapore government has raised the Additional Buyer's Stamp Duty (ABSD) rates and tightened loan-to-value (LTV) limits on residential property purchases in an effort to cool the property market and keep price increases in line with economic fundamentals.

However, Oxley's strategy in acquiring several land parcels at competitive prices a year ago has allowed the Group flexibility in pricing our projects. With our competitively lower costs, we are confident of achieving our sales targets. We expect these development projects, both in Singapore and overseas, to be substantially completed over the next few years. This will deliver a stream of sustainable revenue for our shareholders. At the same time, the Group also seeks investment opportunities to generate strong recurring cash flows.

At the time of our listing, we were a small property developer, focusing only on residential developments. Over the years,

Oxley has expanded into various property segments, including investment properties and hotel properties. We have also expanded our geographic reach in Asia and Europe. We will continue to explore business opportunities across different sectors and markets to drive growth.

#### **ACKNOWLEDGEMENT**

I would like to express my heartfelt appreciation to my management team and staff for their commitment and relentless hard work during the year, as well as my Board members for their invaluable advice and contribution. I would also like to thank all our shareholders, partners and stakeholders for their continuous support for the Group. We will continue to strive for growth and excellence.

#### **CHING CHIAT KWONG**

Executive Chairman and CEO

October 2018



# CHAIRMAN'S STATEMENT 首席致辞

## 亲爱的股东们：

我谨代表豪利控股有限公司（「公司」及其附属公司「集团」）董事会，呈报集团截止2018年6月30日（「2018财年」）的年度报告。

2018财年，归属于母公司股东的净利润为2.85亿新元，较2017财年增加31%。集团在2018财年内所收购的11个本地住宅用地和1个商业用地不仅巩固了集团在新加坡市场上的地位，莱佛士坊其士大厦(Chevron House)的收购更将集团业务扩展至办公楼板块。

在国际市场方面，缅甸政府指定豪利集团与缅甸合作伙伴为仰光中央火车站区综合开发项目的首选投标方。此项目占地面积为25.7公顷，预计开发总建筑面积为110万平方米。2018年5月，爱尔兰政府机构(Córas Iompair Éireann)任命豪利集团为重建都柏林镇中心 - 康诺利站的合作伙伴，预计总发展价值为13亿新元。

## 财务摘要

与2017财年相比，集团净利润增长24%至2.821亿新元。2018财年每股盈利为7.27分新元，与之相较，2017财年每股盈利为5.65分新元。

截止2018年6月30日，集团未入账销售总额为18亿新元。这强劲的现金流量不仅为集团在2019年至2022年到期的债券提供了充足的资金偿还，还可作为集团的项目和投资机会的营运资金。

## 股息

为了回报股东们一直以来的信任和支持，董事会建议为2018财年派发每股0.78分新元的末期股息。连同已支付的中期股息0.72分新元，集团2018财年的全年股息总计为每股1.50分新元。

## 营运回顾

在新加坡，我们共购买了12幅地块。而当中的The Verandah Residences项目在2018年4月正式推出，并在推出后的三个月内售完170个单位。

凭借The Verandah Residences项目的成功，豪利随后在2018年5月推出了Affinity at Serangoon。截至目前为止，第一期开售的300个单位已售出超过200个。而集团的另一个住宅开发项目-Riverfront Residences也于2018年7月推出。此项目拥有1,472个单位，迄今已售出超过730个。集团的其余项目将继续在2018年的未来几个月内推出。



位于马来西亚的Oxley Towers KLCC为一个综合开发项目。SO Sofitel的住宅单位已推出,迄今为止已售出超过150间住宅单位。

酒店业务方面，坐落于史蒂芬路(Stevens Road)的诺福特酒店(Novotel)和美居酒店(Mercure)于2018财年推出。拥有254间客房的诺福特酒店和518间客房的美居酒店持续呈现良好的入住率。诺福特和美居酒店在2018年8月入住率均为84%。我们相信新加坡蓬勃发展的旅游业将继续推动酒店业的业绩。

在办公楼板块，集团于2018年3月收购了位于莱佛士坊的其士大厦(Chevron House)。这座32层高的商业大楼拥有24,273平方米的可出租面积。其士大厦的资产增值计划将净可出租面积增加至少40%。其士大厦为集团在2018财年带来了1.067亿新元的公允价值收益。

豪利持续加码其在联合工程有限公司(「United Engineers Limited, UEL」)的股份。截至2018年6月30日，集团收购了UEL超过19%的股份，市值为3.416亿新元。

## 国际领域

2018财年让豪利在海外市场的地位获得肯定。集团确认了针对主要市场的战略资产，并相应调整了投资组合分配。目前，集团在10个海外地区拥有业务。

在伦敦，豪利在英国住房市场地位名列前茅。截至2018年6月30日，皇家码头项目已售出超过总单位的90%，超过1,500个单位成功交付。

在爱尔兰，Dublin Landings的Block D1于2018财年以总价1.642亿欧元的价格售出。共享工作空间供应商WeWork近日承诺将在Dublin Landings的Block D2租赁约100,000平方英尺的办公空间。集团目前正在与一位买方进行洽谈，Block D2有望于2018财年后不久出售，并为集团带来可观的现金流量。

Dublin Landings的建设成功地为集团在爱尔兰立足。2018财年，集团与爱尔兰政府机构（Córas Iompair Éireann）达成协议，将开发占地约2.0公顷的康诺利站部分地块。康诺利车站为都柏林市中心交通最便利的最核心地点，每日通勤量约为3万次。

回到亚洲，豪利集团与缅甸合作伙伴被缅甸政府指定为仰光中央火车站综合发展项目的首选投标方，成为集团的又一里程碑。此价值26亿美元的综合开发项目为拥有铁路和公共交通的崭新中央交通枢纽，周边有住宅与商业区环绕，这将成为缅甸迄今为止最大的综合开发项目。

在柬埔寨，我们的两个标志性项目The Bridge 和 The Peak 在这一年中取得了良好的进展。The Bridge于2018财年竣工并完成交付。集团已委任凯德置地零售管理私人有限公司（CapitaLand Retail Management Pte Ltd）管理集团位于柬埔寨金边的综合发展项目The Peak的零售商场。该商场目前正在建设中，预计将于2020年开始运营。

## 奖项和荣誉

集团在此荣幸地宣布，豪利已被纳入富时大中型股指数（FTSE ST Large & Mid Cap Index）和富时中型股指数（FTSE ST Mid Cap Index）。

在2017年的PropertyGuru亚洲房地产大奖（新加坡），集团的T-Space获得了最佳工业发展类奖项。此项目在最佳商业景观建筑设计类别中也受到高度赞扬。豪利大厦（Oxley Tower）荣获最佳办公楼建筑设计类奖项。位于史蒂芬路的诺富特酒店和美居酒店一并荣获最佳酒店建筑设计类奖项。它们在最佳酒店发展类别中也受到高度赞扬。

## 展望未来-全方位的持续增长

新加坡政府提高了买方附加印花税率并收紧了住宅物业购买的贷款价值限制，旨在为房地产市场降温并保持房价的上涨符合经济基本面。

然而，豪利于一年前以具有竞争力的价格收购地块的策略，使集团能够灵活地为其项目定价。我们预计新加坡和海外的开发项目将在未来几年内完成，这将为集团的股东带来可持续的营收。与此同时，集团也在寻找能产生强劲和稳定的现金流量的投资机会。

上市之时，集团是一家只专注于住宅开发的小型地产开发商。多年来，集团逐渐发展进化。我们已将业务扩展至多元化房地产业务领域，即开发物业，投资物业和酒店业，也从亚洲延伸到欧洲的不同地域的市场。集团将继续在不同市场和领域探索商机。

## 致谢

在此，我衷心地感谢豪利集团管理团队和全体员工，感谢他们在这一年中不懈的努力，感谢豪利集团董事会成员提供的宝贵建议和贡献。此外，我要感谢各位股东，合作伙伴和相关人士对豪利集团一直以来的信任和支持。我们将继续为集团的业务增长和卓越发展努力奋斗。

## 陈积光

执行董事长兼首席执行官

2018年10月



# FINANCIAL HIGHLIGHTS

## REVENUE



## PROFIT BEFORE INCOME TAX



## PROFIT NET OF TAX



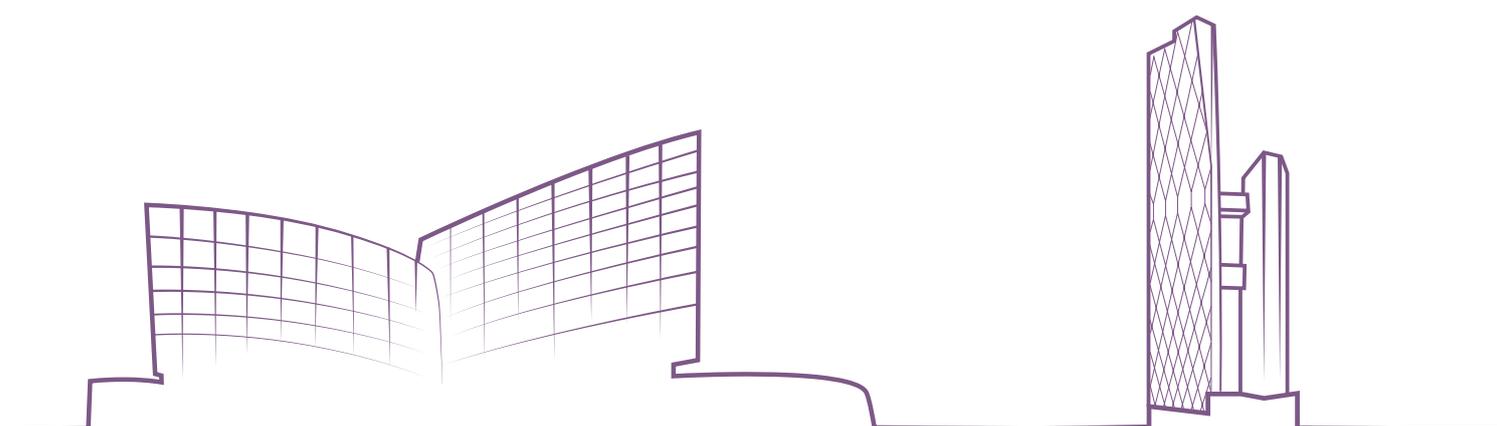
## NON-CURRENT ASSETS



## CURRENT ASSETS



## TOTAL EQUITY



# FINANCIAL HIGHLIGHTS

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

All figures in S\$'000	FY2018	FY2017
Revenue	1,188,613	1,343,019
Profit Before Income Tax	305,339	299,452
Income Tax Expense	(23,216)	(71,802)
Profit Net of Tax	282,123	227,650

### Attributable to:

Owners of the Company	285,028	218,105
Non-Controlling Interests	(2,905)	9,545

## STATEMENT OF FINANCIAL POSITION

All figures in S\$'000	FY2018	FY2017
Non-Current Assets	3,021,768	1,645,655
Current Assets	2,973,720	2,962,237
Non-Current Liabilities	3,278,612	1,936,056
Current Liabilities	1,239,860	1,582,955
Net Assets	1,477,016	1,088,881
Equity Attributable to Owners of the Company	1,435,734	1,044,809
Non-Controlling Interests	41,282	44,072
Total Equity	1,477,016	1,088,881



# BOARD OF DIRECTORS



From left: Phua Sian Chin, Low See Ching, Ching Chiat Kwong, Ng Weng Sui Harry, Lim Yeow Hua @ Lim You Qin

## 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 formulation of corporate strategies, charting future growth plans and driving overall performance of the Group.

Mr Ching possesses 20 years of property industry experience. Prior to establishing the Group, he invested in, developed and successfully launched 13 residential projects in various parts of Singapore. His keen business acumen and astute ability to identify market trends and business opportunities have enabled him to lead the Group's expansion into 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 sits on the boards of Galliard (Group) Ltd, Pindan Group Pty Ltd and Aspen (Group) Holdings Limited. Mr Ching received the 2017 Real Estate Personality of the Year awards at PropertyGuru Asia Property Awards (Singapore) and EdgeProp Singapore Excellence Awards 2017. Mr Ching is also an active supporter of programmes that benefit the elderly and socially disadvantaged. He sits on the boards of THK Nursing Home Limited and Ren Ci Hospital.

Mr Ching graduated with a Bachelor of Arts degree and a Bachelor of Social Sciences (Honours) degree from National University of Singapore in 1989 and 1990 respectively.

## 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 the operation of the Group including sales and marketing, project development, business development and financial management. Mr Low also assists the CEO in charting and executing the strategic plans for the Group.

Between 2005 and 2009, Mr Low invested in, developed and launched five property development projects in Singapore, namely Residences@Jansen at Jansen Road, Urban Lofts at Rangoon Road, Vetro at Mar Thoma Road, The Verve at Jalan Rajah and The Aristo@Amber at Amber Road.

Mr Low is currently a Non-Executive Director of Hafary Holdings Limited, Galliard (Group) Limited and Pindan Group Pty Ltd. 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 strategic growth and operational activities of Hafary Group, including sales and marketing and procurement activities.

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

### **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. Prior to joining HLM, he was the Chief Financial Officer of a number of companies listed on the Singapore Exchange Securities Trading Limited (SGX).

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. Mr Ng is the Independent Director and Chairman of the Audit Committee of all these companies.

Mr Ng has more than 30 years of experience in accounting, finance and auditing. He is 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) degree from The University of Hull, UK.

### **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 36 years of experience in accounting and corporate finance.

He was the Chief Financial Officer of a company listed on the Hong Kong Stock Exchange for 8 years and Regional Financial Controller for multinational corporations in the Asia-Pacific region for more than 10 years. He was also the group finance head for property development groups in Singapore and Indonesia for over six years.

Mr Phua graduated with a Bachelor of Accountancy degree from 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 member of the Singapore Institute of Directors.

### **LIM YEOW HUA @ LIM YOU QIN**

*Independent Director*

Mr Lim Yeow Hua @ Lim You Qin is our Independent Director and was appointed to the Board 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 an Independent Director for a few companies listed on the SGX.

Mr Lim possesses more than 30 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, and 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 degree from 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 member of the Singapore Institute of Directors.



# KEY MANAGEMENT



**CHAN YEAN CHUN**

*Chief Financial Officer*

Ms Chan Yeon Chun joined Oxley in June 2018 as Chief Financial Officer. She leads the Group's finance and secretarial departments. Before joining the Group, she was the Vice President of Finance at Pan Pacific Hotels Group for 8 years. Prior to that, she was an auditor with PricewaterhouseCoopers in Singapore, followed by corporate finance and banking experiences with Avaya Inc and BNP Paribas Fortis in the United States.

Ms Chan holds a Bachelor of Accountancy (First Class Honours) degree from Nanyang Technological University and a Master of Business Administration degree (Distinction) from Cornell University. She is a member of the Institute of Singapore Chartered Accountants.



**EUGENE LIM YING JIE**

*Marketing & Sales Director*

Mr Lim Ying Jie, Eugene joined Oxley in February 2016 as Marketing & Sales Director. He is responsible for the Marketing & Sales of local and overseas project launches for the Group. Mr Lim possesses more than 10 years of experience in the marketing and sales of residential and commercial projects. Prior to joining Oxley, Mr Lim was with WingTai Property Management where his last position was Assistant General Manager (Marketing & Sales). Mr Lim was also with Knight Frank (Singapore) for 4 years where he rose from the rank of Senior Manager to Director, Head of Project Marketing and successfully launched more than 35 projects during this period. Before Knight Frank, Mr Lim was with HSR International, a real estate agency for 4 years where he recruited and trained a team of 250 agents focusing on new home sales. He holds a degree in Business Management from University of London.



**EDDIE LIM CHEE CHONG**

*Executive Director, Oxley Malaysia*

Mr Lim Chee Chong, Eddie is the Executive Director of Oxley Holdings (Malaysia) Sdn Bhd, in addition to leading project development in the region and overseeing hotel operation in Singapore. Prior to Oxley, Mr Lim was a Project Director with Fragrance Realty Pte Ltd and the Chief Executive Officer of Global Premium Hotels Limited (GPHL) where he was responsible for the operation, strategic growth and business development. Mr Lim spearheaded the launch of GPHL's premium hotel brand known as Parc Sovereign Hotel. Before GPHL, Mr Lim was with Fragrance Group Limited where he rose through the ranks from a Director of Property Development to Executive Director, responsible for the development of residential, commercial and hotel projects.

Mr Lim holds a Master of Business Administration degree from Arcadia University and a Bachelor degree in Engineering from Nanyang Technology University.



### **COLIN LEE PING HUI**

*General Manager for Indochina Market*

Mr Lee Ping Hui, Colin joined Oxley in April 2018 as General Manager for Indochina market. He leads and oversees development and construction of the projects in Indochina and central procurement of the Group.

He held numerous positions from Senior Project Manager, Construction Manager, Senior Principal to General Director at global multidisciplinary consultancy firms, Senior Manager in Google Taiwan and Director of Energy and Chemical Business in EPCM environment.

Mr Lee has more than 29 years of experience in project management and construction of hotel, residential and commercial developments, mega-sized data centres, cleanrooms, petrochemical plants, waste water treatment plants, airport and institutions.

Mr Lee holds a Master of Business & Technology degree from University of New South Wales and a Bachelor of Engineering (Honours) from the Royal Melbourne Institute of Technology University. He is a registered Professional Engineer in Singapore with a EMA licence, a Chartered Engineer, UK and also holds a Class A Professional Engineer licence in Vietnam.



### **JOHN ONG PEE HOCK**

*Project Director*

Mr Ong Pee Hock, John joined Oxley in February 2013 and is currently a Project Director. He is responsible for the overall project management of the Singapore properties. Mr Ong has over 20 years of experience in project management of residential, industrial, commercial and hospitality projects, locally and overseas. Prior to joining Oxley, he spent ten years with LCD Property Management Pte Ltd, where he rose from the rank of a Project Manager to Assistant General Manager (Projects), and he was posted to the UAE, Vietnam, Thailand and China.

Mr Ong holds a Diploma in Building Services Engineering and is a qualified Fire Safety Manager.



### **CAROL NG SUAT KHENG**

*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 operation and administration of construction projects. Ms Ng holds a Diploma in Management Studies from the Singapore Institute of Management.



### **KEVIN BOSSINO**

*General Manager, Novotel & Mercure Singapore on Stevens*

Mr Kevin Bossino is the General Manager of the Novotel & Mercure Singapore on Stevens. He is also Vice President of Operations for all AccorHotels Midscale and Economy Hotels in Singapore. Mr Bossino comes with over 30 years of experience in the hospitality industry. He has worked with a variety of iconic hotels around the world including The Rock Hotel in Gibraltar, the Bauer Hotel in Venice, The Connaught in London, The Savoy, London Hotel, La Manga Club Resort, Spain and Grand Hyatt Hong Kong. Mr Bossino played an instrumental role in opening various Century International Hotels (subsequently acquired by AccorHotels) in Hong Kong, Indonesia, Vietnam and the Philippines.

In 2005, Mr Bossino moved to Singapore, where he led the Grand Mercure Roxy and Novotel Singapore Clarke Quay as Area General Manager. In 2015, he joined AccorHotels Asia Pacific Head Office as Vice President of Operations, Singapore.

# KEY MANAGEMENT



**LEE NA CHUA**

*Senior Project Manager*

Ms Chua Lee Na joined Oxley in November 2014 as a Project Manager and rose to the rank of Senior Project Manager. She is responsible for project management in Singapore from the conceptualisation stage to the completion and handover of the development. Prior to joining Oxley, she spent 6 years with World Class Land Pte Ltd and Axis Architects Pte Ltd as a Project Manager involved in various types of residential, commercial and hospitality projects.

Ms Chua holds a Master of Science degree in Project Management from National University of Singapore.



**LINDSAY TAN CHEW GUEK**

*Quantity Surveyor Manager*

Ms Tan Chew Guek, Lindsay joined Oxley in May 2010 as Quantity Surveyor Manager. Ms Tan leads the Group's quality control and procurement teams. Prior to joining Oxley, Ms Tan was a quantity surveyor at Oxley Construction Pte Ltd, where she oversaw the tendering and contracting process and actively monitored the cost and payment process for the projects.

Ms Tan holds a Diploma in Civil and Structural Engineering from Singapore Polytechnic.



**NICHOLAS MARTIN LOUIS BEETSMA**

*General Counsel*

Mr Nicholas Martin Louis Beetsma joined Oxley in January 2018 and is the General Counsel for the Group. Mr Beetsma is responsible for general legal affairs and oversees the full suite of legal, regulatory and compliance risks for the Group. Mr Beetsma focuses on advising the Board of Directors and management on the risks that are relevant to the Group.

Mr Beetsma is admitted as an Advocate and Solicitor of the Supreme Court of Singapore. Prior to joining Oxley, Mr Beetsma practiced law at Drew & Napier LLC and Clyde & Co Clasis Singapore Pte Ltd. During the course of his legal practice, Mr Beetsma was involved in a broad spectrum of cases arising from disputes between major players in the infrastructure, engineering, construction and oil & gas industries.

In addition to his graduate law degree from the University of Sydney, Mr Beetsma also holds a Bachelor of Engineering (Civil) Degree (First Class Honours) from the University of New South Wales. Prior to his legal career, Mr Beetsma was a Field Engineer (Marine) with J Ray McDermott Asia Pacific Pte Ltd, and oversaw the engineering, procurement, installation and commissioning of complex oil production jacket and topside superstructures within the Asia-Pacific region.



**THEAN HUAT LIM**

*Senior Project Manager*

Mr Lim Thean Huat joined Oxley in September 2017 as Senior Project Manager. He is responsible for the project management of the Group's hotels in Cambodia, Malaysia and Cyprus. Mr Lim has over 30 years of experience in project management for public listed companies in residential, commercial and hospitality projects, locally and overseas. Prior to joining Oxley, he spent fifteen years with Lum Chang Holdings Limited, where he rose through the ranks from a Project Engineer to Senior Project Manager. At the hotel division of Lum Chang, Mr Lim also held the position of Senior Vice President (Technical Service) and worked on projects in the United Kingdom, China, Thailand, Vietnam and Laos.

Mr Lim holds a Bachelor of Engineering (Honours) degree from National University of Singapore and a Graduate Diploma in Business Administration from Singapore Institute of Management.



**VICTOR ONG SOON LEE**

*Senior Project Manager*

Mr Ong Soon Lee, Victor joined Oxley in September 2011 as Project Manager and rose to rank of Senior Project Manager. He is responsible for the Group's development in Myanmar. He possesses more than 15 years of project management experience. Prior to joining Oxley, he was with Kingsmen Projects, where he was responsible for the retail fitting-out programmes for international brands. He was involved in the Changi Airport Terminal 3 interior fit-out project while under the employment of the Civil Aviation Authority of Singapore.

Mr Ong holds a Bachelor of Science (Building) degree from National University of Singapore.



**SHAWN CHING**

*Project Manager*

Shawn Ching is a Project Manager at Oxley Holdings Limited. He is responsible for overseeing property projects from inception to completion.

Mr Ching graduated from the University of Buckingham with a Bachelor's degree in Business and Management (First Class Honours). He achieved the best performance in the School of Business examinations and went on to obtain a Master of Science in Sustainable Urban Development from the University of Oxford.

Mr Ching sits on the Board of Regents of Harris Manchester College, University of Oxford.

# DEVELOPMENT PROPERTIES

## SINGAPORE PROJECTS

### RIVERFRONT RESIDENCES

**1,472**  
RESIDENTIAL UNITS



Oxley, together with its joint-venture partners (KSH Development Pte. Ltd., SLB Development Ltd and Apricot Capital Pte. Ltd.), acquired a privatised Housing and Urban Development Company (HUDC) estate, Rio Casa at 350 Hougang Avenue 7 through a collective sale. The project was rebranded as Riverfront Residences and was successfully launched in July 2018. Met with overwhelming response, more than 440 units were sold on the day of the launch. Oxley has a 35% stake in this project.

The site has a land area of 36,811 sqm. It will be developed into 1,472 residential units, comprising 9 blocks of 17 storey apartments, 21 units of strata landed houses and 6 shops. More than 730 units have been sold as at 30 September 2018.

### AFFINITY AT SERANGOON

**1,052**  
RESIDENTIAL UNITS



Oxley, together with its joint-venture partners (Unique Invesco Pte. Ltd., LBD (Serangoon) Pte. Ltd. and Apricot Capital Pte. Ltd.), acquired a privatised HUDC estate at Serangoon North Avenue 1 through a collective sale.

With a land size of 27,584 sqm, Oxley plans to redevelop the site into 1,052 private residential apartments and strata-landed houses and 5 commercial shops. There is a wide range of amenities in close proximity. The new development is renamed as Affinity at Serangoon and was successfully launched in June 2018. Oxley has a 40% stake in this project. More than 200 units have been sold as at 30 September 2018.

## SINGAPORE PROJECTS

### KENT RIDGE HILL RESIDENCES

**548**  
RESIDENTIAL UNITS



Situated next to the Kent Ridge Park and surrounded by landed properties and low-rise apartments, residents at Kent Ridge Hill Residences will enjoy an exclusive, luxurious and serene lifestyle.

The site sits on a land area of 29,659 sqm. The project is expected to house 548 units, comprising 1 to 3 bedroom, 3 bedroom to 5 bedroom penthouse and 50 strata landed houses. The project is expected to be launched in the second half of 2018.

### MAYFAIR GARDENS/ MAYFAIR MODERN

**386**  
RESIDENTIAL UNITS



Mayfair Gardens/ Mayfair Modern, a unique luxury residential project located along Dunearn Road in Bukit Timah, is situated in a private residential enclave of bungalows, landed homes and condominiums. It is a 300m walk to King Albert Park MRT station. Residents can commute to the Central Business District and the Orchard Road shopping belt in 15 minutes.

The 19,368 sqm land will house 386 units. Mayfair Gardens was launched in September 2018. More than 80 units of Mayfair Gardens have been sold as at 30 September 2018.

# DEVELOPMENT PROPERTIES

## SINGAPORE PROJECTS

### THE VERANDAH RESIDENCES

**170**  
RESIDENTIAL UNITS



Located at the junction of Pasir Panjang Road and South Buona Vista Road, The Verandah Residences attracted buyers with its close proximity to MRT stations, major shopping malls, a wide range of food and beverage choices, as well as parks and recreation facilities, such as The Southern Ridges and Kent Ridge Park.

The freehold development comprises 167 apartments in four blocks of 5-storey buildings, and 3 strata houses. Oxley achieved 100% sales at The Verandah Residences within three months from its official launch.

### THE PLAZA

**58**  
RESIDENTIAL UNITS

**14**  
SHOPS



The proposed mixed-use development on 1 Balestier Road is a unique collection of 6 conservation shophouses and a modern 6-storey residential block annexure, comprising 14 shops and 58 residential units. The architecture concept integrates the conserved art décor shophouse with modernism which will transform the streetscape of Balestier while retaining its nostalgia.

## INTERNATIONAL PROJECTS

### ROYAL WHARF

LONDON,  
UNITED KINGDOM

FEATURING OVER  
**500m**  
OF RIVER FRONTAGE

**3,385**  
RESIDENTIAL UNITS

OVER  
**90%**  
OF UNITS SOLD



Royal Wharf is a 394,026 sqm waterfront development by the River Thames in East London. With approximately 500m of direct south-facing river frontage, Royal Wharf offers high-quality waterside living with stunning panoramic views. The development comprises 3,385 apartments and townhouses, and approximately 11,000 sqm of commercial area comprising office, 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 Amphitheatre 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 Docklands Light Rail. Since commencement in early 2014, construction has progressed steadily. The Group has been progressively handing over completed units to the buyers and targets to complete the entire project by 2021.

More than 90% of the units have been sold and more than 1,500 homes have been handed over to the owners as at 30 June 2018.

# DEVELOPMENT PROPERTIES

## INTERNATIONAL PROJECTS

### DUBLIN LANDINGS

NORTH WALL QUAY, IRELAND

FEATURING

294

LUXURY RESIDENTIAL  
APARTMENTS

APPROXIMATELY

23,500 SQM

LAND AREA



Dublin Landings is a unique and breathtaking development with striking architecture inspired by Ireland's coast and robust woodlands, integrating rugged landscape with contemporary architecture. Sitting on the North Bank, within Dublin's financial and technology district, Dublin Landings' emergence as the new commercial heart of the Irish capital is being underwritten by the calibre of occupants such as the Central Bank of Ireland, whose new headquarters are to be located here.

Situated along River Liffey, the development is well-connected and located between Dublin's international airport and historic centre, the ideal gateway to the city but also a destination in its own right. The development will include 65,000 sqm of flexible Grade A office and retail space spread across five office buildings. Walls Construction Limited has been appointed as the main contractor for all of the commercial buildings which are expected to be completed by 2020. The first Block, D1 Dublin Landings, was sold in FY2018. Oxley is currently in advanced negotiations with a buyer for the sale of the second block, D2 Dublin Landings, which is fully leased to WeWork, the shared workspace provider.

The residential component of the development will comprise 294 luxury residential apartments. Among the amenities planned for the development are rooftop gardens and terrace, a 1,000 sqm gym, a concierge service for residential tenants and underground parking. Construction for the residential development has recently begun and the construction works are expected to be completed by 2020.

### CONNOLLY STATION

CONNOLLY STATION, IRELAND

APPROXIMATELY

2.0 HECTARES

LAND AREA

Oxley has entered into an agreement with the Irish Government to develop a site at Connolly Station, Dublin 1 of approximately 2.0 hectares. Connolly Station is one of the most central and highly accessible location in Dublin City Centre with approximately 30,000 commuter volume per day.

## INTERNATIONAL PROJECTS



### THE BRIDGE

PHNOM PENH, CAMBODIA

APPROXIMATELY

**10,090sqm**

LAND AREA

The Bridge is a freehold development occupying a land area of 10,090 sqm and is located in the heart of Phnom Penh, Cambodia. This majestic development comprises two distinct tower blocks of homes and SOHO units interlinked by two sky bridges and a 5-storey retail podium. Standing proudly at 45 storeys, The Bridge is set against the spectacular cityscape offering a panoramic view of the city centre.

The residential units are nearly 100% sold. 100% of the SOHO units and 86% of the retail units have been sold.



### THE PEAK

PHNOM PENH, CAMBODIA

APPROXIMATELY

**12,609sqm**

LAND AREA

The Peak is a freehold property with a land area of approximately 12,609 sqm located in the heart of Phnom Penh's prime district facing the Tonle Sap River. Rising 55 storeys into the sky, the development offers a whole new level of living bringing together the choicest picks of residences, shops, restaurants, offices and the prestigious 300-room Shangri-La Hotel.

This development comprises two 55-storey, 1,014-unit residential towers that are interlinked by a sky gym, a Shangri-La Hotel, office space and a 5-storey retail podium. The Peak, adorned in stylish bronze-coloured architecture will add lustre and dominate the city's skyline.

CapitaLand Retail Management Pte Ltd has been engaged to oversee asset planning, pre-opening and retail management for the mall with a gross floor area (excluding car park) of approximately 39,000 sqm and net lettable area of approximately 2,400 sqm. Currently under construction, the mall is expected to commence operation in 2020.

Residential (Phase One) is 61% sold while Residential (Phase Two) is 48% sold. 53% of the retail units are sold while the office units have been completely sold.

# DEVELOPMENT PROPERTIES

## INTERNATIONAL PROJECTS

### THE PALMS

PHNOM PENH, CAMBODIA

# 206

LUXURY RESORT HOMES



The Palms is a freehold residential development spreading across a land area of approximately 37,689 sqm and a stone's throw away from the city. The development comprises 206 luxury resort homes with 24/7 well protected high-tech security. It has the first man-made beach in Cambodia and comes with more than 60 facilities including an elegant clubhouse.

### YANGON CENTRAL RAILWAY STATION AREA COMPREHENSIVE DEVELOPMENT PROJECT

YANGON, MYANMAR

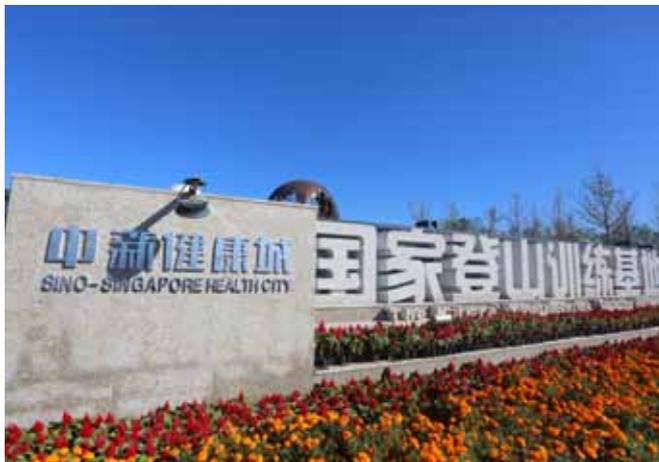
# 1.1 MILLION SQM

GROSS FLOOR AREA



This will be a mixed development project comprising a new central transportation hub that integrates rail and mass transit, surrounded by amenities of housing and commerce. The project will occupy a site area of 25.7 hectares, with an intended development gross floor area of 1.1 million sqm.

## INTERNATIONAL PROJECTS



### SINO-SINGAPORE HEALTH CITY GAOBEIDIAN, CHINA

APPROXIMATELY

**2 MILLION SQM**  
GROSS FLOOR AREA

**18,000**  
RESIDENTIAL UNITS

Oxley has a 27.5% stake in the Sino-Singapore Health City Project in Gaobeidian, Hebei Province, China. Gaobeidian is strategically located 40 km away from the Xiongan New Special Economic Zone ("Xiongan NSEZ") that the Chinese government announced in April 2017, next to the Beijing-Shijiazhuang Expressway (82 km from Beijing city), and on the Beijing-Shijiazhuang High-Speed rail route (19 minutes ride to Beijing). Following the success of China's two economic zones in the Pearl River Delta and Yangtze River Delta regions, Xiongan NSEZ is expected to become a world-class city cluster surrounding Beijing, with favourable regulatory framework and outstanding economic growth.

The township development is planned in two stages, with a China Mountain Climbing Training Centre & Outdoor Sports Centre Township in stage I, and a Green Health Food Safety Testing Centre Township in stage II. The Sports Centre was completed last year, and it will be a one-stop hub that provides a full suite of mountain climbing services, featuring the world's tallest man-made rock-climbing wall with a total size of 30,000 sqm, with 18 climbing routes and 20 competition/training routes. Ready to host national and world competitions, it is expected to attract tourists, sports broadcasters, rock climbing and other outdoor sport lovers with performances and sports commercial fairs. The Green Health Food Safety Testing Centre will be developed with advice from the Agri-Food and Veterinary Authority of Singapore.

The project will also include the development of 18,000 residential units with a gross floor area of approximately 1.6 million sqm, as well as F&B, entertainment, commercial, healthcare, education, and other infrastructure facilities. Phase I comprises 5,540 residential units with a saleable area of approximately 615,527 sqm.

# DEVELOPMENT PROPERTIES

## INTERNATIONAL PROJECTS



### **OXLEY TOWERS, KUALA LUMPUR CITY CENTRE** *KUALA LUMPUR, MALAYSIA*

# 857

RESIDENTIAL UNITS COMBINED

# 388

HOTEL ROOMS COMBINED

Oxley Towers is a freehold property covering a land area of approximately 12,575 sqm and is located in the middle of the Kuala Lumpur City Centre precinct. Sharing the same skyline with the iconic Petronas Twin Towers, the development is within easy reach of the Maxis Tower and the Kuala Lumpur Convention Centre.

The development comprises two hotel towers with residences, an office tower and a retail podium linking all the three towers. The development will offer a 181-room Jumeirah Kuala Lumpur Hotel and 267-unit Jumeirah Living Kuala Lumpur Residences, as well as a 207-room SO Sofitel Kuala Lumpur Hotel and 590-unit SO Sofitel Kuala Lumpur Residences.

To date, 150 units in SO Sofitel Residences have been sold.

# DEVELOPMENT PROPERTIES

## SINGAPORE

PROJECT	TENURE	NO. OF UNITS	APPROXIMATE	
			LAND AREA (SQM)	GFA (SQM)
<b>LAUNCHED</b>				
Affinity at Serangoon	Leasehold	1,052 residential; 5 commercial	27,584	77,235
Mayfair Gardens / Mayfair Modern*	Leasehold	386 residential	19,368	27,115
Riverfront Residences	Leasehold	1,472 residential; 6 commercial	36,811	103,071
Sea Pavilion Residences	Freehold	24 residential	1,300	1,820
Sixteen35 Residences	Leasehold	60 residential	2,220	6,215
T-Space	30 years	251 industrial	27,395	84,315
The Addition	Freehold	26 residential	898	1,886
The Verandah Residences	Freehold	170 residential	8,326	13,138
<b>PIPELINE</b>				
Ampas Apartment	Freehold	112 residential	2,809	7,866
Kent Ridge Hill Residences	Leasehold <sup>^</sup>	548 residential	29,659	41,522
The Plaza	Freehold	58 residential <sup>^</sup>	1,688	- <sup>^</sup>
Parkwood Residences	Leasehold	18 residential	1,313	1,838
Pei-Fu Industrial	Freehold	84 units <sup>^</sup>	5,792	14,480

<sup>^</sup> Subject to approval from the relevant authorities.

\* Mayfair Modern has not been launched.

The above information is as at 30 September 2018.



# DEVELOPMENT PROPERTIES

## INTERNATIONAL

PROJECT	LOCATION	TENURE	DEVELOPMENT TYPE	APPROXIMATE	
				LAND AREA (SQM)	GFA (SQM)
<b>LAUNCHED</b>					
<b>CAMBODIA</b>					
The Bridge	Phnom Penh	Freehold	Mixed Residential and Commercial	10,090	150,399
The Peak	Phnom Penh	Freehold	Residential, Commercial, Hotel and Offices	12,609	208,750
The Palms	Phnom Penh	Freehold	Residential	37,689	65,592
<b>INDONESIA</b>					
Oxley Convention City	Batam	Leasehold	Mixed Residential and Commercial	23,500	208,373 <sup>#</sup>
<b>IRELAND</b>					
Dublin Landings	Dublin	Leasehold	Mixed Residential and Commercial	23,500	96,330
<b>MALAYSIA</b>					
Oxley Towers Kuala Lumpur City Centre	Kuala Lumpur	Freehold	Residential Commercial, Hotel and Office	12,575	175,979
<b>MYANMAR</b>					
Min Residences	Yangon	Leasehold	Mixed Residential and Commercial	12,889	122,579
<b>UNITED KINGDOM</b>					
Royal Wharf	London	Freehold	Township	169,958	394,026
<b>PIPELINE</b>					
<b>CAMBODIA</b>					
The Garage	Phnom Penh	Freehold	Mixed Residential and Commercial	8,921	-*
<b>CHINA</b>					
Sino-Singapore Health City (中新健康城)	Gaobeidian, Hebei Province	Leasehold	Mixed Residential and Commercial	5,300,000	2,000,000
<b>CYPRUS</b>					
Limassol Oxley Cyprus Development	Limassol	Freehold	Residential	102,637	33,400
<b>IRELAND</b>					
Connolly Station	Connolly	Leasehold	Mixed Residential and Commercial	19,600	69,677 to 78,968
<b>MALAYSIA</b>					
Beverly <sup>^</sup>	Selangor	Freehold	Residential	61,588	-*
Medini <sup>^</sup>	Johor	99 yrs +30 yrs	Mixed Residential and Commercial	17,300	-*
Pepper Hill <sup>^</sup>	Penang	Freehold	Residential	119,876	-*
Robson <sup>^</sup>	Kuala Lumpur	Freehold	Residential	7,710	-*
Section 16 <sup>^</sup>	Selangor	Freehold	Mixed Residential and Commercial	19,098	-*
<b>MYANMAR</b>					
Yangon Central Railway Station Area Comprehensive Development Project	Yangon	Leasehold	Transit Developer	257,464	1,091,319
<b>UNITED KINGDOM</b>					
Deanston Wharf	London	999 yrs Leasehold	Mixed Residential and Commercial	22,830	79,033

<sup>#</sup> Construction floor area is disclosed instead of GFA as a regulatory requirement in Indonesia.

<sup>^</sup> Project names are for identification purposes only.

\* Subject to modification.

# INVESTMENT PROPERTIES & HOTELS

## SINGAPORE



### NOVOTEL SINGAPORE ON STEVENS / MERCURE SINGAPORE ON STEVENS

Having commenced operations in late 2017, Novotel Singapore on Stevens and Mercure Singapore on Stevens are Oxley's maiden foray into the hospitality business. Strategically located near Scotts Road and Orchard Road shopping belts, Novotel Singapore on Stevens offers 254 rooms, meeting rooms which cater to seminars, corporate functions and banquets with capacity of up to 450 persons, F&B amenities, a shared fitness centre and swimming pool while Mercure Singapore on Stevens has 518 rooms, F&B amenities, and a swimming pool.



### CHEVRON HOUSE

Chevron House is a 32-storey commercial development comprising 27 levels of office space and a 5-storey retail podium. It has a land area of 2,778 square metres, and an existing net lettable floor area of 24,273 square metres. The occupancy rate for the office space and retail space are 97% and 98% respectively.

Oxley intends to carry out alterations, additions and asset enhancement works to optimise the space utilisation. The asset enhancement initiative is expected to increase the lettable area by 40%.



### SPACE@TAMPINES

Space@Tampines is a 3-storey and a 7-storey ramp-up B2 Clean industrial development built on a 30-year leasehold land. The property comprises 71 warehouse units and 1 canteen with an approximate Gross Floor Area (GFA) of 65,893 sqm.

Space@Tampines is located at 18 Tampines Industrial Crescent at the intersection of Tampines Expressway (TPE) and Tampines Avenue 10 and is close to the Changi, Loyang, Tampines and Seletar Industrial Estates. It has LHN Space Resources Pte Ltd as its master tenant for Level 2 to Level 7 since obtaining its TOP in June 2015. Tenants on Level 1 managed to secure a 2-year change of use approval from the URA to use the warehouse units as showrooms for furniture-related trades.

Space@Tampines is currently 94% leased.

# MERGERS & ACQUISITIONS

## ASPEN (GROUP) HOLDINGS LIMITED, MALAYSIA

In the financial year ended 2018, Oxley has acquired more than 10% stake of Aspen (Group) Holdings Limited (“AGH”). AGH is a company incorporated in Singapore and is listed on the Catalist of the SGX-ST. AGH, together with its subsidiaries (collectively, the “AGH Group”), is a property development group based in Malaysia with a focus on developing affordable residential and mixed development properties at strategic locations, with quality infrastructure and amenities, which target middle-income mass market purchasers. The AGH Group provides value-added options and services for its completed units, such as quality furnishing and home appliances from reputable brands at cost efficient prices.

Mr Ching Chiat Kwong has been appointed as the non-executive director of AGH and Mr Low See Ching has been appointed as the alternate director.

## GALLIARD (GROUP) LIMITED, LONDON

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

Founded in 1992, Galliard Group has played a key role in London’s transformation, directing at regenerating, rejuvenating and reinventing the city. This includes a portfolio of over 7,300 residential units and hotel suites in addition to 585,000 sqft of commercial floor space across London and southern England, with more than 5,100 units subject to planning approval.

The Galliard Group business comprises four business divisions, namely, (a) Galliard Homes which undertakes sales and marketing for the Galliard Group’s portfolio of homes, (b) Galliard Construction which handles commercial, residential, mixed-use developments, construction for joint venture projects and third party developments, (c) Galliard Commercial which develops commercial and retail premises, and undertakes joint venture projects and third party work, and (d) Galliard Homes Letting (in partnership with Life Residential) which handles tenancy and re-sale transactions operating from 13 London branches with investor relation offices located in Singapore, Hong Kong and Cape Town and currently letting and managing over 3,500 London apartments for investors in over 50 countries worldwide with sales transactions amounting to £200,000,000 per annum.

*Artist’s Impression*



**THE STAGE, SHOREDITCH**

*Location: Curtain Road, Shoreditch, London EC2A 3NN*

*Artist’s Impression*



**HARBOUR CENTRAL**

*Location: Docklands E14*

## PINDAN GROUP PTY LTD, AUSTRALIA

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In December 2017, Oxley acquired a 40% stake in Pindan Group Pty Ltd ("Pindan"). Pindan, established in 1977, is a leading property and construction company in Western Australia. Headquartered in Perth, with an annual turnover of approximately A\$500 million, Pindan employs approximately 350 full-time staff with additional office locations in regional Western Australia, Brisbane and Sydney.

Pindan is the largest semi-detached dwelling builder in Western Australia (the 4th largest nationally), and the largest multiunit builder in Western Australia (the 5th largest nationally). Over the years Pindan has developed a wide range of projects and presently has over A\$1.7 billion current developments in 24 projects, including 1,800 residential units in various stages of development, 980 residential land lots, and 3 land rezoning sites.

The combination of Oxley's expertise in property development, sales and marketing, and Pindan's experience and local knowledge, will enable Pindan to grow its project portfolio and accelerate its transition from being a major Western Australian builder and developer to a national developer that delivers major projects across Australia.

Mr Ching Chiat Kwong and Mr Low See Ching are directors of Pindan Group Pty Ltd.



**MARINA EDGE APARTMENTS**

*Location: Coromandel Approach, North Coogee WA*



**VIRIDIAN CHINA GREEN APARTMENTS**

*Location: 2 Wembley Court, Subiaco WA*

## UNITED ENGINEERS LIMITED, SINGAPORE

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In FY2018, Oxley acquired more than 19% of United Engineers Limited ("UEL"), one of Singapore's pioneers in the real estate industry. This provides an opportunity for Oxley to gain access to a quality property portfolio.

UEL was founded in 1912, and is one of the oldest companies in Singapore, with property businesses mainly in Singapore and China. In Singapore, UEL developed and owns iconic buildings such as UE Square and Rochester Mall.

# AWARDS & ACCOLADES

Oxley is honoured to have been lauded with these awards. These serve as a resounding affirmation and recognition of our long-standing commitment towards and realisation of our vision – an eminent property developer wielding our own signature brand name.



Mr Low See Ching, Deputy CEO, received the Best Hotel Architectural Design award at the PropertyGuru Asia Property Awards (Singapore) 2017 for Novotel / Mercure Singapore on Stevens.



Mr Low See Ching, Deputy CEO, received the Best Office Architectural Design award at the PropertyGuru Asia Property Awards (Singapore) 2017 for Oxley Tower.

# CORPORATE SOCIAL RESPONSIBILITY

As part of our corporate values and culture, Oxley aims to enrich and improve not only individuals' lives, but also the community as a whole. We believe that corporate social responsibility is imperative to the Company's true success.

Oxley has been active in contributing back to society through the following activities:



Mr Ching Chiat Kwong, Chairman and Chief Executive Officer with Ms Sim Ann, Senior Minister of State, Ministry of Communications and Information & Ministry of Culture, Community and Youth, and other participants at the SGX Bull Charge Run 2017 in November 2017, in which Oxley made a donation of S\$100,000.



Mr Ching Chiat Kwong, Chairman and Chief Executive Officer, presenting a donation cheque for S\$1,000,000 to Mr Lee Kim Siang, Chairman of the Thye Hua Kwan charity organisation in March 2018.

## JULY 2017

Oxley sponsored 99 Pte Ltd, an online real estate platform, S\$4,800 for a researcher event in July 2017. Oxley was conferred the platinum sponsor. The event provided insights to real estate agents on market trends.

## NOVEMBER 2017

Oxley donated S\$100,000 for SGX Bull Charity Run 2017 in November 2017. The annual run is dedicated to supporting the needs of underprivileged children and families, persons with disabilities, and the elderly. Oxley was conferred the preferred sponsor for the run.

Oxley donated S\$15,000 to the South East Community Development Council. The donation was used in community projects that promote community bonding, strengthen social cohesion, and help the less fortunate.

Oxley donated S\$55,000 to Siglap Community Centre Building Fund Committee. The fund contributed to the building of the new Siglap Community Centre which serves as a focal point for all the residents to meet and interact, and also a place for the residents to participate in life-long learning courses and recreational activities.

Oxley donated A\$3,000 to Centre for Healthy Brain Ageing in Australia. The fund will be used in research on reducing dementia incidences.

## DECEMBER 2017

Oxley donated S\$1,000 to Hai Inn Temple, a temple located in Choa Chu Kang.

## MARCH 2018

In March 2018, Oxley donated S\$1,000,000 to one of Singapore's largest voluntary welfare organisations, Thye Hua Kwan (THK). The money will help THK to provide both institutional and community-based services in the social, health, mental and education arena to all people in need.

# CORPORATE SOCIAL RESPONSIBILITY

## APRIL 2018

Oxley donated S\$5,000 to Community Foundation of Singapore, a foundation that brings people and organisations together to build and strengthen the community.

Oxley donated S\$10,000 to Singapore Police Retirees Association to fund activities, such as visiting member retirees who are ill and hospitalised, providing bereavement support to family of members who passed on and organising activities for retirees to get together.

Oxley sponsored 99 Pte Ltd S\$7,500 for the Market Rebound 2018 event. Oxley was conferred the platinum sponsor. The convention discussed how to best leverage on the upturn of the property market for real estate agents.

## MAY 2018

In May 2018, Oxley donated S\$20,000 at the S3 Charity Gala Dinner. The donation will help to subsidise post-stroke programmes for more stroke survivors and their caregivers.

Oxley donated S\$10,000 to Kong Meng San Phor Kark See Monastery for Vesak Day Concert which brought devotees and music lovers together in celebration of Vesak Day.

## JULY 2018

Oxley donated S\$10,000 to SG Enable for The Enabling Fund Gala 2018 that raises awareness of the TODAY Enable Fund, which provides assistance to persons with disabilities and iC2 Prephouse, which supports children and youth with vision impairment.

## SEPTEMBER 2018

Oxley donated S\$50,000 to Rainbow Centre, Singapore for charity golf. The fund will be used to improve the quality of life for persons with disabilities.

In September 2018, Oxley donated S\$10,000 to the President's Challenge for Community Chest-supported programmes, which serve the needs of seniors, vulnerable families, people with intellectual disabilities and mental health patients. Oxley was conferred the platinum sponsor.

Oxley's investment property, Chevron House is one of the cardiopulmonary resuscitation ("CPR") self-learning kiosks in Singapore organized by Singapore Heart Foundation. The event aims to bring hands-only CPR training opportunities to members of the public, increase cardiac arrest awareness and bystander CPR rates nationwide.



Mr Shawn Ching, Project Manager, receiving a certificate of recognition from Minister in the Prime Minister's Office, Mr Ng Chee Meng, for Oxley's S\$20,000 donation at the S3 Charity Gala Dinner in May 2018.



Mr Ching Chiat Kwong, Chairman and Chief Executive Officer with Mr K. Shanmugam, Minister of Home Affairs and Mr Chew Kei Jin, Vice President of Rainbow Centre, Singapore, for Oxley's S\$50,000 donation to Rainbow Centre.

# 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 2018 (“**FY2018**”), 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, including ensuring that the required financial and human resources are available for the Group to meet its objectives;
- to approve matters such as corporate strategy and objectives, 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 review the management’s performance;
- to set the Group’s values and standards and ensure that obligations to shareholders and other stakeholders are understood and met;
- to approve the release of the Group’s quarterly and full-year financial results and related party transactions of a material nature; and
- to assume the responsibilities for corporate governance.

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



# CORPORATE GOVERNANCE REPORT

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

The Board 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 FY2018 is disclosed below:-

	Board	Audit Committee	Remuneration Committee	Nominating Committee
<b>Number of meetings held</b>	4	4	1	1
<b>Number of meetings attended</b>				
Ching Chiat Kwong	3	3	1	1
Low See Ching	4	4	1	1
Ng Weng Sui Harry	3	3	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 substantial 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 and Executive Director

# CORPORATE GOVERNANCE REPORT

## 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.

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 an appropriate balance and diversity of skills, experience and industry knowledge, with core competencies in business, finance, 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. Where necessary, the independent directors will meet for discussion without the presence of the 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 and Executive Director of the Company and supports the CEO in business development, formulation of corporate strategies and charting the future direction of the Group.



# CORPORATE GOVERNANCE REPORT

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 Chief Financial Officer has failed to resolve or is inappropriate. Led by the lead independent director, the independent directors meet without the presence of the other directors, whenever deemed necessary and at least once a year. Where appropriate, the lead independent director provides feedback to the Executive Chairman after such meetings.

## 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;
- 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.

# CORPORATE GOVERNANCE REPORT

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.

The NC determines annually whether a director is independent, taking into consideration the checklist completed by each independent director to confirm his independence. Such checklist is drawn up based on the guidelines provided in the Code. The NC is of the view that the non-executive independent directors are independent.

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	28 October 2016	Aspen (Group) Holdings Limited	Artivision Technologies Ltd. BRC Asia Limited HG Metal Manufacturing Limited Median Group Inc. (formerly Clixster Mobile Group Inc.)
Low See Ching	Deputy CEO and Executive Director	16 March 2010	31 October 2017	Hafary Holdings Limited Aspen (Group) Holdings Limited	HG Metal Manufacturing Limited
Ng Weng Sui Harry	Lead Independent Director	28 September 2010	28 October 2015	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	28 October 2016	None	None



# CORPORATE GOVERNANCE REPORT

Name of director	Appointment	Date of initial appointment	Date of last re-election	Current directorships in listed companies	Past directorships in listed companies
Lim Yeow Hua @ Lim You Qin	Independent Director	30 April 2014	31 October 2017	KTL Global Limited KSH Holdings Limited Accrelist Ltd.	Advanced Integrated Manufacturing Corp. Ltd. (delisted) China Minzhong Food Corporation Limited (delisted) Eratat Lifestyle Limited (delisted) Ying Li International Real Estate Limited

According to Article 104 of the Company's Articles of Association, Mr Ng Weng Sui Harry and Mr Phua Sian Chin 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.

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 "Statement by Directors" section of this Annual Report. None of the directors holds shares directly 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.

# CORPORATE GOVERNANCE REPORT

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 that the flow of relevant, complete and accurate information on a timely basis is critical 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.

## 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;



# CORPORATE GOVERNANCE REPORT

- 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. The independent directors are not over-compensated to the extent that their independence may be compromised. 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.

The Company has entered into service agreements with the Executive Chairman and CEO, Mr Ching Chiat Kwong, and the Deputy CEO and Executive Director, 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 have 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.

# CORPORATE GOVERNANCE REPORT

## 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 FY2018 to each director and key management personnel (who is not also a director):-

Remuneration bands	Salary <sup>(1)</sup> %	Variable or performance related income/ bonuses %	Directors' fees <sup>(2)</sup> %	Total %
<b>Directors</b>				
S\$11,750,000 to S\$12,000,000				
Ching Chiat Kwong <sup>(3)</sup>	2	98	–	100
S\$5,250,000 to S\$5,500,000				
Low See Ching <sup>(4)</sup>	4	95	1	100
Below S\$250,000				
Ng Weng Sui Harry	–	–	100	100
Phua Sian Chin	–	–	100	100
Lim Yeow Hua @ Lim You Qin	–	–	100	100
<b>Key management Personnel</b>				
Below S\$250,000				
Ching Chiat Dee, Judy	82	18	–	100
Ooi Chee Eng	82	18	–	100
Lim Chee Chong, Eddie	80	20	–	100
Lim Ying Jie, Eugene	80	20	–	100
Ong Pee Hock John	82	18	–	100

### Notes:-

- (1) Salary is inclusive of salary, allowances and Central Provident Fund contributions.
- (2) Directors' fees are subject to the approval of the shareholders at the forthcoming AGM.
- (3) Based on 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 FY2018, an incentive bonus of S\$11.1 million would be paid to Mr Ching Chiat Kwong.



# CORPORATE GOVERNANCE REPORT

- (4) Based on his service agreement, Mr Low See Ching is eligible to be paid an incentive bonus, if the adjusted PBT of the Group ("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 FY2018, an incentive bonus of S\$5.4 million would be paid to Mr Low See Ching.

The aggregate remuneration paid to the top five key management personnel of the Group in FY2018 amounted to S\$1.1 million.

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 below, 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 FY2018. ("Immediate family member" means spouse, child, adopted child, step-child, brother, sister and parent):

Name of employee	Relationship with director or CEO
S\$50,000 to S\$100,000 Shawn Ching Wei Hung	A son of Mr Ching Chiat Kwong, the Executive Chairman and CEO of the Company
S\$200,000 to S\$250,000 Ching Chiat Dee, Judy	A sister of Mr Ching Chiat Kwong, the Executive Chairman and CEO of the Company.

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.

# CORPORATE GOVERNANCE REPORT

## 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.

The internal auditor conducts annual reviews of the effectiveness of the Group's key internal controls, including financial, operational, compliance and information technology controls, and risk management. The external auditor conducts reviews of the internal accounting controls that are relevant to the statutory audit. 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 Chief Financial Officer (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 internal and external 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 2018.

## 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. No former partner or director of the Company's existing external auditor is a member of the AC.



# CORPORATE GOVERNANCE REPORT

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

- to review the audit plan of the internal auditor, including the results of the internal auditor's review and evaluation of the Group's system of internal controls;
- to review the annual consolidated financial statements and the external auditor's 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 statements of financial position 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 internal and external auditors;
- to review the audit plan of the external auditor and the result of the external auditor's review and evaluation of the Group's system of internal accounting controls that are relevant to the statutory audit;
- to review the independence of the external auditor annually;
- to make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditor, and approve the remuneration and terms of engagement of the external auditor;
- 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 auditor, and where the external auditor also provides a substantial volume of non-audit services to the Company, keep the nature and extent of such services under review, seeking to maintain objectivity;

# CORPORATE GOVERNANCE REPORT

- 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 internal and external auditors, without the presence of the management, at least annually.

The external auditor updates 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 auditor is RSM Chio Lim LLP. During FY2018, the fees paid by the Company to the external auditor for audit and non-audit services amounted to S\$284,000 and S\$208,000, 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 auditor at the forthcoming AGM.

The Company has complied with Rules 712 and 716 of the SGX-ST Listing Manual in relation to its external auditor.

## 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 FY2018. The AC is satisfied that the internal audit firm is staffed by suitably qualified and experienced persons.

The internal auditor reports primarily to the AC Chairman and administratively to the CEO. The internal auditor plans their internal audit schedules in consultation with, but independent of, the management. The AC approves the annual internal audit plans, and reviews the scope and the results of the internal audit performed by the internal auditor. The internal auditor carries out their work in accordance with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The AC ensures the adequacy of the internal audit function at least annually.



# CORPORATE GOVERNANCE REPORT

## 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, announcements 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 there is inadvertent disclosure made to a select group, the Company will endeavour to make the same disclosure publicly to all others promptly.

From time to time, the Company holds investor road shows for investors to seek a better understanding of the Group's business.

The Company has adopted a dividend policy of paying dividends of not less than 25% of the Group's consolidated profit after tax, excluding non-recurring, one-off and exceptional items, in respect of FY2018 and FY2019. The dividend payments are subject to the availability of the Company's retained earnings, the Group's financial position, capital expenditure requirements, future expansion and investment plans, and other relevant factors as may be determined by the Board. The dividends will be paid on a half-yearly basis, subject to the approval of the Board or the shareholders of the Company, as required. The Board may review the dividend policy and reserves the right to amend, modify or cancel this dividend policy as and when it deems necessary. The foregoing statement of the Company's dividend policy is a statement of the Board's present intention and does not constitute a legally binding obligation of the Company in respect of dividends; such dividend policy is subject to modification, including reduction or non-declaration of dividends. No inference shall be derived from the Company's dividend policy as to actual future profitability or ability to pay dividends. The actual distribution of a dividend will be subject to a specific decision of the Board, taking into account such 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, unless the shareholder is a relevant intermediary (as defined in Section 181 of the Companies Act). A relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such 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 auditor 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.

All resolutions are put to vote by poll and an announcement of the detailed results is made after the conclusion of the AGM. 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 of shares of the Company. The policies have been made known to directors, executive officers and any other persons as determined by the management who may possess unpublished material price-sensitive information of the Group. The Group has procedures in place prohibiting directors and officers from dealing in the Company's shares during the two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and the one month before the announcement of the Company's full year financial statements ("**Prohibited Periods**"), or if they are in possession of unpublished material price-sensitive information of the Group.

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



# CORPORATE GOVERNANCE REPORT

## INTERESTED PERSON TRANSACTIONS

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

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

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

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

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

Save as disclosed below, there were no material contracts of the Group involving the interests of any director or controlling shareholder, either still subsisting at the end of FY2018 or if not then subsisting, entered into since the end of the financial year ended 30 June 2017.

The aggregate value of interested person transactions during FY2018 is as follows:-

Name of interested person	Aggregate value of all interested person transactions during FY2018 (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)
Owen Private Limited <sup>(1)</sup> for sale of 1, 3, 5, 7, 9, 7A, 9A and 11 Balestier Road, Singapore to the Group	38,000	–

**Note:-**

- (1) The shareholders of Owen Private Limited were Ching Chiat Kwong (Executive Chairman and CEO of the Company) (47.5%), Low See Ching (Deputy CEO of the Company) (42.5%) and Tee Wee Sien (a substantial shareholder of the Company) (10%).



The Verandah Residences, Singapore

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# STATEMENT BY DIRECTORS

The directors of the Company are pleased to present the accompanying financial statements of the Company and of the Group for the reporting year ended 30 June 2018.

## 1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2018 and of the financial performance, changes in equity and cash flows of the Group, and changes in equity of the Company for the reporting year ended on that date; and
- (b) at the date of the 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.

## 2. Directors

The directors of the Company in office at the date of this statement are:

Ching Chiat Kwong  
 Low See Ching  
 Ng Weng Sui Harry  
 Phua Sian Chin  
 Lim Yeow Hua @ Lim You Qin

## 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 shares in or debentures of the Company or other related body corporate as recorded in the register of directors' shareholdings kept by the Company under section 164 of the Singapore Companies Act, Chapter 50 (the "Act") except as follows:

Name of directors and companies in which interests are held	At beginning of the reporting year	Direct interest	
		At end of the reporting year	At 21 July 2018
<u>The Company</u>	<u>Number of ordinary shares of no par value</u>		
Ching Chiat Kwong	1,251,832,610	1,652,419,045	1,663,584,045
Low See Ching	845,337,191	1,115,845,092	1,119,019,792
Ng Weng Sui Harry	350,000	462,000	462,000

# STATEMENT BY DIRECTORS

## 3. Directors' interests in shares and debentures (cont'd)

Name of directors and companies in which interests are held	At beginning of the reporting year	Deemed interest	
		At end of the reporting year	At 21 July 2018
<u>The Company</u>	<u>Number of ordinary shares of no par value</u>		
Ching Chiat Kwong	8,000,000	10,560,000	10,560,000

Name of directors and companies in which interests are held	At beginning of the reporting year	Direct interest	
		At end of the reporting year	At 21 July 2018
<u>Subsidiary – Oxley MTN Pte. Ltd.</u>	<u>Euro Medium Term Notes</u>		
Ching Chiat Kwong	–	US\$2,000,000 <sup>(a)</sup>	US\$2,000,000
Ching Chiat Kwong	–	S\$5,000,000 <sup>(b)</sup>	S\$5,000,000

(a) The notes bear fixed interest rate of 6.375% per annum and are due in reporting year 2021.

(b) The notes bear fixed interest rate of 5.700% per annum and are due in reporting year 2022.

By virtue of section 7 of the Act, Ching Chiat Kwong and Low See Ching are deemed to have an interest in all related body corporates of the Company.

## 4. 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 arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable 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.

## 5. Options

During the reporting year, no option to take up unissued shares of the Company or other body corporate in the Group was granted and there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares under option.

## 6. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.



# STATEMENT BY DIRECTORS

## 7. Audit Committee

The members of the Audit Committee at the date of this statement are as follows:

Ng Weng Sui Harry	(Chairman of Audit Committee and Lead Independent Director)
Phua Sian Chin	(Independent Director)
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 that are relevant to the 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 of the Company prior to their submission to the Board of 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).

Other functions performed by the Audit Committee are described in the Corporate Governance Report included in the Annual Report of the Company. It also includes an explanation of how independent auditor's objectivity and independence are safeguarded where the independent auditor provides non-audit services.

The Audit Committee has recommended to the Board of Directors that RSM Chio Lim LLP be nominated for re-appointment as the 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 24 August 2018, which would materially affect the Group's and the Company's operating and financial performance as of the date of this statement.

On behalf of the directors

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Ching Chiat Kwong  
Director

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Low See Ching  
Director

28 September 2018

# INDEPENDENT AUDITOR'S REPORT

to the Members of OXLEY HOLDINGS LIMITED

## Report on the audit of the financial statements

### Opinion

We have audited the accompanying financial statements of Oxley Holdings Limited (the "Company") and its subsidiaries (collectively, 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 2018, 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 notes to the financial statements, including the significant accounting policies.

In our opinion, the accompanying 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 Singapore Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

### Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### (1) Fair value of investment properties and properties classified as property, plant and equipment

Please also refer to Notes 2A, 2C, 13 and 14 to the financial statements.

Investment properties and properties classified as property, plant and equipment of the Group are significant as at the end of the reporting year.

The Group carries its investment properties and properties classified as property, plant and equipment at fair value with changes in fair value being recognised in profit or loss and other comprehensive income respectively. In determining the fair values, the independent professional valuers engaged by management have used valuation techniques which involve certain estimates. In relying on the valuation reports, management has exercised judgement to ensure that the valuation methods and estimates are reflective of current market conditions.



# INDEPENDENT AUDITOR'S REPORT

to the Members of OXLEY HOLDINGS LIMITED

## Key audit matters (cont'd)

### (1) Fair value of investment properties and properties classified as property, plant and equipment (cont'd)

Our audit procedures included (a) assessing of the professional competence and objectivity of the valuers and discussion with management to understand the credentials of the valuers engaged; (b) inquiring whether there were other matters that might affect the valuers' professional objectivity and checks were performed to verify that the valuers engaged by management are members of a professional body or registered with a particular association or institute which requires its members to comply with the relevant code of ethics and professional conduct; and (c) obtaining an understanding of the basis of the valuation. We considered the valuation methodologies used by management and by other valuers for similar property types. We also performed an independent assessment on the key assumptions and estimates used in the valuation by comparing them against historical and available industry data.

We instructed the component auditors to carry out the similar audit procedures and reviewed their work.

We also assessed the adequacy of the Group's disclosures about those assumptions to which the outcome of the valuation is most sensitive, that is, those that have the most significant effect on the determination of the fair values of the investment properties and properties classified as property, plant and equipment.

### (2) Net realisable value of development properties

Please also refer to Notes 2A, 2C and 21 to the financial statements.

The Group is primarily engaged in property development activities and has significant development properties as at the end of the reporting year.

The Group has a business presence across a number of countries overseas. Changes on demand arising from government policies and changes in global economic activity might exert downward pressure on transaction volumes and properties prices in the global market.

A review by management is made on development properties held-for-sale for any decline in net realisable value below cost and an allowance is recorded against the carrying amount for any such decline. The review requires management to consider the future demand for the development properties. 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. Estimating the net realisable value requires 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.

Our audit procedures included (a) checking of the net realisable value of the development properties held-for-sale by comparing cost to subsequent selling prices; (b) assessing the reasonableness of the expected selling price of the unsold development properties used in the impairment assessment against historical and available industry data, taking into consideration comparability and external market factors; and (c) obtaining assurance over the appropriateness of management's assumptions applied in calculating the value of impairment allowances by assessing the Group's expectations for future sales.

# INDEPENDENT AUDITOR'S REPORT

to the Members of OXLEY HOLDINGS LIMITED

## Key audit matters (cont'd)

### (2) Net realisable value of development properties (cont'd)

We instructed the component auditors to carry out the similar audit procedures and reviewed their work.

We satisfied ourselves that the allowances for write down of unsold development properties are supportable on the basis of historical trends as well as management's expectations for future sales.

## Information other than the financial statements and auditor's report thereon

Management is responsible for the other information. The other information comprises the statement by directors and annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



# INDEPENDENT AUDITOR'S REPORT

to the Members of OXLEY HOLDINGS LIMITED

## Auditor's responsibilities for the audit of the financial statements (cont'd)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# INDEPENDENT AUDITOR'S REPORT

to the Members of OXLEY HOLDINGS LIMITED

## 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 auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chan Weng Keen.

RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

28 September 2018

Engagement partner - effective from reporting year ended 30 June 2016



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Reporting year ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000
<b>Revenue</b>	5	1,188,613	1,343,019
Cost of sales		(1,003,023)	(956,822)
<b>Gross profit</b>		185,590	386,197
Other income	6	8,809	2,900
Interest income		5,758	2,526
Other gains	7	142,110	21,118
Marketing and distribution costs		(14,538)	(11,003)
Administrative expenses		(52,345)	(42,589)
Other losses	7	(8,492)	(18,321)
Finance costs	9	(64,597)	(41,639)
Share of profit from equity-accounted associates and joint ventures		103,044	263
<b>Profit before income tax</b>		305,339	299,452
Income tax expense	10	(23,216)	(71,802)
<b>Profit, net of tax</b>		282,123	227,650
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Surplus on properties revaluation, net of tax		30,098	73,114
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Fair value gain on available-for-sale financial assets, net		12,286	–
Exchange gain on translating foreign operations, net		24,499	1,291
Total other comprehensive income, net of tax		66,883	74,405
Total comprehensive income		349,006	302,055
<b>Profit / (loss), net of tax attributable to:</b>			
Owners of the Company		285,028	218,105
Non-controlling interests		(2,905)	9,545
		282,123	227,650
<b>Total comprehensive income / (loss) attributable to:</b>			
Owners of the Company		351,938	292,525
Non-controlling interests		(2,932)	9,530
		349,006	302,055
		<b>2018</b>	<b>2017</b>
		<b>Cents</b>	<b>Cents</b>
<b>Basic and diluted earnings per share</b>	11	7.27	5.65

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

# STATEMENTS OF FINANCIAL POSITION

As at 30 June 2018

	Notes	Group		Company	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>ASSETS</b>					
<b><u>Non-current assets</u></b>					
Property, plant and equipment	13	971,918	910,639	2,816	2,811
Investment properties	14	1,213,551	484,723	–	–
Investments in subsidiaries	15	–	–	40,807	30,074
Investments in associates	16	211,652	179,140	490	490
Investments in joint ventures	17	75,176	37,022	16,074	13,074
Deferred tax assets	10	1,530	846	–	–
Other receivables	18	167,036	31,046	1,385,080	602,405
Available-for-sale financial assets	19	380,905	2,239	362,330	–
<b>Total non-current assets</b>		<b>3,021,768</b>	<b>1,645,655</b>	<b>1,807,597</b>	<b>648,854</b>
<b><u>Current assets</u></b>					
Asset classified as held for sale	20	118,162	4,606	–	–
Inventories		52	–	–	–
Development properties	21	2,143,716	2,012,651	–	–
Trade and other receivables	22	417,293	481,166	722,211	1,163,138
Other assets	23	39,517	50,269	4,839	300
Cash and cash equivalents	24	254,980	413,545	30,830	37,181
<b>Total current assets</b>		<b>2,973,720</b>	<b>2,962,237</b>	<b>757,880</b>	<b>1,200,619</b>
<b>Total assets</b>		<b>5,995,488</b>	<b>4,607,892</b>	<b>2,565,477</b>	<b>1,849,473</b>

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



# STATEMENTS OF FINANCIAL POSITION

As at 30 June 2018

	Notes	Group		Company	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>EQUITY AND LIABILITIES</b>					
<b><u>Equity attributable to owners of the Company</u></b>					
Share capital	25	239,475	154,363	239,475	154,363
Retained earnings		925,621	690,347	170,505	264,059
Other reserves	26	270,638	200,099	15,915	–
<b>Equity, attributable to owners of the Company</b>		<b>1,435,734</b>	<b>1,044,809</b>	<b>425,895</b>	<b>418,422</b>
Non-controlling interests		41,282	44,072	–	–
<b>Total equity</b>		<b>1,477,016</b>	<b>1,088,881</b>	<b>425,895</b>	<b>418,422</b>
<b><u>Non-current liabilities</u></b>					
Deferred tax liabilities	10	64,850	86,498	–	–
Other financial liabilities	27	3,213,762	1,849,558	402,934	344,437
<b>Total non-current liabilities</b>		<b>3,278,612</b>	<b>1,936,056</b>	<b>402,934</b>	<b>344,437</b>
<b><u>Current liabilities</u></b>					
Deferred tax liabilities on asset classified as held for sale	10	3,226	–	–	–
Income tax payable		38,239	108,628	–	1,577
Trade and other payables	28	475,771	469,063	1,545,570	919,484
Other financial liabilities	27	246,761	609,565	191,078	165,553
Other liabilities	29	475,863	395,699	–	–
<b>Total current liabilities</b>		<b>1,239,860</b>	<b>1,582,955</b>	<b>1,736,648</b>	<b>1,086,614</b>
<b>Total liabilities</b>		<b>4,518,472</b>	<b>3,519,011</b>	<b>2,139,582</b>	<b>1,431,051</b>
<b>Total equity and liabilities</b>		<b>5,995,488</b>	<b>4,607,892</b>	<b>2,565,477</b>	<b>1,849,473</b>

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

# STATEMENTS OF CHANGES IN EQUITY

Reporting year ended 30 June 2018

	Share capital \$'000	Retained earnings \$'000	Other reserves \$'000	Equity attributable to owners of the Company \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>Group</b>						
<b>Current year:</b>						
Opening balance at 1 July 2017	154,363	690,347	200,099	1,044,809	44,072	1,088,881
Issue of share capital	78,170	–	–	78,170	–	78,170
Placement of treasury shares (Note 25)	9,517	–	3,629	13,146	–	13,146
Purchase of treasury shares (Note 25)	(2,575)	–	–	(2,575)	–	(2,575)
Return of capital contribution to non-controlling interests of subsidiaries	–	–	–	–	(965)	(965)
Increase in capital contribution by non-controlling interests of subsidiaries	–	–	–	–	1,107	1,107
Total comprehensive income / (loss) for the year	–	285,028	66,910	351,938	(2,932)	349,006
Dividends paid (Note 12)	–	(49,754)	–	(49,754)	–	(49,754)
Closing balance at 30 June 2018	239,475	925,621	270,638	1,435,734	41,282	1,477,016
<b>Previous year:</b>						
Opening balance at 1 July 2016	156,025	502,959	125,679	784,663	180,557	965,220
Purchase of treasury shares (Note 25)	(1,662)	–	–	(1,662)	–	(1,662)
Return of capital contribution to non-controlling interests of subsidiaries	–	–	–	–	(490)	(490)
Increase in capital contribution by non-controlling interests of subsidiaries	–	–	–	–	694	694
Total comprehensive income for the year	–	218,105	74,420	292,525	9,530	302,055
Dividends paid (Note 12)	–	(30,717)	–	(30,717)	(146,219)	(176,936)
Closing balance at 30 June 2017	154,363	690,347	200,099	1,044,809	44,072	1,088,881

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



# STATEMENTS OF CHANGES IN EQUITY

Reporting year ended 30 June 2018

	Share capital \$'000	Retained earnings \$'000	Other reserves \$'000	Total equity \$'000
<b>Company</b>				
<b>Current year:</b>				
Opening balance at 1 July 2017	154,363	264,059	–	418,422
Issue of share capital	78,170	–	–	78,170
Placement of treasury shares (Note 25)	9,517	–	3,629	13,146
Purchase of treasury shares (Note 25)	(2,575)	–	–	(2,575)
Total comprehensive (loss) / income for the year	–	(43,800)	12,286	(31,514)
Dividends paid (Note 12)	–	(49,754)	–	(49,754)
Closing balance at 30 June 2018	239,475	170,505	15,915	425,895
<b>Previous year:</b>				
Opening balance at 1 July 2016	156,025	119,657	–	275,682
Purchase of treasury shares (Note 25)	(1,662)	–	–	(1,662)
Total comprehensive income for the year	–	175,119	–	175,119
Dividends paid (Note 12)	–	(30,717)	–	(30,717)
Closing balance at 30 June 2017	154,363	264,059	–	418,422

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

Reporting year ended 30 June 2018

	2018 \$'000	2017 \$'000
<b>Cash flows from operating activities</b>		
Profit before income tax	305,339	299,452
Dividend income	(4,250)	–
Interest income	(5,758)	(2,526)
Finance costs	64,597	41,639
Share of profit from equity-accounted associates and joint ventures	(103,044)	(263)
Depreciation of property, plant and equipment	14,068	670
Property, plant and equipment written-off	89	88
Impairment loss on development properties	462	18,280
Bad debt written-off	302	–
Fair value gains on derivative financial instruments	(1,862)	(1,514)
Gains on fair value changes in investment properties	(117,829)	(16,274)
Gains on disposal of property, plant and equipment	–	(16)
Gains on sale of investment properties	(21,152)	–
Net effect of exchange rate changes	(12,943)	(19,103)
Operating cash flows before changes in working capital	118,019	320,433
Inventories	(52)	–
Development properties	(120,318)	470,459
Trade and other receivables	94,499	(165,004)
Other assets	15,891	(28,743)
Trade and other payables	25,006	102,293
Other liabilities	80,164	(209,805)
Cash flows from operations	213,209	489,633
Income taxes paid	(98,111)	(28,345)
<b>Net cash flows generated from operating activities</b>	<b>115,098</b>	<b>461,288</b>

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



# CONSOLIDATED STATEMENT OF CASH FLOWS

Reporting year ended 30 June 2018

	2018 \$'000	2017 \$'000
<b><u>Cash flows from investing activities</u></b>		
Additions of property, plant and equipment	(30,890)	(124,302)
Additions of investment properties	(862,497)	(54,562)
Acquisition of available-for-sale financial assets	(362,657)	–
Other receivables, non-current	26,319	1,585
Proceeds from disposal of property, plant and equipment	–	122
Proceeds from sale of investment properties	200,522	3,200
Investments in associates	(5,508)	(33,576)
Investments in joint ventures	(3,000)	(4,089)
Dividends from associates and joint ventures	35,670	18,246
Dividends from available-for-sale financial assets	4,250	–
Advances to joint ventures	(162,309)	–
Interest income received	5,758	2,526
<b>Net cash flows used in investing activities</b>	<b>(1,154,342)</b>	<b>(190,850)</b>
<b><u>Cash flows from financing activities</u></b>		
Proceeds from issuance of new shares, by way of cash	79,968	–
Share issuance cost	(1,798)	–
Dividends paid to equity owners	(49,754)	(30,717)
Dividends paid to non-controlling interests	–	(146,219)
Purchase of treasury shares	(2,575)	(1,662)
Proceeds from placement of treasury shares	13,146	–
Proceeds from borrowings	1,656,935	1,647,747
Repayment of borrowings	(655,012)	(1,842,624)
Advances (to) / from non-controlling shareholders	(48,924)	63,342
Return of capital contribution to non-controlling interests of subsidiaries	(965)	(490)
Increase in capital contribution by non-controlling interests of subsidiaries	1,107	694
Interest expense paid	(113,474)	(100,160)
<b>Net cash flows generated from / (used in) financing activities</b>	<b>878,654</b>	<b>(410,089)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(160,590)</b>	<b>(139,651)</b>
Cash and cash equivalents, at beginning of the reporting year	413,545	551,253
Effects of exchange rate changes on cash held in foreign currency	2,025	1,943
<b>Cash and cash equivalents, at end of the reporting year (Note 24)</b>	<b>254,980</b>	<b>413,545</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 1. General

Oxley Holdings Limited (the “Company”) is incorporated in Singapore with limited liability. It is listed on the Main Board of Singapore Exchange Securities Trading Limited (“SGX-ST”).

The financial statements cover the Company and its subsidiaries, the Group’s interests in joint ventures and associates (collectively the “Group”). All financial information are presented in Singapore Dollar (“\$”) have been rounded to the nearest thousand (“\$’000”) unless when otherwise indicated.

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

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries are described in Note 39 below.

The registered office and principal place of business of the Company is located at 138 Robinson Road, #30-01 Oxley Tower, Singapore 068906.

### Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore (“FRSs”) and the related Interpretations to FRS (“INT FRS”) as issued by the Singapore Accounting Standards Council and the Singapore Companies Act, Chapter 50 (the “Act”). The financial statements are prepared on a going concern basis under the historical cost convention except where FRSs require an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss, as required or permitted by FRSs.

### Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity’s accounting policies. The areas requiring management’s most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2C below, where applicable.

### 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 Group 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 2018

## 1. General (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 Act, the Company's separate statement of profit or loss and other comprehensive income and statement of cash flows are not presented.

## 2. Significant accounting policies and other explanatory information

### 2A. Significant accounting policies

#### 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.

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

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 costs 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.

Revenue from hotel ownership and operation of hotels is recognised at the point at which the accommodation and related services are provided.

Interest income is recognised using the effective interest method.

Dividend income from equity instruments is recognised when the entity's right to receive dividend is established.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### 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.

#### *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 necessary to make the sale.

#### *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 similar manner as development properties completed and 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.

#### *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.

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.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Development properties (cont'd)

*Development properties in the process of development accounted under the stage of completion method (cont'd)*

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.

#### Inventories

Inventories are measured at the lower of cost (first-in-first-out method) and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. 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.

#### 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 is obligated 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.

#### Operating leases

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.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Interest expense is calculated using the effective interest 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 the sale is complete.

#### Foreign currency transactions

The functional currency is the Singapore Dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value 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 qualifying cash flow hedges. The presentation is in the functional currency.

#### Translation of financial statements of other entities

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

#### 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 it is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. 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 by the end of the reporting year; 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 the end of each 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, associates and joint arrangements, 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.

#### Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition. After initial recognition, property, plant and equipment other than hotel property and freehold properties are carried at cost less any accumulated depreciation and any accumulated impairment losses.

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.

Hotel property and freehold properties are carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be measured using fair value at the end of the reporting year and the entire class of property, plant and equipment to which that asset belongs is revalued.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Property, plant and equipment (cont'd)

When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income and accumulated in equity under the heading of revaluation reserve except that the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

When an asset's carrying amount is decreased, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus. The revaluation reserve included in equity is transferred directly to retained earnings when the asset is derecognised.

When an item of property, plant and equipment is revalued, the carrying amount of that asset is adjusted to the revalued amount. At the date of the revaluation, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

The gain or loss arising from the derecognition of an item of property, 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. Any amount in revaluation reserve relating to the revalued amount of the asset is transferred to retained earnings directly.

#### Depreciation

Depreciation is provided on a straight-line method 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 other than linen, china glassware, silver and uniforms used in the hotel business.

The annual rates of depreciation are as follows:

Hotel property	–	3 to 98 years
Freehold properties	–	60 years
Fixtures and equipment	–	3 to 5 years
Renovation	–	3 to 4 years

Linen, china glassware, silver and uniforms are stated at original cost and all subsequent purchases for replacement, if any, are written-off to profit or loss.

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.

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Property, plant and equipment (cont'd)

##### Depreciation (cont'd)

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.

##### Investment property

Investment property is property (land or a 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 in the course of construction.

After initial recognition at cost including transaction costs the fair value model is used to measure the investment property at fair value as of the end of the reporting year. A gain or loss arising from a change in the fair value of investment property is included in profit or loss for the reporting year in which it arises. The fair values are measured periodically on a systematic basis at least once yearly by external independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of property being valued.

Until construction or development is complete, a property is classified as investment property if the units are to be held for investments. It is not classified as investment property if it is acquired exclusively with a view to subsequent disposal in the near future or for development and resale or it is held for future development and subsequent use as owner-occupied property.

##### Subsidiaries

A subsidiary is an entity including unincorporated and 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 Company'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.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### 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 accounting policy for joint ventures are set out in associates and joint ventures below.

#### Associates and joint ventures

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Group account for its investment in associates and joint ventures using the equity method from the date on which the investee becomes an associate or joint venture.

An investment in an associate or joint venture includes goodwill on acquisition, which is accounted for in accordance with FRS 103 Business Combinations. However, the entire carrying amount of the investment is tested under FRS 36 for impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in FRS 39 indicates that the investment may be impaired.

Any excess of the investor's share of the net fair value of the identifiable assets, and liabilities over the cost of the investment of the associate or joint venture is excluded from the carrying amount of the investment and is instead included as income in the determination of the investor's share of the profit or loss of the associate or joint venture in the period in which the investment is acquired.

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 investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income or loss includes its share of the investee's other comprehensive income or loss. Losses of the investee in excess of the investor's interest in the relevant investee are not recognised except to the extent that the investor has an obligation. Profits and losses resulting from transactions between the Group and an associate or joint venture are recognised in the consolidated financial statements only to the extent of unrelated Group's interests in the investee. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Distributions received from associates or joint ventures reduce the carrying amount of the investment. Accounting policies of investees are changed where necessary to ensure consistency with the policies adopted by the Group.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Associates and joint ventures (cont'd)

The Group discontinues the use of the equity method from the date that when its investment ceases to be an associate or joint venture and accounts for the investment in accordance with FRS 39 from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former associate or joint venture is measured at fair value at the date that it ceases to be an associate or joint venture.

In the Company's separate financial statements, an investment in an associate or joint venture is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate or 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. The carrying value and the net book value of an investment in the associate or joint venture are not necessarily indicative of the amounts that would be realised in a current market exchange.

#### Business combinations

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with FRS 32 and FRS 39. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under FRS 103. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss.

#### 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 Company. 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 Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### Impairment of non-financial assets

The carrying amount of 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 unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Impairment of non-financial assets (cont'd)

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, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year, non-financial assets 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.

An impairment loss on a revalued asset is recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset.

#### 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. When the settlement date accounting is applied, any change in the fair value of the asset to be received during the period between the trade date and the settlement date is recognised in net profit or loss for assets classified as trading.

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: Assets are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading assets) 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. All changes in fair value relating to assets at fair value through profit or loss are recognised directly in profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Financial assets (cont'd)

Subsequent measurement (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 the 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. 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 2018

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Cash and cash equivalents

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

#### 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.

Subsequent measurement:

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

- #1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.
- #2. Liabilities at amortised cost: These liabilities are carried at amortised cost using the effective interest method.

#### 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 and all the strict hedging criteria prescribed by FRS 39 are not met. In those cases, 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.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### 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.

#### Fair value 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. It is a market-based measurement, not an entity-specific measurement. The entity's intention to hold an asset or to settle or otherwise fulfill 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 categorise the inputs used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated 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 2018

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2B. Other explanatory information

#### 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.

#### Assets classified as held for sale

Identifiable assets and liabilities and any disposal groups are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, except as permitted by FRS 105 in certain circumstances. It can include a subsidiary acquired exclusively with a view to resale. Assets that meet the criteria to be classified as held for sale are measured at the lower of carrying amount and fair value less costs of disposal and are presented separately on the face of the statement of financial position.

Once an asset is classified as held for sale or included in a group of assets held for sale, no further depreciation or amortisation is recorded. Impairment losses on initial classification of the balances as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement.

#### Treasury shares

Where the entity reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's owners and no gain or loss is recognised in profit or loss.

### 2C. 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.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

#### *Fair values of investment properties and properties classified as property, plant and equipment*

The Group carries its investment properties and properties classified as property, plant and equipment at fair value with changes in fair value being recognised in profit or loss and other comprehensive income respectively. In determining the fair values, the independent professional valuers engaged by management have used valuation techniques which involve certain estimates. In relying on the valuation reports, management has exercised judgement to ensure that the valuation methods and estimates are reflective of current market conditions. The carrying amounts and the key assumptions used to determine the fair values are disclosed in Notes 13 and 14.

#### *Net realisable value of development properties*

The Group has a business presence across a number of countries overseas. Changes on demand arising from government policies and changes in global economic activity might exert downward pressure on transaction volumes and properties prices in the global market. A review by management is made on development properties held for sale for declines in net realisable value below cost and an allowance is recorded against the carrying amount 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. Estimating the net realisable value requires 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 Notes 7 and 21.

#### *Accounting for construction contracts*

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 Note 21.

#### *Classification of properties under hotel segment*

Management applies judgement in determining the classification of hotels owned by the Group. In determining whether a hotel property owned by the Group is classified as investment property or property, plant and equipment, management considers, among other qualitative factors, the business model, whether the Group could intervene in operating and financial decisions regarding the operations of the property, whether the Group's returns would represent a percentage of the hotels' actual results and whether the Group could terminate the management agreements signed with the operators. Such consideration requires significant judgement. The carrying amount of the Group's hotel properties is disclosed in Note 13.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

#### *Income tax amounts*

The Group may have exposure to income taxes in the jurisdictions where it operates. The Group recognises tax liabilities and assets based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. There are certain transactions and computations for which the ultimate determination is uncertain during the ordinary course of business as the administration, enforcement and interpretation of complex tax laws and regulations may be subject to uncertainties and a certain degree of discretion by the local tax authorities. 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 judgemental and not susceptible to precise determination. 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 reporting year in which such determination is made. Management believes that the amounts recognised for current and deferred income taxes are adequate. The carrying amounts of income taxes are disclosed in the statements of financial position and Note 10.

#### *Deferred tax – recovery of underlying assets*

The deferred tax relating to an asset is dependent on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in FRS 40 Investment Property or when fair value is required or permitted by a FRS for a non-depreciable non-financial asset. Management has taken the view that there is clear evidence that it will be recovered entirely through sale. Accordingly, there will be no deferred tax liability on investment properties in Singapore as there is no capital gains tax in Singapore.

#### *Useful lives of property, plant and equipment*

The cost of property, plant and equipment is depreciated on a straight-line basis over their respective useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 98 years. The estimation of the useful lives and residual amount involves assumptions concerning the future and estimations of the assets common life expectancies and expected level of usage. Any changes in the expected useful lives of these assets would affect the net carrying amount of property, plant and equipment, and the depreciation charge for the reporting year.

The carrying amount of the Group's property, plant and equipment as at the end of the reporting year and the annual depreciation charge for the current reporting year are disclosed in Note 13.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

#### *Classification of investment in an associate*

The Group owns a 20% equity interest in Galliard (Group) Limited ("Galliard"). Galliard has issued warrants to an investor and if the warrant holder were to exercise its rights to convert the warrants into new ordinary shares in the capital of Galliard, the Group's equity interest in Galliard would reduce to 18%. Significant influence is presumed to exist (or not exist) when an entity holds 20% or more (or less than 20%) of the voting rights of another entity, unless it can be clearly demonstrated otherwise. Management has exercised significant judgement and determine that the Group continues to have significant influence over Galliard given, among other factors, the Group's participation in policy-making processes and decision-making about dividends and other distributions through its board representation. Based on these factors, management has classified Galliard as an associate in these financial statements. See Note 40.

## 3. Related party relationships and transactions

FRS 24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling parties are Ching Chiat Kwong and Low See Ching, who are directors and controlling shareholders of the Company.

### 3A. Members of the Group

Related companies in these financial statements include the members of the Group. Associates and joint ventures also include those that are associates and joint ventures of members of the Group.

### 3B. Related party transactions

There are transactions and arrangements between the Group and its related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and financial guarantees, if any, are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

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

### 3B. Related party transactions (cont'd)

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

In addition to the transactions disclosed elsewhere in the notes to the financial statements, the significant related party transactions are as follows:

	Group	
	2018	2017
	\$'000	\$'000
<u>Related parties</u>		
Purchase of goods and services for construction of development properties <sup>(a)</sup>	–	(2,294)
Showroom building costs <sup>(a)</sup>	–	(370)
Revenue – sale of development property <sup>(b)</sup>	–	9,000
Development property – purchase of land <sup>(b)</sup>	(38,000)	–
<u>Non-controlling interests</u>		
Interest income	638	618
Interest expense	(1,116)	(1,422)
<u>Joint ventures</u>		
Interest income	1,660	514

(a) A director of the Company, Ching Chiat Kwong, is a shareholder of these companies.

(b) Two directors of the Company, Ching Chiat Kwong and Low See Ching, are shareholders of these companies.

### 3C. Key management compensation

	Group	
	2018	2017
	\$'000	\$'000
Salaries and other short-term employee benefits	22,927	20,191



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

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

### 3C. Key management compensation (cont'd)

The above amount is recorded under administrative expenses and included the following items:

	Group	
	2018	2017
	\$'000	\$'000
Remuneration to directors of the Company	20,722	18,295
Fees to directors of the Company	286	260

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.

Further information about the remuneration of individual directors is provided in the Corporate Governance Report.

## 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 financial performance or financial position of the Company.

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

- Property development
- Property investment
- Hotel
- Corporate

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.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

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

### 4B. Business segments

The following table illustrates the information about the reportable segment, profit or loss, assets and liabilities.

	Property development \$'000	Property investment \$'000	Hotel \$'000	Corporate \$'000	Group \$'000
<u>2018</u>					
Segment revenue:					
Revenue from external parties	1,145,333	–	21,247	–	1,166,580
Rental income	–	20,814	1,219	–	22,033
Total revenue	1,145,333	20,814	22,466	–	1,188,613
Segment result	132,586	6,494	(16,415)	(2,374)	120,291
Share of profit from equity- accounted joint ventures and associates	–	–	–	103,044	103,044
Fair value (losses) / gains on financial instruments	(2)	(424)	253	2,035	1,862
Fair value gains on investment properties	–	117,829	–	–	117,829
Gain on sale of investment property	–	21,152	–	–	21,152
Interest income	614	638	–	4,506	5,758
Finance costs	(3,369)	(15,261)	(14,312)	(31,655)	(64,597)
Profit / (loss) before income tax	129,829	130,428	(30,474)	75,556	305,339
Income tax (expense) / income	(42,339)	16,674	4,582	(2,133)	(23,216)
Profit / (loss), net of tax	87,490	147,102	(25,892)	73,423	282,123
Other significant items:					
Depreciation expenses	(269)	(1)	(11,890)	(1,908)	(14,068)
Impairment on development properties	(462)	–	–	–	(462)

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

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

### 4B. Business segments (cont'd)

	Property development \$'000	Property investment \$'000	Hotel \$'000	Corporate \$'000	Group \$'000
<u>2017</u>					
Segment revenue:					
Revenue from external parties	1,332,137	–	–	–	1,332,137
Rental income	–	10,882	–	–	10,882
Total revenue	1,332,137	10,882	–	–	1,343,019
Segment result	323,941	1,156	(5,698)	1,115	320,514
Share of profit from equity- accounted joint ventures and associates	–	–	–	263	263
Fair value (losses) / gains on financial instruments	(4)	(88)	(831)	2,437	1,514
Fair value gains on investment properties	–	16,274	–	–	16,274
Interest income	1,514	–	2	1,010	2,526
Finance costs	(5,314)	(3,785)	(144)	(32,396)	(41,639)
Profit / (loss) before income tax	320,137	13,557	(6,671)	(27,571)	299,452
Income tax expense	(64,102)	(3,597)	–	(4,103)	(71,802)
Profit / (loss), net of tax	256,035	9,960	(6,671)	(31,674)	227,650
Other significant items:					
Depreciation expenses	(251)	(3)	–	(416)	(670)
Impairment on development properties	(18,280)	–	–	–	(18,280)

### 4C. Information about major customers

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

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

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

### 4D. Assets and reconciliations

	Property development \$'000	Property investment \$'000	Hotel \$'000	Corporate \$'000	Group \$'000
<u>2018</u>					
Segment assets	2,752,285	1,410,706	920,359	244,405	5,327,755
Investments in joint ventures and associates	–	–	–	286,828	286,828
Available-for-sale financial assets	–	–	–	380,905	380,905
Total assets	<u>2,752,285</u>	<u>1,410,706</u>	<u>920,359</u>	<u>912,138</u>	<u>5,995,488</u>
<u>2017</u>					
Segment assets	2,553,263	560,184	857,896	418,148	4,389,491
Investments in joint ventures and associates	–	–	–	216,162	216,162
Available-for-sale financial assets	–	–	–	2,239	2,239
Total assets	<u>2,553,263</u>	<u>560,184</u>	<u>857,896</u>	<u>636,549</u>	<u>4,607,892</u>

### 4E. Liabilities and reconciliations

	Property development \$'000	Property investment \$'000	Hotel \$'000	Corporate \$'000	Group \$'000
<u>2018</u>					
Segment liabilities	<u>1,475,632</u>	<u>765,242</u>	<u>560,669</u>	<u>1,716,929</u>	<u>4,518,472</u>
<u>2017</u>					
Segment liabilities	<u>1,302,478</u>	<u>235,150</u>	<u>538,450</u>	<u>1,442,933</u>	<u>3,519,011</u>



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

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

### 4F. Other material items and reconciliations

	Property development \$'000	Property investment \$'000	Hotel \$'000	Corporate \$'000	Group \$'000
<u>Additions of property, plant and equipment:</u>					
2018	1,130	–	36,428	1,108	38,666
2017	286	4	128,143	6,148	134,581
<u>Additions of investment properties:</u>					
2018	–	870,893	–	–	870,893
2017	–	62,069	–	–	62,069

### 4G. 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, property investment, hotel and corporate
- United Kingdom – property development and property investment
- Cambodia – property development
- Malaysia – property development
- Ireland – property development and property investment
- Australia – property development

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

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

### 4G. 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 \$'000	United Kingdom \$'000	Cambodia \$'000	Malaysia \$'000	Australia \$'000	Ireland \$'000	Others \$'000	Group \$'000
<u>2018</u>								
Revenue	114,069	1,074,544	-	-	-	-	-	1,188,613
Non-current assets	161,709	3,096	-	3,761	-	-	-	168,566
Property, plant and equipment	970,435	1,371	-	-	-	-	112	971,918
Investment properties	1,105,510	14,899	-	-	-	93,142	-	1,213,551
Investments in associates	14,687	153,406	-	-	37,767	-	5,792	211,652
Investments in joint ventures	4,577	-	53,718	16,881	-	-	-	75,176
Available-for-sale financial assets	362,330	-	-	7,588	8,748	-	2,239	380,905
Total non-current assets	2,619,248	172,772	53,718	28,230	46,515	93,142	8,143	3,021,768
<u>2017</u>								
Revenue	1,008,635	334,384	-	-	-	-	-	1,343,019
Non-current assets	27,572	32	331	3,677	-	267	13	31,892
Property, plant and equipment	910,639	-	-	-	-	-	-	910,639
Investment properties	295,113	-	-	-	-	189,610	-	484,723
Investments in associates	(17)	143,069	-	-	36,088	-	-	179,140
Investments in joint ventures	3,888	-	9,736	16,059	4,041	-	3,298	37,022
Available-for-sale financial assets	-	-	-	-	-	-	2,239	2,239
Total non-current assets	1,237,195	143,101	10,067	19,736	40,129	189,877	5,550	1,645,655

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 5. Revenue

	Group	
	2018	2017
	\$'000	\$'000
<hr/>		
Revenue from sale of development properties:		
– recognised on completion of construction method	1,074,338	1,017,828
– recognised on stage of completion method	72,040	314,309
	1,146,378	1,332,137
Rental income from investment properties	20,848	10,882
Revenue from hotel ownership and operations	21,387	–
Total revenue	<u>1,188,613</u>	<u>1,343,019</u>

## 6. Other income

	Group	
	2018	2017
	\$'000	\$'000
<hr/>		
Rental income	1,185	362
Claims on performance bond	–	1,100
Dividend income	4,250	–
Other income	3,374	1,438
Total other income	<u>8,809</u>	<u>2,900</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 7. Other gains and (other losses)

	Group	
	2018	2017
	\$'000	\$'000
Customer deposits forfeited	757	884
Defect cost	(5,193)	–
Foreign exchange (losses) / gains, net	(1,129)	1,998
Fair value gains on financial instruments	1,862	1,514
Gains on disposal of property, plant and equipment	–	16
Gains on fair value changes in investment properties (Note 14)	117,829	16,274
Gains on sale of investment properties	21,152	–
Impairment loss on development properties (Note 21)	(462)	(18,280)
Other gains	510	432
Other losses	(1,708)	(41)
Net	<u>133,618</u>	<u>2,797</u>
Presented in profit or loss as:		
Other gains	142,110	21,118
Other losses	(8,492)	(18,321)
	<u>133,618</u>	<u>2,797</u>

## 8. Employee benefits expense

	Group	
	2018	2017
	\$'000	\$'000
Short term employee benefits expense	30,639	24,149
Contribution to defined contribution plan	1,133	562
	<u>31,772</u>	<u>24,711</u>

The employee benefits expense is charged to marketing and distribution costs and administrative expenses.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 9. Finance costs

	Group	
	2018	2017
	\$'000	\$'000
Total interest expense	115,999	117,624
Less amounts capitalised in:		
- property, plant and equipment (Note 13)	(7,776)	(10,279)
- investment properties (Note 14)	(8,396)	(7,507)
- development properties (Note 21)	(49,260)	(72,033)
Subtotal	(65,432)	(89,819)
Amortisation of transaction costs capitalised	13,725	13,115
Others	305	719
Total finance costs	<u>64,597</u>	<u>41,639</u>

## 10. Income tax

### 10A. Components of tax expense / (income) recognised in profit or loss

	Group	
	2018	2017
	\$'000	\$'000
<u>Current tax expense</u>		
Current tax expense	40,845	112,805
Under adjustments in respect of prior years	8,265	4,303
Subtotal	<u>49,110</u>	<u>117,108</u>
<u>Deferred tax expense / (income)</u>		
Deferred tax expense / (income)	2,512	(43,774)
Over adjustments in respect of prior years	(28,406)	(1,532)
Subtotal	<u>(25,894)</u>	<u>(45,306)</u>
Total income tax expense	<u>23,216</u>	<u>71,802</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 10. Income tax (cont'd)

### 10A. Components of tax expense / (income) recognised in profit or loss (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 determined by applying the Singapore corporate tax rate of 17% (2017: 17%) to profit before income tax as a result of the following differences:

	Group	
	2018	2017
	\$'000	\$'000
Profit before income tax	305,339	299,452
Less: Share of profits from equity-accounted associates and joint ventures	(103,044)	(263)
	<u>202,295</u>	<u>299,189</u>
Income tax expense at the above rate	34,390	50,862
Effect of different tax rates in different countries	3,225	2,425
Expenses not deductible for tax purposes	11,963	6,288
Income not subject to tax	(20,569)	(355)
Exemptions	(100)	(95)
Withholding tax	14,600	6,012
(Over) / under adjustments to tax in respect of prior years	(20,141)	2,771
Utilisation of previously unrecognised tax losses	(2,889)	–
Deferred tax assets not recognised	2,332	4,700
Other item less than 3% each	405	(806)
Total income tax expense	<u>23,216</u>	<u>71,802</u>

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

### 10B. Deferred tax (income) / expense recognised in profit or loss

	Group	
	2018	2017
	\$'000	\$'000
<u>Arising from changes in temporary differences:</u>		
Tax losses carried forward	(684)	6,966
Profits relating to development properties recognised based on stage of completion method	159	(60,212)
Fair value gains on investment properties	(24,296)	4,315
Others	(1,073)	3,625
Total deferred tax income recognised in profit or loss	<u>(25,894)</u>	<u>(45,306)</u>



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 10. Income tax (cont'd)

### 10C. Deferred tax expense recognised in other comprehensive income

	Group	
	2018	2017
	\$'000	\$'000
<hr/>		
Deferred tax		
Surplus on revaluation of property, plant and equipment	6,788	13,716

### 10D. Deferred tax balances in the statements of financial position

	Group	
	2018	2017
	\$'000	\$'000
<hr/>		
Tax losses carried forward	1,530	846
Profits relating to development properties recognised based on stage of completion method	(159)	–
Fair value gains on investment properties	(12,437)	(36,733)
Surplus on revaluation of property, plant and equipment	(54,963)	(48,175)
Others	(517)	(1,590)
Net balance	(66,546)	(85,652)
<hr/>		
Presented in the statements of financial position as follows:		
Deferred tax assets	1,530	846
Deferred tax liabilities	(64,850)	(86,498)
Deferred tax liabilities on asset classified as held for sale <sup>#</sup>	(3,226)	–
	(66,546)	(85,652)

<sup>#</sup> These relate to deferred tax liabilities on fair value gain on investment property that is classified as held for sale (Note 20).

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

For the Singapore companies, the realisation of the future income tax benefits from tax losses carried forward and temporary differences from capital allowances is available for an unlimited future period subjected to the conditions imposed by law and the retention of majority shareholders.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 10. Income tax (cont'd)

### 10E. Unrecognised deferred tax assets

Group	Unrecognised deferred tax assets			
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Unutilised tax losses carried forward	55,996	42,273	9,519	7,187

No deferred tax asset for the tax losses (including deductible temporary differences, unused tax losses and unused tax credit) has been recognised in respect of the above balance, as the future profit streams are not probable against which the deductible temporary difference can be utilised.

## 11. Earnings per share

Group	2018	2017
	Cents	Cents
Basic and diluted earnings per share	7.27	5.65

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

Group	2018	2017
	\$'000	\$'000
Numerators:		
Profit, net of tax attributable to owners	285,028	218,105
Denominators:		
Weighted average number of equity shares	3,922,848,953	3,862,522,783

Basic and diluted earnings per share ("EPS") are calculated by dividing profit, net of tax for the reporting year attributable to owners of the Company by the weighted average number of equity shares. It is after the neutralisation by the treasury shares.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 11. Earnings per share (cont'd)

The weighted average number of equity shares refers to shares in circulation during the reporting year and for all periods presented are adjusted for events that have changed the number of equity shares outstanding without a corresponding change in resources. The number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period presented. The disclosures for the previous reporting year are revised accordingly. During the current reporting, there were bonus issues of new shares (see Note 25). Because the bonus issues were without consideration, the issuances are treated as if these had occurred before the beginning of the reporting year 2017, the earliest period presented.

There were no dilutive ordinary share equivalent outstanding at the end of the current and previous reporting years.

## 12. Dividends on equity shares

### 12A. Dividends to owners of the Company

	Rate per share		2018 \$'000	2017 \$'000
	2018 Cents	2017 Cents		
Final tax exempt (1-tier) dividend paid in respect of previous reporting year	0.70	0.25	20,638	7,314
Interim exempt (1-tier) dividend paid	0.72	0.80	29,116	23,403
	<u>1.42</u>	<u>1.05</u>	<u>49,754</u>	<u>30,717</u>

In respect of the current reporting year, the directors proposed that a final dividend of 0.78 Singapore Cents per share be paid to shareholders after the annual general meeting. This dividend is subject to approval by shareholders at the forthcoming annual general meeting and has not been included as a liability in these financial statements. The proposed dividend is payable in respect of all ordinary shares (excluding treasury 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 the dividends to owners of the Company.

### 12B. Dividends to non-controlling interests

Interim exempt (1-tier) dividends totalled Nil (2017: \$146,219,000) were declared and paid by certain subsidiaries to their non-controlling shareholders.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 13. Property, plant and equipment

Group	Hotel property \$'000	Freehold properties \$'000	Renovation \$'000	Fixtures and equipment \$'000	Linen, china glassware, silver and uniforms \$'000	Assets under construction \$'000	Total \$'000
<u>Cost or valuation:</u>							
At 1 July 2016	-	-	839	1,294	-	689,174	691,307
Additions	-	-	2,622	518	-	131,441	134,581
Disposal	-	-	-	(145)	-	-	(145)
Written-off	-	-	(201)	(246)	-	-	(447)
Reclassification	-	57,000	-	-	-	(57,000)	-
Revaluation increase	-	-	-	-	-	86,750	86,750
Foreign exchange adjustments	-	-	(12)	14	-	-	2
At 30 June 2017	-	57,000	3,248	1,435	-	850,365	912,048
Additions	-	754	464	5,375	1,223	30,850	38,666
Written-off	-	-	(302)	(46)	-	-	(348)
Reclassification	885,534	-	-	111	-	(885,645)	-
Revaluation increase	30,901	1,555	-	-	-	4,430	36,886
Elimination of depreciation on revaluation	(11,035)	(950)	-	-	-	-	(11,985)
Foreign exchange adjustments	-	12	11	5	-	-	28
At 30 June 2018	905,400	58,371	3,421	6,880	1,223	-	975,295
<u>Represented by:</u>							
Cost	-	-	3,421	6,880	1,223	-	11,524
Valuation	905,400	58,371	-	-	-	-	963,771
	905,400	58,371	3,421	6,880	1,223	-	975,295

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 13. Property, plant and equipment (cont'd)

Group	Hotel property \$'000	Freehold properties \$'000	Renovation \$'000	Fixtures and equipment \$'000	Linen, china glassware, silver and uniforms \$'000	Assets under construction \$'000	Total \$'000
<u>Accumulated depreciation:</u>							
At 1 July 2016	-	-	489	734	-	-	1,223
Depreciation for the year	-	80	264	326	-	-	670
Disposal	-	-	-	(39)	-	-	(39)
Written-off	-	-	(144)	(215)	-	-	(359)
Elimination of depreciation on revaluation	-	(80)	-	-	-	-	(80)
Foreign exchange adjustments	-	-	(5)	(1)	-	-	(6)
At 30 June 2017	-	-	604	805	-	-	1,409
Depreciation for the year	11,035	950	736	1,347	-	-	14,068
Written-off	-	-	(120)	(139)	-	-	(259)
Elimination of depreciation on revaluation	(11,035)	(950)	-	-	-	-	(11,985)
Foreign exchange adjustments	-	-	10	134	-	-	144
At 30 June 2018	-	-	1,230	2,147	-	-	3,377
<u>Carrying value:</u>							
At 30 June 2017	-	57,000	2,644	630	-	850,365	910,639
At 30 June 2018	905,400	58,371	2,191	4,733	1,223	-	971,918

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 13. Property, plant and equipment (cont'd)

Company	Renovation \$'000	Fixtures and equipment \$'000	Total \$'000
<u>Cost:</u>			
At 1 July 2016	198	376	574
Additions	2,723	291	3,014
Written-off	(198)	(246)	(444)
At 30 June 2017	2,723	421	3,144
Additions	716	392	1,108
Transfer	(253)	253	–
Written-off	(265)	(5)	(270)
At 30 June 2018	2,921	1,061	3,982
<u>Accumulated depreciation:</u>			
At 1 July 2016	130	232	362
Depreciation for the year	203	124	327
Written-off	(141)	(215)	(356)
At 30 June 2017	192	141	333
Depreciation for the year	686	272	958
Transfer	(10)	10	–
Written-off	(120)	(5)	(125)
At 30 June 2018	748	418	1,166
<u>Carrying value:</u>			
At 30 June 2017	2,531	280	2,811
At 30 June 2018	2,173	643	2,816

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 13. Property, plant and equipment (cont'd)

Allocation of the depreciation expense:

	Group	
	2018	2017
	\$'000	\$'000
Cost of sales	11,890	–
Administrative expenses	2,178	670
	14,068	670

For each revalued class of property, plant and equipment, the carrying value that would have been recognised had the assets been carried under the cost model is as follows:

Group	Hotel property \$'000	Freehold properties \$'000	Hotel property under construction \$'000
<u>2018</u>			
Cost	639,585	36,320	–
Accumulated depreciation	(9,309)	(685)	–
Carrying value	630,276	35,635	–
<u>2017</u>			
Cost	–	35,554	609,746
Accumulated depreciation	–	(80)	–
Carrying value	–	35,474	609,746

	Group	
	2018	2017
	\$'000	\$'000
Borrowing costs capitalised and included in additions during the year (Note 9)	7,776	10,279

The interest capitalisation rates during the reporting year were 2.66% to 3.25% (2017: 2.14% - 3.43%) per annum.

The fair values of the properties were measured by independent professional valuers, based on recent market prices of assets with similar used condition and configured for use. 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 13. Property, plant and equipment (cont'd)

Details of the Group's properties classified under property, plant and equipment were measured at revalued amounts are as follows:

Description of property	Location	Tenure	Existing use	Gross floor area (sqm)	Carrying value		Interest held by the Group	
					2018 \$'000	2017 \$'000	2018 %	2017 %
Novotel Singapore on Stevens / Mercure Singapore on Stevens	28 Stevens Road, Singapore 257840	103 years from 18 July 2013	Hotel	26,703 (2017: 26,703)	905,400	850,000	100	100
12 office units at Oxley Tower	138 Robinson Road, Singapore 068906	Freehold	Commercial	1,637 (2017: 1,637)	57,000	57,000	100	100
Concierge at Royal Wharf	North Woolwich Road, London, E16 United Kingdom	Freehold	Commercial	667 (2017: Nil)	1,371	-	100	-

The significant unobservable inputs used in the measurement of fair value of properties are:

Description of property	Valuation technique	Fair value hierarchy	Significant unobservable inputs	Inputs		Inter-relationship between unobservable inputs and fair value measurement
				2018	2017	
Novotel Singapore on Stevens / Mercure Singapore on Stevens	Direct comparison	Level 3	Market price per room	\$1,200,000 to \$2,600,000	\$1,200,000	The estimated fair value increases with higher market price per room
	Income capitalisation	Level 3	Capitalisation rate	4.5%	-	The estimated fair value increases with lower capitalisation rate
12 office units at Oxley Tower	Direct comparison	Level 3	Market price per square metre	\$34,820	\$34,820	The estimated fair value increases with higher market price
Concierge at Royal Wharf	Direct comparison	Level 3	Market price per square metre	\$2,055	-	The estimated fair value increases with higher market price

The surplus net of applicable deferred income tax liability on revaluation has been credited to asset revaluation reserve in equity (See Note 26B).

At the end of the reporting year, buildings are pledged to financial institutions as securities for credit facilities (see Note 27).



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 14. Investment properties

	Group	
	2018	2017
	\$'000	\$'000
<u>At fair value:</u>		
Balance at beginning of the year	484,723	403,754
Additions	870,893	62,069
Disposals	(179,370)	(3,200)
Transferred to asset held for sale (Note 20)	(118,162)	–
Transferred from development properties	35,131	–
Gains on fair value included in profit or loss under other gains (Note 7)	117,829	16,274
Foreign exchange adjustments	2,507	5,826
Balance at end of the year	<u>1,213,551</u>	<u>484,723</u>
Rental income from investment properties	20,848	10,882
Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income during the year	<u>(3,676)</u>	<u>(2,217)</u>
Borrowing costs capitalised and included in additions during the year (Note 9)	<u>8,396</u>	<u>7,507</u>

The interest capitalisation rates during the reporting year were 2.66% to 4.00% (2017: 2.14% - 3.49%) per annum.

Certain investment properties are pledged to financial institutions as securities for credit facilities (See Note 27).

There are no restrictions on the realisability of investment properties or the remittance of income and proceeds of disposal.

Certain investment properties are leased out under operating leases. Also see Note 33 on operating lease income commitments.

The fair value of each investment property was measured by independent professional valuers. The firms hold recognised and relevant professional qualification 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.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 14. Investment properties (cont'd)

Details of the Group's properties classified under investment properties were measured at fair values are as follows:

Description of property	Location	Tenure	Existing use	Gross floor area (sqm)	Carrying value		Interest held by the Group	
					2018 \$'000	2017 \$'000	2018 %	2017 %
Space@ Tampines	18 Tampines Industrial Crescent, Singapore 528605	30 years from 10 December 2012	Industrial	65,893 (2017: 65,893)	200,000	200,000	70	70
Chevron House	30 Raffles Place, Singapore 048622	99 years from 7 December 1989	Retail and commercial	37,129 (2017: Nil)	787,000	-	100	-
Commercial units at Novotel and Mercure on Stevens	30 Stevens Road, Singapore 257840	103 years from 18 July 2013	Commercial	2,849 (2017: 2,849)	94,600	90,013	100	100
Floravista	7 Ang Mo Kio Street 66, Singapore 567708	Freehold	Retail and commercial	637 (2017: Nil)	23,910	-	55	-
Industrial unit at Oxley Bizhub	61 Ubi Road 1, Singapore 408727	60 years from 15 November 2010	Industrial	Nil (2017: 864)	-	5,100	-	100
Dublin Landings	North Wall, Quay, Dublin 1, Ireland	Leasehold	Commercial (under construction)	28,722 (2017: 64,145)	93,142	189,610	100	100
Royal Wharf	North Woolwich Road, London E16, United Kingdom	Freehold	Retail and commercial	2,678 (2017: Nil)	14,899	-	100	-
					1,213,551	484,723		



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 14. Investment properties (cont'd)

The significant unobservable inputs used in the measurement of fair value of investment properties are:

Description of property	Valuation technique	Fair value hierarchy	Significant unobservable inputs	Inputs		Inter-relationship between unobservable inputs and fair value measurement
				2018	2017	
Space@ Tampines	Direct comparison	Level 3	Market price per square metre	\$3,035	\$3,035	The estimated fair value increases with higher market price
Chevron House	Direct comparison	Level 3	Market price per square metre	\$21,183	Nil	The estimated fair value increases with higher market price
	Income capitalisation	Level 3	Capitalisation rate	3.60% – 3.85%	Nil	The estimated fair value increases with lower capitalisation rate
	Residual value	Level 3	Gross development value per square metre	\$22,053	Nil	The estimated fair value increases with higher gross development value
Commercial units at Novotel and Mercure on Stevens	Direct comparison	Level 3	Market price per square metre	\$33,205	\$31,595	The estimated fair value increases with higher market price
Floravista	Direct comparison	Level 3	Market price per square metre	\$37,535	Nil	The estimated fair value increases with higher market price
Industrial unit at Oxley Bizhub	Direct comparison	Level 3	Market price per square metre	Nil	\$5,903	The estimated fair value increases with higher market price
Dublin Landings	Direct comparison	Level 3	Market price per square metre	\$3,243	\$2,910	The estimated fair value increases with higher market price
Royal Wharf	Direct comparison	Level 3	Market price per square metre	\$5,563	Nil	The estimated fair value increases with higher market price

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 15. Investments in subsidiaries

	Company	
	2018 \$'000	2017 \$'000
Unquoted equity shares at cost	43,591	32,858
Less: Allowance for impairment	(2,784)	(2,784)
Net carrying value	<u>40,807</u>	<u>30,074</u>
Movements in cost:		
At beginning of the year	32,858	32,035
Additions	13,000	3,000
Disposals	(2,267)	–
Return of capital contribution to owner	–	(2,177)
At end of the year	<u>43,591</u>	<u>32,858</u>
Movements in allowance:		
At beginning of the year	(2,784)	–
Additions	–	(2,784)
At end of the year	<u>(2,784)</u>	<u>(2,784)</u>

Details of subsidiaries in the Group are disclosed in Note 39.

## 16. Investments in associates

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Unquoted equity shares at cost	145,024	139,516	490	490
Share of post-acquisition profits, net of dividends received	66,628	39,624	–	–
Net carrying value	<u>211,652</u>	<u>179,140</u>	<u>490</u>	<u>490</u>
Movements in carrying value:				
Balance at beginning of the year	179,140	159,429	490	490
Additions	5,508	33,576	–	–
Transfer to asset held for sale (Note 20)	–	(4,606)	–	–
Share of profit / (loss) for the year	28,518	(8,694)	–	–
Dividends	(1,603)	(536)	–	–
Foreign exchange adjustments	89	(29)	–	–
Balance at end of the year	<u>211,652</u>	<u>179,140</u>	<u>490</u>	<u>490</u>

Details of associates in the Group are disclosed in Note 40.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 17. Investments in joint ventures

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Unquoted equity shares at cost	56,575	57,941	36,074	33,074
Share of post-acquisition profits / (losses), net of dividends received	18,601	(20,919)	–	–
Less: Allowance for impairment	–	–	(20,000)	(20,000)
Net carrying value	75,176	37,022	16,074	13,074
Movements in carrying value:				
Balance at beginning of the year	37,022	42,787	13,074	23,074
Additions	3,000	4,089	3,000	–
Share of profits for the year	74,526	8,957	–	–
Dividends	(34,067)	(17,710)	–	–
Disposal	(285)	–	–	–
Transfer to available-for-sale financial assets (Note 19)	(4,081)	–	–	–
Allowance for impairment	–	–	–	(10,000)
Foreign exchange adjustments	(939)	(1,101)	–	–
Balance at end of the year	75,176	37,022	16,074	13,074
			<b>Company</b>	
			<b>2018</b>	<b>2017</b>
			<b>\$'000</b>	<b>\$'000</b>
Movement in above allowance for impairment:				
Balance at beginning of the year			20,000	10,000
Impairment loss charged to profit or loss included in other losses			–	10,000
Balance at end of the year			20,000	20,000

Details of joint venture in the Group are disclosed in Note 41.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 18. Other receivables, non-current

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Loans receivable from:				
- Joint ventures	167,036	31,046	162,309	27,530
- Subsidiaries	-	-	1,222,771	574,875
	<u>167,036</u>	<u>31,046</u>	<u>1,385,080</u>	<u>602,405</u>

The above amounts are quasi-equity loans which are unsecured, non-interest bearing and have no fixed terms of repayment but not expected to be settled in the foreseeable future.

## 19. Available-for-sale financial assets

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Quoted equity shares at fair value	362,330	-	362,330	-
Unquoted investments at cost	18,575	2,239	-	-
	<u>380,905</u>	<u>2,239</u>	<u>362,330</u>	<u>-</u>
Movements during the year:				
Balance at beginning of the year	2,239	2,239	-	-
Additions	362,657	-	350,044	-
Transferred from joint venture (Note 17)	4,081	-	-	-
Fair value gains recognised in other comprehensive income (Note 26C)	12,286	-	12,286	-
Foreign exchange adjustments	(358)	-	-	-
Balance at end of the year	<u>380,905</u>	<u>2,239</u>	<u>362,330</u>	<u>-</u>

The quoted equity shares are traded on the SGX-ST and the investee companies are in the real estate industry.

The fair value of quoted equity shares is categorised as Level 1 of the fair value hierarchy.

The fair values of the unquoted investments are deemed to be not reliably measurable as the probabilities of the various estimates within the range cannot be reasonably assessed when used in estimating fair values. Consequently, the investments are carried at cost less allowance for impairment.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 20. Asset classified as held for sale

	Group	
	2018	2017
	\$'000	\$'000
Investment property (Note 14)	118,162	–
Investment in an associate (Note 16)	–	4,606
	118,162	4,606

Investment property relates to Block D2, Dublin Landings, a development in Ireland undertaken by the Group. During the reporting year, the Group has been seeking expression of interest from potential purchasers of Block D2. The Group is currently in negotiation with a buyer and Block D2 is expected to be sold after 30 June 2018.

In the previous reporting year, investment in an associate was related to the Group's interest in MGlory Pte. Ltd., which was sold in May 2017 for a cash consideration of approximately RMB22 million (or equivalent to \$4,606,000). The sale was completed in September 2017.

Details and the significant unobservable inputs used in the measurement of fair value of the asset classified as held for sale are as follows:

Description of property:	Dublin Landings
Location:	North Wall Quay, Dublin 1, Ireland
Tenure:	Leasehold
Existing use:	Commercial
Net lettable area (sqm):	9,018
Carrying value (\$'000):	\$118,162
Valuation technique:	Direct comparison
Fair value hierarchy:	Level 3
Significant unobservable inputs:	Market price per square metre
Inputs:	\$13,103
Inter-relationship between unobservable inputs and fair value measurement:	The estimated fair value increases with higher market price

Management has reviewed and concluded that expected sale met the requirements of FRS105 to be classified as held for sale as at the end of the reporting year. Management has determined that the asset classified as held for sale is carried at lower of carrying amount and fair value less cost to sell.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 21. Development properties

	Group	
	2018 \$'000	2017 \$'000
Completed development properties held for sale	117,648	33,400
Development properties under construction accounted under:		
- Completion of construction method	903,005	1,369,976
- Stage of completion method (Note 21A)	608,138	271,900
	1,511,143	1,641,876
Properties for mixed developments <sup>(a)</sup>	514,925	337,375
	<u>2,143,716</u>	<u>2,012,651</u>

<sup>(a)</sup> Properties for mixed developments consist mainly land designated by management for developments into residential units, hotels, service residences and retail shops.

Development properties are stated after allowance for foreseeable losses as follows:

	Group	
	2018 \$'000	2017 \$'000
Balance at beginning of the year	15,027	17,777
Charged to profit or loss included in other losses (Note 7)	462	18,280
Used	(5,587)	(21,030)
Balance at end of the year	<u>9,902</u>	<u>15,027</u>
Borrowing cost capitalised and included in additions during the year (Note 9)	<u>49,260</u>	<u>72,033</u>

The interest capitalisation rates during the reporting year were 2.35% - 6.38% (2017: 1.84% - 6.00%) per annum.

Certain development properties are mortgaged to financial institutions as securities for the credits facilities extended to the Group (Note 27).

Details of the development properties of the Group are disclosed in Note 42.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 21. Development properties (cont'd)

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

	Group	
	2018 \$'000	2017 \$'000
Aggregate amount of costs incurred and recognised profits to date on uncompleted contracts	662,439	416,922
Less: Progress payments received and receivable	(54,301)	(131,098)
Less: Allowance for foreseeable losses	–	(13,924)
Net carrying value	<u>608,138</u>	<u>271,900</u>

The revenue from development properties recognised using the stage of completion method relates to those development under the progressive payment scheme in Singapore, whereby the legal terms in the sale contract result in the purchaser of the unit in the development project obtains control over the uncompleted unit as the development progresses.

## 22. Trade and other receivables

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<u>Trade receivables:</u>				
Outside parties	215,561	176,466	20,696	13,779
Accrued receivables <sup>(a)</sup>	57,870	202,072	–	–
Subtotal	<u>273,431</u>	<u>378,538</u>	<u>20,696</u>	<u>13,779</u>
<u>Other receivables:</u>				
Subsidiaries	–	–	621,899	1,081,382
Joint ventures	71,622	76,387	44,877	47,732
Associates	14,970	10,282	12,765	9,776
Non-controlling interests	34,988	4,362	–	–
Related parties	20,577	–	20,429	–
Other financial assets (Note 30)	1,705	–	1,545	–
Other investees	–	11,597	–	10,469
Subtotal	<u>143,862</u>	<u>102,628</u>	<u>701,515</u>	<u>1,149,359</u>
Total trade and other receivables	<u>417,293</u>	<u>481,166</u>	<u>722,211</u>	<u>1,163,138</u>

<sup>(a)</sup> Upon the receipt of the Temporary Occupation Permit, the balance of sales consideration to be billed is presented as accrued receivables.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 22. Trade and other receivables (cont'd)

Other receivables with interest bearing balances are as follows:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Interest rate of 3% – 8% (2017: 3% – 8%) per annum				
Subsidiaries	–	–	595,069	852,643
Joint ventures	23,872	18,331	23,872	18,331
Related parties	14,654	–	14,654	–
Other investees	–	10,739	–	9,977

## 23. Other assets

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Deposits and stamp duties paid for purchases of land	10,524	13,376	–	–
Deposits to secure services	5,760	7,844	34	300
Prepayments	23,233	29,049	4,805	–
	39,517	50,269	4,839	300

## 24. Cash and cash equivalents

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Not restricted in use	107,883	214,088	30,830	37,181
Project accounts <sup>(a)</sup>	147,097	199,457	–	–
	254,980	413,545	30,830	37,181

The interest earning balances are not significant.

<sup>(a)</sup> Payment from the buyers of the units in the Group's property development project are deposited into the Project Account. The withdraws of the amounts in the Project Account are restricted to payments for cost incurred on development project and are subject to the provisions of the Housing Developers (Project Account) Rules in Singapore.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 24. Cash and cash equivalents (cont'd)

### 24A. Reconciliation of liabilities arising from financing activities

Group	2017 \$'000	Cash flows \$'000	Non-cash movement \$'000	Note	2018 \$'000
Other financial liabilities (current and non-current)	2,459,123	1,001,923	(523)	(a)	3,460,523

(a) Non-cash movement pertains to foreign exchange movements, fair value changes and amortisation of transaction cost.

## 25. Share capital

Company	Number of shares issued '000	Share capital \$'000	Treasury shares \$'000	Total \$'000
Ordinary shares of no par value:				
Balance at 1 July 2016	2,929,481	163,880	(7,855)	156,025
Treasury shares purchased	(4,006)	–	(1,662)	(1,662)
Balance at 30 June 2017	2,925,475	163,880	(9,517)	154,363
Issue of bonus share	943,430	–	–	–
Issue of share capital	156,800	78,170	–	78,170
Placement of treasury shares	22,745	–	9,517	9,517
Treasury shares purchased	(5,700)	–	(2,575)	(2,575)
Balance at 30 June 2018	4,042,750	242,050	(2,575)	239,475

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income.

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

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 25. Share capital (cont'd)

On 12 October 2017, the Company placed out 22,745,000 treasury shares at \$0.59 each. The total cash consideration was \$13,146,000. The excess of proceeds over cost of placing the treasury shares is classified under other reserve (See Note 26D). Net proceeds from placement of treasury shares were used for working capital purpose of the Group.

On 27 November 2017 and 2 March 2018, the Company issued 294,821,990 and 648,608,377 ordinary shares of no par value by way of an issue of bonus shares of 1 for 10 and 1 for 5 ordinary shares held respectively. There are no monetary values recorded in the books of the Company.

On 26 March 2018, 156,800,000 new ordinary shares of no par value were issued for cash at \$0.51 each.

Treasury shares relate to ordinary shares of the Company that are held by the Company. During the reporting year, the movements in treasury shares are as follows:

Company	Number of treasury shares		Fair value	
	2018 '000	2017 '000	2018 \$'000	2017 \$'000
Balance at beginning of the year	22,745	18,739	13,192	7,777
Treasury shares purchased	5,700	4,006	2,575	1,662
Placement of treasury shares	(22,745)	–	(13,146)	–
Fair value changes	–	–	(255)	3,753
Balance at end of the year	5,700	22,745	2,366	13,192

### Capital management:

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

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



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 25. Share capital (cont'd)

Capital management (cont'd):

The management monitors the capital on the basis of the debt-to-adjusted capital ratio. Net debt is calculated as total borrowings less cash and cash equivalents. This ratio is calculated as net debt / adjusted capital (as shown below):

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Net debt:				
All current and non-current borrowings	3,460,126	2,457,988	594,012	509,872
Less: Cash and cash equivalents	(254,980)	(413,545)	(30,830)	(37,181)
Net debt	<u>3,205,146</u>	<u>2,044,443</u>	<u>563,182</u>	<u>472,691</u>
Adjusted capital:				
Total equity	<u>1,477,016</u>	<u>1,088,881</u>	<u>425,895</u>	<u>418,422</u>
Debt-to-adjusted capital ratio	<u>217%</u>	<u>188%</u>	<u>132%</u>	<u>113%</u>

The change as shown by the increase in the debt-to-adjusted capital ratio for the Group resulted primarily from the increase in new debt for the new development projects and acquisitions of investment property and available-for-sale financial assets, partially offset by improved retained earnings. The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk from borrowings.

## 26. Other reserves

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Foreign currency translation reserve (Note 26A)	(2,691)	(27,217)	–	–
Asset revaluation reserve (Note 26B)	257,414	227,316	–	–
Fair value reserve (Note 26C)	12,286	–	12,286	–
Other reserve (Note 26D)	3,629	–	3,629	–
	<u>270,638</u>	<u>200,099</u>	<u>15,915</u>	<u>–</u>

Other reserves are not available for cash dividends unless realised.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 26. Other reserves (cont'd)

### 26A. Foreign currency translation reserve

	Group	
	2018	2017
	\$'000	\$'000
Balance at beginning of the year	(27,217)	(28,523)
Exchange differences on translating foreign operations	24,526	1,306
Balance at end of the year	<u>(2,691)</u>	<u>(27,217)</u>

The translation reserve represents exchange differences arising from the translation of financial statements of foreign operations whose functional currencies are different from presentation currency of the Group.

### 26B. Asset revaluation reserve

	Group	
	2018	2017
	\$'000	\$'000
Balance at beginning of the year	227,316	154,202
Surplus on revaluation of property, plant and equipment	36,886	86,830
Deferred tax thereon	(6,788)	(13,716)
Balance at end of the year	<u>257,414</u>	<u>227,316</u>

The asset revaluation reserve arises from the annual revaluation of properties classified as property, plant and equipment. It is not distributable until it is reclassified to retained earnings upon disposal of the assets.

### 26C. Fair value reserve

	Group and Company	
	2018	2017
	\$'000	\$'000
Balance at beginning of the year	–	–
Fair value gains on available-for-sale financial assets (Note 19)	12,286	–
Balance at end of the year	<u>12,286</u>	<u>–</u>

The revaluation reserve arises from the annual revaluation of available-for-sale financial assets. It is not distributable until it is released to the profit or loss on the disposal of the investments.

### 26D. Other reserve

Other reserve arises from the excess of proceeds over cost of placing the treasury shares (See Note 25).

# NOTES TO THE FINANCIAL STATEMENTS

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## 27. Other financial liabilities

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<u>Non-current</u>				
<u>Financial instruments with floating interest rates:</u>				
Bank loans (secured) (Note 27A)	2,018,918	899,905	275,969	247,770
Bank loans (unsecured) (Note 27B)	108,000	112,000	108,000	112,000
Less: Unamortised transaction costs	(17,380)	(15,333)	(10,996)	(15,333)
	2,109,538	996,572	372,973	344,437
<u>Financial instruments with fixed interest rates:</u>				
Bank loans (secured) (Note 27A)	29,961	–	29,961	–
Fixed rate notes A (Note 27C)	633,758	412,950	–	–
Retail bonds A (Note 27D)	300,000	300,000	–	–
Retail bonds B (Note 27E)	150,000	150,000	–	–
Less: Unamortised transaction costs	(9,495)	(10,883)	–	–
Derivative financial instruments (Note 30)	–	919	–	–
	1,104,224	852,986	29,961	–
Total non-current portion	3,213,762	1,849,558	402,934	344,437
<u>Current</u>				
<u>Financial instruments with floating interest rates:</u>				
Bank loans (secured) (Note 27A)	142,364	472,471	87,078	27,530
Bank loans (unsecured) (Note 27B)	104,000	138,000	104,000	138,000
Less: Unamortised transaction costs	–	(1,122)	–	(95)
	246,364	609,349	191,078	165,435
<u>Financial instruments with fixed interest rates:</u>				
Derivative financial instruments (Note 30)	397	216	–	118
Total current portion	246,761	609,565	191,078	165,553
Total non-current and current	3,460,523	2,459,123	594,012	509,990

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 27. Other financial liabilities (cont'd)

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
The non-current portion is repayable as follows:				
Due within 2 to 5 years	3,119,731	1,839,762	402,934	344,437
More than 5 years	94,031	9,796	–	–
	<u>3,213,762</u>	<u>1,849,558</u>	<u>402,934</u>	<u>344,437</u>

The weighted average effective interest rates per annum based on the capitalisation of transaction costs are as follows:

	Group		Company	
	2018	2017	2018	2017
Bank loans (secured)	2.33% – 6.22%	2.26% – 5.47%	2.67% – 5.21%	4.62%
Bank loans (unsecured)	7.48% – 8.11%	2.70% – 6.50%	7.48% – 8.11%	2.70% – 6.50%
Fixed rate notes A	7.28% – 8.02%	7.89%	–	–
Retail Bonds A	6.62%	6.62%	–	–
Retail Bonds B	7.52%	7.52%	–	–

The floating rate debt instruments are with interest rates that are reset regularly at one, three or six month intervals.

### 27A. Bank loans (secured)

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

- (a) First legal mortgage on certain properties classified as property, plant and equipment and investment properties as disclosed in Note 13 and 14 respectively;
- (b) First legal mortgage on certain 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 disclosed in Note 21;
- (d) Joint and several guarantees from non-controlling shareholders of certain subsidiaries;
- (e) Corporate guarantees by the Company;
- (f) Deed of subordination of shareholders' and related companies' loans; and
- (g) Compliance with certain covenants.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 27. Other financial liabilities (cont'd)

### 27A. Bank loans (secured) (cont'd)

Certain bank loans repayable by monthly or quarterly instalments over 2 to 10 years (2017: 2 to 6 years) from the date of first drawdown.

Repayment terms of certain bank loans are in one lump sum ranging from 17 to 120 months (2017: 18 to 67 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 values of the bank loans are reasonable approximation of the carrying amounts due to their short term nature or that they are floating rate instruments that are frequently re-priced to market interest rates.

### 27B. Bank loans (unsecured)

Certain bank loans repayable by monthly or quarterly instalments over 1 to 3 years (2017: 1 to 3 years) from the date of first drawdown.

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.

### 27C. Fixed rate notes A

#### *Euro Medium Term Note Programme*

On 7 April 2017, Oxley MTN Pte. Ltd. ("Oxley MTN") established a US\$1,000,000,000 Euro Medium Term Note Programme (known as the "EMTN Programme"). The EMTN Programme provides for the following:

- That the Group 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.
- Guaranteed by the Company.
- The Group needs to observe certain financial covenants.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 27. Other financial liabilities (cont'd)

### 27C. Fixed rate notes A (cont'd)

Details of the EMTN issued are as follows:

Date of issue	Source currency	Principal in source currency	Interest rate	Maturity date	2018 \$'000	2017 \$'000
21 April 2017	USD	200,000,000	6.375%	21 April 2021	272,540	275,300
16 May 2017	USD	100,000,000	6.375%	21 April 2021	136,270	137,650
3 July 2017	USD	55,000,000	6.375%	21 April 2021	74,948	–
31 January 2018	SGD	150,000,000	5.70%	31 January 2022	150,000	–
					<u>633,758</u>	<u>412,950</u>
The fair value of fixed rates notes A (Level 1)					<u>611,870</u>	<u>411,401</u>

### 27D. Retail Bonds A

On 5 November 2015, Oxley MTN issued retail bonds (“Retail Bonds A”) with principal amount of \$300,000,000. These bonds bear interest at a fixed rate of 5% per annum, payable semi-annually in arrears and mature on 5 November 2019.

As at the end of the reporting year, the fair value of Retail Bonds A (Level 1) was \$298,500,000 (2017: \$299,100,000).

### 27E. Retail Bonds B

On 18 May 2016, Oxley MTN issued retail bonds (“Retail Bonds B”) with principal amount of \$150,000,000. These bonds bear interest at a fixed interest rate of 5.15% per annum, payable semi-annually in arrears, and will mature on 18 May 2020.

As at the end of the reporting year, the fair value of Retail Bonds B (Level 1) was \$149,545,500 (2017: \$149,175,000).

Net proceeds from Retail Bonds B were used for general corporate purpose and working capital of the Group.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 28. Trade and other payables

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<u>Trade payables</u>				
Outside parties and accrued liabilities	380,289	383,210	27,379	7,935
Related parties	1,040	1,120	–	–
Subtotal	381,329	384,330	27,379	7,935
<u>Other payables</u>				
Rental deposits	–	1,315	–	–
Subsidiaries	–	–	1,513,691	907,549
Joint ventures	32,376	6,797	4,500	4,000
Associates	3,743	–	–	–
Non-controlling interests	58,323	76,621	–	–
Subtotal	94,442	84,733	1,518,191	911,549
Total trade and other payables	475,771	469,063	1,545,570	919,484

Other payables with interest bearing balances are as follows:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Interest rate of 3% – 6.5% (2017: 3% – 6.5%) per annum:				
Subsidiaries	–	–	1,331,346	810,016
Joint ventures	29,624	–	2,641	–
Non-controlling interests	26,915	47,961	–	–

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 29. Other liabilities

	Group	
	2018 \$'000	2017 \$'000
Advanced rental	5,068	1,468
Deferred income	3,700	3,516
Progress payments <sup>(a)</sup>	467,095	390,715
	<u>475,863</u>	<u>395,699</u>

<sup>(a)</sup> This pertains to progress payments received and receivable from buyers of development properties (See Note 21).

## 30. Derivative financial instruments

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Assets –				
<u>Derivatives with positive fair values:</u>				
Forward currency exchange contracts (Note 30A)	1,545	–	1,545	–
Interest rate swap contracts (Note 30B)	160	–	–	–
	<u>1,705</u>	<u>–</u>	<u>1,545</u>	<u>–</u>
Current portion (Note 22)	<u>1,705</u>	<u>–</u>	<u>1,545</u>	<u>–</u>
Liabilities –				
<u>Derivatives with negative fair values:</u>				
Forward currency exchange contracts (Note 30A)	–	(118)	–	(118)
Interest rate swap contracts (Note 30B)	(397)	(1,017)	–	–
	<u>(397)</u>	<u>(1,135)</u>	<u>–</u>	<u>(118)</u>
Non-current portion (Note 27)	–	(919)	–	–
Current portion (Note 27)	<u>(397)</u>	<u>(216)</u>	<u>–</u>	<u>(118)</u>
	<u>(397)</u>	<u>(1,135)</u>	<u>–</u>	<u>(118)</u>

The purpose of these contracts is to mitigate the fluctuations of transactions denominated in the non-functional currencies and floating interest rates of bank borrowings. As a matter of principle, the Group and the Company do not enter into derivative contracts for speculative purposes.

### 30A. Forward currency exchange contracts

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.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 30. Derivative financial instruments (cont'd)

### 30A. Forward currency exchange contracts (cont'd)

Group and Company	Notional \$'000	Reference currency	Maturity	Assets / (liabilities) \$'000
<u>2018</u>				
Forward currency contracts	225,852	USD	July 2018 - November 2019	(494)
Forward currency contracts	130,000	USD	April 2021	1,620
Forward currency contracts	130,000	USD	April 2021	419
			Total	<u>1,545</u>
<u>2017</u>				
Forward currency contracts	30,000	GBP	July 2017	<u>(118)</u>

### 30B. Interest rate swap contracts

The interest rate swaps are designed to convert floating rate borrowing at 0.84% - 1.50% (2017: 0.34% - 0.77%) to fixed rate at 1.43% - 2.07% (2017: 0.88% - 1.34%) for the next 1 - 2 years.

At the end of the reporting year, the interest rates vary from 1.43% - 2.07% (2017: 0.88% - 1.34%) per annum.

The interest rate swaps are not traded in an active market. As a result, their fair values are 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). The valuation technique uses market observable inputs.

Information on the maturities of the interest rate swap contracts are provided as follows:

Group	Notional \$'000	Reference currency	Maturity	Assets / (liabilities) \$'000
<u>2018</u>				
Interest rate swap	164,500	SGD	August 2018	45
Interest rate swap	42,890	SGD	October 2019	115
Interest rate swap	70,000	SGD	November 2019	(233)
Interest rate swap	70,000	SGD	May 2020	(164)
				<u>(237)</u>
<u>2017</u>				
Interest rate swap	17,500	GBP	December 2017	(50)
Interest rate swap	17,500	GBP	December 2017	(48)
Interest rate swap	165,500	SGD	August 2018	(919)
				<u>(1,017)</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 31. Commitments

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

	Group	
	2018	2017
	\$'000	\$'000
Development expenditure contracted for development properties	579,900	1,117,958
Commitment to purchase land	466,450	–
Commitment to construct property, plant and equipment	–	29,491
Commitment to construct investment properties	125,394	3,083

## 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	
	2018	2017
	\$'000	\$'000
Not later than one year	362	381
Later than one year and not later than five years	74	411
Rental expense for the year	273	1,310

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 future minimum lease receivables committed under non-cancellable operating leases are as follows:

	Group	
	2018	2017
	\$'000	\$'000
Not later than one year	39,453	10,439
Later than one year and not later than five years	62,494	62,208
More than five years	1,466	135,805
Rental income for the year	22,033	11,244

Operating lease income commitments are rental receivables from tenants of investment properties.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 34. Financial instruments: information on financial risks

### 34A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and financial liabilities recorded at the end of the reporting year:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<u>Financial assets</u>				
Cash and cash equivalents	254,980	413,545	30,830	37,181
Loans and receivables	697,006	650,116	2,105,746	1,765,543
Derivative financial instruments at fair value	1,705	–	1,545	–
Available-for-sale financial assets	380,905	2,239	362,330	–
	<u>1,334,596</u>	<u>1,065,900</u>	<u>2,500,451</u>	<u>1,802,724</u>
<u>Financial liabilities</u>				
Derivative financial instruments at fair value	397	1,135	–	118
Other financial liabilities at amortised cost	3,460,126	2,457,988	594,012	509,872
Trade and other payables at amortised cost	475,771	469,063	1,545,570	919,484
	<u>3,936,294</u>	<u>2,928,186</u>	<u>2,139,582</u>	<u>1,429,474</u>

Further quantitative disclosures are included throughout these financial statements.

### 34B. Financial risk management

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

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

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

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

### 34B. Financial risk management (cont'd)

- (iv) All financial risk management activities follow acceptable market practices.
- (v) Appropriate consideration is given to entering into derivatives or any other similar instruments solely for hedging purposes.

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

### 34C. 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 the significant financial instruments stated at amortised cost and at fair value in the statement 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 values.

### 34D. 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 Group 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 and any other financial instruments is limited because the counterparties 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. Other receivables represent loans receivables from non-controlling shareholders and other investee, which in the opinion of the directors, the credit risk is minimal.

Note 24 discloses the maturity of the cash and cash equivalents balances.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to customers is about 30 days. But some customers take a longer period to settle the amounts.

As at the end of reporting year, no trade receivables amounts were past due or impaired.

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

There is no concentration of credit risk with respect to trade receivables, as there are a large number of customers.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

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

### 34E. Liquidity risk – financial liabilities maturity analysis

The following tables analyse the financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows) at the end of the reporting year:

	Less than 1 year \$'000	2 – 5 years \$'000	More than 5 years \$'000	Total \$'000
<b>Non-derivative financial liabilities</b>				
<u>Group</u>				
<u>2018</u>				
Gross borrowings	355,247	3,401,523	88,255	3,845,025
Trade and other payables	477,609	–	–	477,609
	832,856	3,401,523	88,255	4,322,634
<u>2017</u>				
Gross borrowings	709,273	2,038,680	9,948	2,757,901
Trade and other payables	470,564	–	–	470,564
	1,179,837	2,038,680	9,948	3,228,465
<u>Company</u>				
<u>2018</u>				
Gross borrowings	216,862	435,339	–	652,201
Trade and other payables	1,603,563	–	–	1,603,563
	1,820,425	435,339	–	2,255,764
<u>2017</u>				
Gross borrowings	185,819	384,033	–	569,852
Trade and other payables	969,967	–	–	969,967
	1,155,786	384,033	–	1,539,819
<b>Derivative financial liabilities</b>				
<u>Group</u>				
<u>2018</u>				
Interest rate swaps	397	–	–	397
<u>2017</u>				
Foreign currency contracts	118	–	–	118
Interest rate swaps	98	919	–	1,017
	216	919	–	1,135
<u>Company</u>				
<u>2017</u>				
Foreign currency contracts	118	–	–	118

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

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

### 34E. Liquidity risk – financial liabilities maturity analysis (cont'd)

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

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

The 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 settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2017: 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. In order to meet such cash commitments, the operating activities are expected to generate sufficient cash flows.

Financial guarantee contracts – For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. 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	2 – 5 years \$'000	More than 5 years \$'000	Total \$'000
<u>2018</u>				
Bank guarantee in favour of subsidiaries	53,861	2,690,397	65,822	2,810,080
Bank guarantee in favour of joint ventures	–	493,105	–	493,105
Bank guarantee in favour of associates	79,756	–	–	79,756
	<u>133,617</u>	<u>3,183,502</u>	<u>65,822</u>	<u>3,382,941</u>
<u>2017</u>				
Bank guarantee in favour of subsidiaries	444,012	1,505,121	–	1,949,133
Bank guarantee in favour of associates	70,056	–	–	70,056
	<u>514,068</u>	<u>1,505,121</u>	<u>–</u>	<u>2,019,189</u>

### 34F. Interest rate risk

The interest rate risk exposure is from changes in fixed interest rates and floating interest rates and it mainly concerns financial liabilities. The interest from financial assets including cash balances is not significant.

# NOTES TO THE FINANCIAL STATEMENTS

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

### 34F. Interest rate risk (cont'd)

The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<u>Financial liabilities with interest</u>				
Fixed rates	1,161,160	902,169	1,363,948	668,153
Floating rates	2,355,902	1,605,921	564,051	653,876
	<u>3,517,062</u>	<u>2,508,090</u>	<u>1,927,999</u>	<u>1,322,029</u>
<u>Financial assets with interest</u>				
Fixed rates	38,686	23,218	633,595	387,923
Floating rates	–	5,852	–	493,028
	<u>38,686</u>	<u>29,070</u>	<u>633,595</u>	<u>880,951</u>

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

Sensitivity analysis:

	Group		Company	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<u>Financial liabilities</u>				
A hypothetical variation in interest rates by 100 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	15,939	10,042	–	–
A hypothetical variation in interest rates by 100 basis points with all other variables held constant, would have a decrease / (increase) in pre-tax profit for the year by	7,620	6,017	5,641	6,539
<u>Financial assets through profit or loss</u>				
A hypothetical variation in interest rates by 100 basis points with all other variables held constant, would have an increase / (decrease) in pre-tax profit for the year by	–	59	–	4,930

# NOTES TO THE FINANCIAL STATEMENTS

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

### 34F. Interest rate risk (cont'd)

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

### 34G. Foreign currency risk

The Group transacts businesses in various foreign currencies, including Great Britain Pound, United States Dollar, Euro and Australian Dollar, and therefore is exposed to foreign exchange risk.

At the end of the reporting year, 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	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<u>Financial assets</u>				
Great Britain Pound	6,098	5,438	398,218	663,722
Euro	24,476	13,619	119,389	159,708
United States Dollar	104,823	165,939	104,810	156,419
Australian Dollar	16,685	5,016	60,889	47,806
Others #	7,212	6,805	6,285	5,916
Total financial assets	159,294	196,817	689,591	1,033,571
<u>Financial liabilities</u>				
Great Britain Pound	–	–	(195,134)	(27,552)
Euro	–	(2,887)	–	–
United States Dollar	(718,061)	(687,990)	(232,767)	(552,123)
Total financial liabilities	(718,061)	(690,877)	(427,901)	(579,675)
<u>Net financial assets / (liabilities)</u>				
Great Britain Pound	6,098	5,438	203,084	636,170
Euro	24,476	10,732	119,389	159,708
United States Dollar	(613,238)	(522,051)	(127,957)	(395,704)
Australian Dollar	16,685	5,016	60,889	47,806
Others #	7,212	6,805	6,285	5,916

# Others - These consist of Japanese Yen and Malaysian Ringgit.



# NOTES TO THE FINANCIAL STATEMENTS

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

### 34G. Foreign currency risk (cont'd)

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	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Great Britain Pound	(610)	(544)	(20,308)	(63,617)
Euro	(2,448)	(1,073)	(11,939)	(15,971)
United States Dollar	61,324	52,205	12,796	39,570
Australian Dollar	(1,669)	(502)	(6,089)	(4,781)
Others	(721)	(680)	(629)	(591)

The above tables show sensitivity to the hypothetical percentage variations in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each non-functional currency to which the Group has significant exposure at end of the reporting year. The analysis above has been carried out without taking into consideration hedged transactions.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

### 34H. Equity price risk

There are investments in equity shares or similar instruments. Such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the securities.

Sensitivity analysis:

	Group		Company	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
A hypothetical 10% increase in the market index of quoted equity shares at fair value would have an effect on other comprehensive income tax of	36,233	–	36,233	–

For similar price decreases in the fair value of the above financial assets, there would be comparable impacts in the opposite direction. This figure does not reflect the currency risk, which has been considered in the foreign currency risks analysis section only.

# NOTES TO THE FINANCIAL STATEMENTS

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## 35. Items in profit or loss

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

	Group	
	2018	2017
	\$'000	\$'000
Audit fees to the independent auditor of the Company	284	212
Audit fees to other independent auditors	436	378
Other fees to independent auditor of the Company	208	250
Other fees to other independent auditors	22	20

## 36. Changes and adoption of financial reporting standards

For the current reporting year, new or revised Financial Reporting Standards in Singapore and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council. Those applicable to the Group are listed below. These applicable new or revised standards did not require any modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 7	Amendments to FRS 7: Disclosure Initiative
FRS 12	Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses
FRS 112	Amendments to FRS 112: Disclosure of Interests in Other Entities

# NOTES TO THE FINANCIAL STATEMENTS

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## 37. New or amended standards in issue but not yet effective

For the future reporting years, new or revised Singapore Financial Reporting Standards (International) and the related Interpretations ("SFRS(I) INT") were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the Group for future reporting years are listed below:

SFRS(I) No.	Title	Effective date for periods beginning on or after
SFRS(I) 1-28	Amendments to, Investments in Associates and Joint Venture – Sale or Contribution of Assets	1 January 2018
SFRS(I) 1-40	Amendments to, Transfer of Investment Property	1 January 2018
SFRS(I) 1	First-time Adoption of Singapore Financial Reporting Standards (International)	1 January 2018
SFRS(I) 9	Financial Instruments	1 January 2018
SFRS(I) 15	Revenue from Contracts with Customers. Amendments to, Clarifications to SFRS(I) 15 Revenue from Contracts with Customers	1 January 2018
SFRS(I) 16	Leases and Leases - Illustrative Examples & Amendments to Guidance on Other Standards	1 January 2019
SFRS(I) INT 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
SFRS(I) INT 23	Uncertainty over Income Tax Treatments	1 January 2019

The transfer to the applicable 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 reporting year.

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 July 2018 and which the Group has not early adopted:

- (a) *SFRS(I) 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2018)*

SFRS(I) 9 replaces FRS 39 Financial Instruments: Recognition and Measurement and its relevant interpretations.

SFRS(I) 9 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI (FVOCI). Gains and losses realised on the sale of financial assets at FVOCI are not transferred to profit or loss on sale but reclassified from the FVOCI reserve to retained earnings.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 37. New or amended standards in issue but not yet effective (cont'd)

- (a) *SFRS(I) 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2018) (cont'd)*

Under SFRS(I) 9, there were no changes to the classification and measurement requirements for financial liabilities except for the recognition of fair value changes arising from changes in own credit risk. For liabilities designed at fair value through profit or loss, such changes are recognised in OCI.

SFRS(I) 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

There is also now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through OCI, contract assets under SFRS(I) 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts.

The new standard also introduces expanded disclosure requirements and changes in presentation. The Group is required to adopt a new accounting framework from 1 July 2018. The impact arising from the adoption of this standard is not likely to be material.

- (b) *SFRS(I) 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018)*

This is the converged standard on revenue recognition. It replaces FRS 11 Construction Contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of SFRS(I) 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 37. New or amended standards in issue but not yet effective (cont'd)

- (b) *SFRS(I) 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018) (cont'd)*

SFRS(I) 15 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group has assessed the effects of applying the new standard on the Group's financial statements and has identified that the Group is likely to be affected by the accounting for certain costs incurred in fulfilling a contract where certain costs which are currently expensed may need to be recognised as an asset under SFRS(I) 15. The impact arising from the adoption of this standard is not likely to be material.

- (c) *SFRS(I) INT 22 Foreign Currency Transactions and Advance Considerations (effective for annual periods beginning on or after 1 January 2018)*

SFRS(I) INT 22 Foreign Currency Transactions and Advance Considerations considers how to determine the date of the transactions when applying the standard on foreign currency transactions, FRS 21 The Effect of Changes in Foreign Exchange Rates. The Interpretation applies where the Group either pays or receives consideration in advance for foreign currency-denominated contracts.

For single upfront payment/receipt, the Interpretation states that the date of the transaction, for the purpose of determining the exchange rate to use on initial recognition of the related item, should be the date on which an entity initially recognises the non-monetary asset or liability arising from the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity should determine the date of the transaction for each payment or receipt.

The Interpretation is effective for accounting periods beginning on or after 1 July 2018. The impact arising from the adoption of this standard is not likely to be material.

- (d) *SFRS(I) 16 Leases (effective for annual periods beginning on or after 1 January 2019)*

SFRS(I) 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under SFRS(I) 16.

The new standard also introduces expanded disclosure requirements and changes in presentation. The impact arising from the adoption of this standard is not likely to be material.

# NOTES TO THE FINANCIAL STATEMENTS

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## 38. Convergence with International Financial Reporting Standards (IFRS) and Adoption of New Accounting Standards

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing, equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the financial year ending 30 June 2019 will be prepared in accordance with SFRS(I). As a result, this will be the last set of financial statements prepared under the current FRS.

## 39. Listing of and information on subsidiaries

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

Name of subsidiaries and principal activities	Country of incorporation	Cost in books of Company		Effective equity held by the Group	
		2018	2017	2018	2017
		\$'000	\$'000	%	%
<i>Held by the Company</i>					
Action Property Pte. Ltd. <sup>(a)</sup> Property development	Singapore	510	510	51	51
Citrine Property Pte. Ltd. <sup>(a)</sup> Property development (Incorporated on 26 July 2017)	Singapore	3,000	–	100	–
Galaxy Land Pte. Ltd. <sup>(a)</sup> Property development	Singapore	1,308	1,308	100	100
Hume Homes Pte. Ltd. <sup>(a)</sup> Property development	Singapore	1,173	1,173	100	100
OXHM Pte. Ltd. <sup>(a) (c) (f)</sup> Hotel management	Singapore	–#	–#	100	100
Oxley Amber Pte. Ltd. <sup>(a)</sup> Property development	Singapore	2,000	–#	100	100
Oxley Amethyst Pte. Ltd. <sup>(a)</sup> Property development (Incorporated on 27 September 2017)	Singapore	1,000	–	100	–
Oxley Ascend Realty Pte. Ltd. <sup>(a)</sup> Property development	Singapore	550	550	55	55



# NOTES TO THE FINANCIAL STATEMENTS

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

Name of subsidiaries and principal activities	Country of incorporation	Cost in books of Company		Effective equity held by the Group	
		2018	2017	2018	2017
		\$'000	\$'000	%	%
<i>Held by the Company (cont'd)</i>					
Oxley Asset Management Pte. Ltd. <sup>(a) (c) (f)</sup> Investment holding	Singapore	–#	–#	100	100
Oxley Assets Pte. Ltd. <sup>(a)</sup> Property development	Singapore	994	994	100	100
Oxley Beryl Pte. Ltd. <sup>(a)</sup> Property investment (Incorporated on 1 November 2017)	Singapore	1,000	–	100	–
Oxley Bliss Pte. Ltd. <sup>(a)</sup> Property investment	Singapore	700	700	70	70
Oxley Blossom Pte. Ltd. <sup>(a)</sup> Property development	Singapore	1,000	1,000	100	100
Oxley Bright Pte. Ltd. <sup>(a) (c)</sup> Investment holding	Singapore	–#	–#	100	100
Oxley Concept Pte. Ltd. <sup>(g)</sup> Property development	Singapore	–	596	–	60
Oxley Connections Pte. Ltd. <sup>(a) (c)</sup> Investment holding	Singapore	2,600	2,600	52	52
Oxley Consortium Pte. Ltd. <sup>(a)</sup> Property development	Singapore	1,000	1,000	100	100
Oxley Druzy Pte. Ltd. <sup>(e) (f)</sup> Dormant (Incorporated on 5 April 2018)	Singapore	–#	–	100	–
Oxley Fort Pte. Ltd. <sup>(a) (c)</sup> Property development	Singapore	1,000	1,000	100	100
Oxley Garnet Pte. Ltd. <sup>(a)</sup> Property development (Incorporated on 15 August 2017)	Singapore	1,000	–	100	–
Oxley Gem Pte. Ltd. <sup>(a) (c)</sup> Hotel owner and property investment	Singapore	1,000	1,000	100	100
Oxley Global Pte. Ltd. <sup>(a)</sup> Property development	Singapore	1,000	1,000	100	100

# NOTES TO THE FINANCIAL STATEMENTS

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

Name of subsidiaries and principal activities	Country of incorporation	Cost in books of Company		Effective equity held by the Group	
		2018	2017	2018	2017
		\$'000	\$'000	%	%
<i>Held by the Company (cont'd)</i>					
Oxley International Holdings Pte. Ltd. <sup>(b)</sup> Investment holding	Singapore	– #	– #	100	100
Oxley Jasper Pte. Ltd. <sup>(a) (c)</sup> Property development (Incorporated on 27 September 2017)	Singapore	– #	–	100	–
Oxley Module Pte. Ltd. <sup>(a)</sup> Property development	Singapore	656	656	66	66
Oxley Mosaic Pte. Ltd. <sup>(a)</sup> Property development	Singapore	1,000	1,000	100	100
Oxley MTN Pte. Ltd. <sup>(a)</sup> Provision of financial and treasury services	Singapore	7,000	7,000	100	100
Oxley Niche Pte. Ltd. <sup>(a)</sup> Property development	Singapore	1,000	1,000	100	100
Oxley Onyx Pte. Ltd. <sup>(e)</sup> Property development (Incorporated on 28 March 2018)	Singapore	– #	–	100	–
Oxley Opal Pte Ltd <sup>(a)</sup> Property development	Singapore	1,000	1,000	100	100
Oxley Pearl Pte. Ltd. <sup>(a)</sup> Property development	Singapore	2,000	2,000	100	100
Oxley Petalite Pte. Ltd. <sup>(e) (f)</sup> Dormant (Incorporated on 5 April 2018)	Singapore	– #	–	100	–
Oxley Quartz Pte. Ltd. <sup>(a) (c)</sup> Investment holding (Incorporated on 1 November 2017)	Singapore	– #	–	100	–
Oxley Rise Pte. Ltd. <sup>(a) (c)</sup> Property development	Singapore	1,000	1,000	100	100
Oxley Rising Pte. Ltd. <sup>(a)</sup> Property development	Singapore	– #	– #	100	100



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

Name of subsidiaries and principal activities	Country of incorporation	Cost in books of Company		Effective equity held by the Group	
		2018	2017	2018	2017
		\$'000	\$'000	%	%
<i>Held by the Company (cont'd)</i>					
Oxley Sanctuary Pte. Ltd. <sup>(a)</sup> Property development	Singapore	550	550	55	55
Oxley Sims Pte. Ltd. <sup>(g)</sup> Property development	Singapore	–	1,000	–	100
Oxley Sparkle Pte. Ltd. <sup>(a) (c)</sup> Investment holding	Singapore	– #	– #	100	100
Oxley Spinel Pte. Ltd. <sup>(a)</sup> Property development (Incorporated on 20 November 2017)	Singapore	4,000	–	100	–
Oxley Star Pte. Ltd. <sup>(g)</sup> Property development	Singapore	–	671	–	67.5
Oxley Topaz Pte. Ltd. <sup>(a)</sup> Property development (Incorporated on 16 August 2017)	Singapore	1,000	–	100	–
Oxley Vibes Pte. Ltd. <sup>(a)</sup> Property development	Singapore	900	900	90	90
Oxley Vibrant Pte. Ltd. <sup>(a)</sup> Property development	Singapore	1,000	1,000	100	100
Oxley Vista Pte. Ltd. <sup>(a)</sup> Property development	Singapore	550	550	55	55
Oxley Viva Pte. Ltd. <sup>(a)</sup> Property development	Singapore	550	550	55	55
Oxley YCK Pte. Ltd. <sup>(a) (c)</sup> Property development	Singapore	550	550	55	55
Oxley Zircon Pte. Ltd. <sup>(a) (c)</sup> Investment holding (Incorporated on 20 November 2017)	Singapore	– #	–	100	–
		<u>43,591</u>	<u>32,858</u>		

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

Name of subsidiaries and principal activities	Country of incorporation	Effective equity held by the Group	
		2018 %	2017 %
<i>Held through Oxley Connections Pte. Ltd.</i>			
Orchard Suites Residence Pte. Ltd. <sup>(a)</sup> Property development	Singapore	52	52
<i>Held through Oxley International Holdings Pte. Ltd</i>			
Oxley Australia Pte. Ltd. <sup>(b) (c)</sup> Investment holding	Singapore	100	100
Oxley Batam Pte. Ltd. Property development	Singapore	–	100
Oxley Cambodia Pte. Ltd. <sup>(b) (c)</sup> Investment holding	Singapore	100	100
Oxley China Pte. Ltd. <sup>(b) (c)</sup> Investment holding	Singapore	100	100
Oxley Cyprus Pte. Ltd. <sup>(b) (c)</sup> Investment holding	Singapore	100	100
Oxley Dublin Pte. Ltd. <sup>(b) (c)</sup> Investment holding	Singapore	100	100
Oxley Florence Pte. Ltd. <sup>(b) (c)</sup> Investment holding	Singapore	100	100
Oxley Japan Pte. Ltd. <sup>(b)</sup> Investment holding	Singapore	100	100
Oxley London Pte. Ltd. <sup>(b) (c)</sup> Investment holding	Singapore	100	100
Oxley Malaysia Pte. Ltd. <sup>(b) (c)</sup> Investment holding	Singapore	100	100
Oxley Myanmar Pte. Ltd. <sup>(b)</sup> Investment holding	Singapore	100	100
Oxley UK Pte. Ltd. <sup>(b) (c)</sup> Investment holding	Singapore	100	100
Oxley Vietnam Pte. Ltd. <sup>(b) (c)</sup> Investment holding	Singapore	100	100



# NOTES TO THE FINANCIAL STATEMENTS

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

Name of subsidiaries and principal activities	Country of incorporation	Effective equity held by the Group	
		2018 %	2017 %
<i>Held through Oxley Australia Pte. Ltd.</i>			
Walker Street No.100 Pty Ltd <sup>(b)</sup> Property development	Australia	100	100
Oxley Australia Property Holdings Pty Ltd <sup>(g)</sup> Investment holding	Australia	–	100
Oxley Australia Pty Ltd <sup>(b)</sup> Property development	Australia	100	100
<i>Held through Oxley Australia Pty Ltd</i>			
Oxley Australia Management Pty Ltd <sup>(g)</sup> Property development	Australia	–	100
<i>Held through Oxley Cambodia Pte. Ltd.</i>			
Oxley Holdings (Cambodia) Co., Ltd. <sup>(b) (c)</sup> Investment holding	Cambodia	100	100
<i>Held through Oxley Holdings (Cambodia) Co., Ltd.</i>			
Oxley-Worldbridge (Cambodia) Co., Ltd. <sup>(b) (c) (d)</sup> Property development	Cambodia	49	49
Oxley Emerald (Cambodia) Co., Ltd <sup>(b) (c)</sup> Property development	Cambodia	79	79
Oxley Gem (Cambodia) Co., Ltd <sup>(b) (c)</sup> Property development	Cambodia	79	79
Oxley Sapphire (Cambodia) Co., Ltd <sup>(b) (c)</sup> Property development	Cambodia	79	79
<i>Held through Oxley Malaysia Pte. Ltd.</i>			
Oxley Holdings (Malaysia) Sdn. Bhd. <sup>(b) (c)</sup> Investment holding	Malaysia	100	100

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

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

Name of subsidiaries and principal activities	Country of incorporation	Effective equity held by the Group	
		2018 %	2017 %
<i>Held through Oxley Holdings (Malaysia) Sdn. Bhd.</i>			
Oxley Concept Sdn. Bhd. <sup>(b) (g)</sup> Property development	Malaysia	–	100
Oxley Diamond Sdn. Bhd. <sup>(b) (c)</sup> Property development	Malaysia	100	100
Oxley Emerald Sdn. Bhd. <sup>(b) (c)</sup> Investment holding	Malaysia	100	100
Oxley Gem Sdn. Bhd. <sup>(b) (c) (f)</sup> Property development	Malaysia	100	100
Oxley Jade Sdn. Bhd. <sup>(b) (g)</sup> Property development	Malaysia	–	100
Oxley Mosaic Sdn. Bhd. <sup>(b) (g)</sup> Property development	Malaysia	–	100
Oxley Rising Sdn. Bhd. <sup>(b) (c)</sup> Property development	Malaysia	100	100
Oxley Ruby Sdn. Bhd. <sup>(b) (c)</sup> Investment holding	Malaysia	100	100
Oxley Sapphire Sdn. Bhd. <sup>(b) (c)</sup> Property development	Malaysia	100	100
Oxley Star Sdn. Bhd. <sup>(b) (c)</sup> Property development	Malaysia	100	100
Oxley Treasure Sdn. Bhd. <sup>(b) (g)</sup> Property development	Malaysia	–	100
Oxley World Sdn. Bhd. <sup>(b) (g)</sup> Property development	Malaysia	–	100
Oxley Zest Sdn. Bhd. <sup>(b) (g)</sup> Property development	Malaysia	–	100
Stellar Treasure Sdn. Bhd. <sup>(b) (g)</sup> Property development	Malaysia	–	100



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

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

Name of subsidiaries and principal activities	Country of incorporation	Effective equity held by the Group	
		2018 %	2017 %
<i>Held through Oxley London Pte. Ltd.</i>			
Oxley Wharf Limited <sup>(b)</sup> Investment holding	United Kingdom	100	100
Oxley Wharf Property 1 Limited <sup>(b)</sup> Property development	United Kingdom	100	100
Oxley Wharf Property 2 Limited <sup>(b)</sup> Property development	United Kingdom	100	100
Oxley Wharf Property 3 Limited <sup>(b) (c)</sup> Property development	United Kingdom	100	100
Oxley Wharf Property 4 Limited <sup>(b) (c)</sup> Property development	United Kingdom	100	100
Oxley Wharf Property 8 Limited <sup>(e)</sup> Investment holding (Incorporated on 26 June 2018)	United Kingdom	100	–
<i>Held through Oxley Japan Pte. Ltd.</i>			
Oxley Akasaka Pte. Ltd. <sup>(b) (c)</sup> Property development	Singapore	100	100
<i>Held through Oxley Myanmar Pte. Ltd.</i>			
Oxley Yangon Company Limited <sup>(c) (h)</sup> Investment holding	Myanmar	100	100
<i>Held through Oxley Yangon Company Limited</i>			
Oxley Consultancy & Management Company Limited <sup>(c) (h)</sup> Property development	Myanmar	100	100
<i>Held through Oxley Dublin Pte. Ltd.</i>			
Oxley Docklands Quay 1 Limited <sup>(b)</sup> Property development	Ireland	100	100
Oxley Docklands Quay 2 Limited <sup>(b)</sup> Property development	Ireland	100	100

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

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

Name of subsidiaries and principal activities	Country of incorporation	Effective equity held by the Group	
		2018 %	2017 %
<i>Held through Oxley Vietnam Pte. Ltd.</i>			
Oxley MK Holdings Vietnam Co., Ltd. <sup>(b) (c)</sup> Management service	Vietnam	90	90
Centra Cove Pte. Ltd. <sup>(b)</sup> Investment holding (Acquired on 20 December 2017)	Singapore	100	–
<i>Held through Centra Cove Pte. Ltd.</i>			
Phu Thinh Land Company Limited <sup>(b)</sup> Property development (Acquired on 20 December 2017)	Singapore	75	–
<i>Held through Oxley Florence Pte. Ltd.</i>			
Oxley Florence S.P.A. <sup>(b)</sup> Dormant	Italy	100	100
<i>Held through Oxley Cyprus Pte. Ltd.</i>			
Oxley Holdings (Cyprus) Limited <sup>(b) (c)</sup> Investment holding	Cyprus	100	100

# Cost of investment is less than \$1,000.

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

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

(c) The Company has given an undertaking of continuing financial support to these subsidiaries.

(d) Although the Group does not own, directly or indirectly through subsidiaries, more than half of the voting power of the entity, the entity is consolidated because the Group is able to govern the financial and operating policies of the investee by virtue of an agreement with the other shareholders of the investee.

(e) Not audited, as it is immaterial.

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

(g) The entities are deregistered in the reporting year 2018.

(h) Audited by UTW (Myanmar) Ltd.

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 no subsidiaries that have non-controlling interests that are considered material to the Group.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 40. Listing of and information on associates

Name of associates, principal activities and independent auditors	Country of incorporation	Effective equity held by the Group	
		2018 %	2017 %
<i>Held by the Company</i>			
Goldprime Land Pte. Ltd. <sup>(a)</sup> Property development Ernst & Young LLP	Singapore	49	49
SLB-Oxley (NIR) Pte. Ltd. <sup>(a)</sup> Property development Ernst & Young LLP	Singapore	49	–
Oxley Batam Pte. Ltd. <sup>(a)</sup> Investment holding Foo Kon Tan LLP	Singapore	20	–
<i>Held through Oxley Bright Pte. Ltd.</i>			
Galliard (Group) Limited <sup>(a)</sup> Property development BDO LLP	United Kingdom	20	20
<i>Held through Oxley Sparkle Pte. Ltd.</i>			
Pindan Group Pty Ltd <sup>(a)</sup> Investment holding and property development Deloitte and Touché, Australia	Australia	40	40
<i>Held through Oxley MK Holdings Vietnam Co., Ltd.</i>			
Oxley MK Hanoi Joint Stock Company <sup>(a)</sup> Property development Deloitte and Touché, Vietnam	Vietnam	26	–
MK Thao Dien Co Ltd <sup>(a)</sup> Property development Deloitte and Touché, Vietnam	Vietnam	44	–

(a) The management financial statements at 30 June of the associates have been used for equity accounting purposes.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 40. Listing of and information on associates (cont'd)

The Group holds a 20% equity interest in Galliard (Group) Limited ("Galliard"). Galliard has also issued warrants to an investor and if the warrant holder were to exercise its rights to convert the warrants into new ordinary shares in the capital of Galliard, the Group's equity interest in Galliard would reduce to 18%.

The initial expiry date of the warrant was 7 December 2017. On 27 November 2017, a deed of amendment was signed with the investor and the subscription period of the exercise of the warrant has been extended to 30 September 2018. On 30 March 2018, a deed of amendment was signed with the investor and the subscription period of the exercise of warrant has been extended to 30 September 2019.

Significant influence is presumed to exist (or not exist) when an entity holds 20% or more (or less than 20%) of the voting rights of another entity, unless it can be clearly demonstrated otherwise.

Management has exercised significant judgement and determine that the Group continues to have significant influence over Galliard given, among other factors, the Group's participation in policy-making processes and decision-making about dividends and other distributions through its board representation. Based on these factors, management has classified Galliard as an associate in these financial statements.

The Audit Committee and the Board of Directors of the Company have satisfied themselves that the appointment of different auditing firms for the above associates would not compromise the standard and effectiveness of the audit of the Group.

## 40A. Non-material associates

There are associates that are considered not material individually to the Group. The summarised financial information of all the associates and the aggregate amounts (and not the Group's share of those amounts) based on the financial statements of the associates and adjusted to reflect adjustments made by the Group when using the equity method as follows:

	Group	
	2018	2017
	\$'000	\$'000
Revenue	626,066	889,546
Profit / (loss) for the reporting year	183,329	(50,995)
Total comprehensive income / (loss)	183,329	(50,995)
Net assets of the associates	618,581	407,936

There are no significant restrictions on the ability of the associates to transfer funds to the Group in the form of cash dividends.

## 40B. Acquisition of an associate in reporting year 2017

On 5 December 2016, the Group completed its acquisition of 40% equity interest in Pindan Group Pty Ltd ("Pindan"), incorporated in Australia. It became an associate of the Group. The transaction was accounted for by the acquisition method of accounting.



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 40. Listing of and information on associates (cont'd)

### 40B. Acquisition of an associate in reporting year 2017 (cont'd)

The consideration transferred is as follows:

	Group \$'000
Cash paid	<u>33,576</u>

Management has since finalised the purchase price allocation exercise and identified the fair value of the identifiable assets, liabilities and contingent liabilities at date of acquisition by engaging an independent consultant to measure the fair values.

The fair values of Pindan's identifiable assets acquired and liabilities assumed are shown below:

	Group Acquiree's carrying amount	
	Before combination \$'000	At fair values \$'000
Investments	5,052	5,052
Property, plant and equipment	33,576	33,576
Income tax receivables	1,038	1,038
Deferred taxation assets	11,796	11,796
Backlog	–	6,461
Customer contracts	–	4,241
Cash and cash equivalents	7,475	7,475
Trade and other receivables	37,952	37,952
Loans to related parties	27,483	27,483
Other current assets	2,562	2,562
Inventory	9,248	9,248
Employee benefits, non-current	(260)	(260)
Financial liabilities, non-current	(13,228)	(13,228)
Deferred taxation liabilities	(5,094)	(8,304)
Trade and other payables	(62,978)	(62,978)
Employee benefits, current	(6,409)	(6,409)
Income taxes payables	(523)	(523)
Sundry creditors	(2,813)	(2,813)
Financial liabilities, current	(4,038)	(4,038)
Non-controlling interest	–	(3,806)
Net identifiable assets	<u>40,839</u>	<u>44,525</u>
Share of fair value of identifiable net assets acquired		17,810
Goodwill		<u>15,766</u>
Purchase consideration, settled by cash		<u>33,576</u>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 40. Listing of and information on associates (cont'd)

### 40B. Acquisition of an associate in reporting year 2017 (cont'd)

The contributions from the acquired associate for the period between the date of acquisition and the end of the reporting year were as follows:

	Group	
	From date of acquisition in 2017 \$'000	For the reporting year 2017 \$'000
Profit for the year	2,515	2,515

## 41. Listing of and information on joint ventures

Name of joint ventures, principal activities and independent auditors	Country of incorporation	Effective equity held by the Group	
		2018 %	2017 %
<i>Held by the Company</i>			
Oxley-LBD Pte. Ltd. <sup>(a)</sup> (Formerly known as Oxley-Lian Beng Pte. Ltd.) Property development RSM Chio Lim LLP	Singapore	50	50
Rio Casa Venture Pte. Ltd. <sup>(a)</sup> Property development RSM Chio Lim LLP	Singapore	35	35
Oxley Serangoon Pte. Ltd. <sup>(a)</sup> Property development RSM Chio Lim LLP	Singapore	40	–
Metro Global Solutions Pte. Ltd. <sup>(a)</sup> Asset management and consultancy services RSM Chio Lim LLP	Singapore	50	50
<i>Held through Oxley Emerald Sdn. Bhd.</i>			
Posh Properties Sdn. Bhd. <sup>(a)</sup> Property development Yeo & Associates	Malaysia	50	50



# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 41. Listing of and information on joint ventures (cont'd)

Name of joint ventures, principal activities and independent auditors	Country of incorporation	Effective equity held by the Group	
		2018 %	2017 %
<i>Held through Oxley Ruby Sdn. Bhd.</i>			
Peninsular Teamwork Sdn. Bhd. <sup>(a)</sup> Property development Deloitte PLT	Malaysia	50	50
<i>Held through Oxley China Pte. Ltd.</i>			
KAP Holdings (China) Pte. Ltd. <sup>(a)</sup> Investment holding Deloitte & Touche LLP	Singapore	55	55
<i>Held through Oxley Holdings (Cambodia) Co., Ltd.</i>			
Oxley Diamond (Cambodia) Co., Ltd. <sup>(a)</sup> Property development Deloitte & Touche LLP	Cambodia	50	50
<i>Held through Oxley UK Pte. Ltd.</i>			
Oxley Deanston Limited <sup>(a)</sup> Property development Deloitte & Touche LLP	United Kingdom	50	50
<i>Held through Oxley Holdings (Cyprus) Limited</i>			
Oxley Planetvision Properties Ltd <sup>(a)</sup> Property development Deloitte Limited (Cyprus)	Cyprus	50	50

(a) The management financial statements at 30 June of the joint ventures have been used for equity accounting purpose.

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 41. Listing of and information on joint ventures (cont'd)

### 41A. Aggregate for all non-material joint ventures

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

	Group	
	2018	2017
	\$'000	\$'000
Revenue	379,448	101,033
Profit for the reporting year	143,630	36,547
Total comprehensive income	143,630	36,547
Net assets of the joint ventures	130,642	58,377

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

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

## 42. Listing of and information on development properties

Development properties held through associates or joint ventures are not listed below as the accounting for investment in associates and joint ventures are on the equity method.

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

Project name / location	Description	Tenure	Approximate area (sqm)		Percentage of completion at 30 June 2018	Interest held by the Group	Expected completion date <sup>(d)</sup>
			Land area	Gross floor area			
<u>Singapore</u>							
KAP & KAP Residences 9 & 11 King Albert Park, Singapore	7-storey development with commercial podium, residential blocks and basement carparks	Freehold	5,535	17,161	100%	55%	Completed
The Rise@Oxley 71 & 73 Oxley Rise Road, Singapore	10-storey development with commercial podium, residential flats and basement carparks	Freehold	2,381	10,710	100%	100%	Completed
The Flow 66 East Coast Road, Singapore	7-storey commercial development with basement and mechanised carpark	Freehold	2,176	6,527	100%	100%	Completed
Floraview, Floravista and Floraville 1, 3, 5, 7 Ang Mo Kio Street 66 / 2 Cactus Road, Singapore	4-storey shop flat with attic, shops / restaurant, basement carpark, residential flats and ancillary facilities  and  4-storey apartment with attic, basement carpark and ancillary facilities	Freehold	8,249	12,431	100%	55%	Completed
The Verandah Residences 231 Pasir Panjang Road, Singapore	5-storey development with 2-storey strata landed houses, carpark, swimming pool and communal facilities	Freehold	8,326	13,138	4.7%	100%	2021
Sixteen35 Residences 16 Lorong 35 Geylang, Singapore	8-storey mixed development, carpark, swimming pool and communal facilities	99 years leasehold	2,220	6,215	–	100%	2021

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

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

The listing of and information on the development properties are given below (cont'd):

Project name / location	Description	Tenure	Approximate area (sqm)		Percentage of completion at 30 June 2018	Interest held by the Group	Expected completion date <sup>(d)</sup>
			Land area	Gross floor area			
<u>Singapore (cont'd)</u>							
Sea Pavilion Residences 494 Upper East Coast Road, Singapore	5-storey development, carpark and swimming pool	Freehold	1,300	1,820	–	100%	2020
The Addition 21 Meyappa Chettiar Road, Singapore	8-storey development, carpark and swimming pool	Freehold	898	1,886	–	100%	2020 <sup>(b)</sup>
The Plaza 1, 3, 5, 7, 9 and 11 Balestier Road and 3 Tessensohn Road, Singapore	– <sup>(a)</sup>	Freehold	1,688	– <sup>(a)</sup>	–	100%	2021 <sup>(b)</sup>
Kent Ridge Hill Residences 50 - 66 South Bouna Vista Road, Singapore	11 blocks of 5-storey apartments and 50 units of strata landed houses	99 years leasehold <sup>(g)</sup>	29,659	41,522	–	100%	2022 <sup>(b)</sup>
Ampas Apartment 5 Jalan Ampas, Singapore	Proposed erection of a block of 32-storey development carpark, swimming pool and communal facilities	Freehold	2,809	7,866	–	100%	– <sup>(b)</sup>
Mayfair Gardens and Mayfair Modern 2, 4, 6, 8, 10, 12 and 14 Rifle Range Road, Singapore	4 blocks (5-storey with attic) residential flats with basement carpark, swimming pool and communal facilities and 2 blocks (8-storey) residential flats with basement carpark, swimming pool and commercial facilities.	99 years leasehold	19,368	27,115	–	100%	2022 <sup>(b)</sup>
Parkwood Residences 208 Yio Chu Kang Road, Singapore	5-storey development with attic and swimming pool	Leasehold	1,313	1,838	–	100%	2020 <sup>(b)</sup>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

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

The listing of and information on the development properties are given below (cont'd):

Project name / location	Description	Tenure	Approximate area (sqm)		Percentage of completion at 30 June 2018	Interest held by the Group	Expected completion date <sup>(d)</sup>
			Land area	Gross floor area			
<u>Cambodia</u>							
The Garage Street #84, Phum #13, Sangkat Srah Chork, Khan Daun Penh, Phnom Penh, Cambodia	Mixed retail and residential development <sup>(a)</sup>	Freehold	8,921	– <sup>(a)</sup>	– <sup>(f)</sup>	79%	– <sup>(b)</sup>
The Peak Samdach Hun Sen Street Village 14, Sangkat Tonle Bassac, Khan Chamkamorn, Phnom Penh, Cambodia	Mixed retail, hotel, office and residential development <sup>(a)</sup>	Freehold	12,609	208,750 <sup>(a)</sup>	26.5% <sup>(f)</sup>	79%	2020
The Palms National Road, No 1, Kdey Tokoy Village, Veal Sbov Commune, Khan Mean Chey, Phnom Penh, Cambodia	Residential development <sup>(a)</sup>	Freehold	37,689	65,592 <sup>(a)</sup>	1.0% <sup>(f)</sup>	79%	2020
<u>Malaysia</u>							
Oxley Towers Kuala Lumpur City Centre Lot 99, Section 0058 Mukim Bandar Kuala Lumpur, Daerah Kuala Lumpur, Malaysia	Mixed retail, hotel, office and residential development	Freehold	12,575	175,979 <sup>(a)</sup>	8.5% <sup>(f)</sup>	100%	2022
Pepper Hill <sup>(c)</sup> Penang Mukim 18, Daerah Timor Laut, Penang, Malaysia	Residential development	Freehold	119,876	– <sup>(a)</sup>	–	70% <sup>(e)</sup>	– <sup>(b)</sup>

# NOTES TO THE FINANCIAL STATEMENTS

30 June 2018

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

The listing of and information on the development properties are given below (cont'd):

Project name / location	Description	Tenure	Approximate area (sqm)		Percentage of completion at 30 June 2018	Interest held by the Group	Expected completion date <sup>(d)</sup>
			Land area	Gross floor area			
<u>Malaysia (cont'd)</u>							
Medini <sup>(c)</sup> Plot B3 & B5 Iskandar, Johor, Malaysia	Mixed development	99 years + 30 years extension	17,300	– <sup>(a)</sup>	–	100%	– <sup>(b)</sup>
Section 16 <sup>(c)</sup> Lot 26315, Bt 6 Jalan Damansara, Daerah Petaling Jaya, Negeri Selangor, Malaysia	Mixed development	Freehold	19,098	– <sup>(a)</sup>	–	100%	– <sup>(b)</sup>
<u>Ireland</u>							
Dublin Landings North Wall Quay Dublin 1	Residential development	Leasehold	10,000	31,224	17.0% <sup>(f)</sup>	100%	2020 <sup>(b)</sup>
<u>London</u>							
Royal Wharf North Woolwich Road, London, United Kingdom	Township development	Freehold	169,958	394,026	P1-95.5% <sup>(f)</sup> P2-79.9% P3-53.1%	100%	2018 to 2021 (Phase 1 to Phase 3)

<sup>(a)</sup> The plans for these projects are subject to modification.

<sup>(b)</sup> These projects are yet to be launched as at 30 June 2018.

<sup>(c)</sup> Project names are for illustrative purpose only.

<sup>(d)</sup> The expected completion date refers to calendar year.

<sup>(e)</sup> The Group does not own the land. It has the right to develop the property pursuant to a joint venture agreement.

<sup>(f)</sup> Development properties under construction accounted for under completion of contract method.

<sup>(g)</sup> Subject to approval from government authority.



# STATISTICS OF SHAREHOLDINGS

As at 21 September 2018

Issued and paid-up capital	:	\$246,226,989
Number of shares	:	4,048,450,338
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

The Company holds 9,300,000 issued shares as treasury shares and there are no subsidiary holdings. The treasury shares constitute 0.23% of the total number of issued shares of the Company.

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	38	1.03	1,361	0.00
100 - 1,000	98	2.65	48,789	0.00
1,001 - 10,000	982	26.57	6,177,412	0.15
10,001 - 1,000,000	2,510	67.91	170,958,166	4.23
1,000,001 AND ABOVE	68	1.84	3,861,964,610	95.62
<b>TOTAL</b>	<b>3,696</b>	<b>100.00</b>	<b>4,039,150,338</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 21 September 2018)

	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(3)</sup>	No. of Shares	% <sup>(3)</sup>
Ching Chiat Kwong <sup>(1)(2)</sup>	1,663,584,045	41.19	10,560,000	0.26
Low See Ching (Liu Shijin) <sup>(1)</sup>	1,119,019,792	27.70	–	–
Tee Wee Sien (Zheng Weixian)	470,796,172	11.66	–	–

### Notes:

- (1) Ching Chiat Kwong and Low See Ching (Liu Shijin) are deemed to be parties acting in concert with each other with respect to the Company pursuant to a concert parties agreement dated 18 November 2011.
- (2) Gold Crescent Holdings Limited, which holds 10,560,000 shares, is wholly-owned by Ching Chiat Kwong. Ching Chiat Kwong is thus deemed to have an interest in 10,560,000 shares held by Gold Crescent Holdings Limited by virtue of Section 7 of the Companies Act (Chapter 50).
- (3) The percentages of issued share capital are calculated based on 4,039,150,338 issued shares (excluding treasury shares) in the capital of the Company as at 21 September 2018.

# STATISTICS OF SHAREHOLDINGS

As at 21 September 2018

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	LOW SEE CHING (LIU SHIJIN)	718,489,092	17.79
2	DBS NOMINEES (PRIVATE) LIMITED	563,441,652	13.95
3	CITIBANK NOMINEES SINGAPORE PTE LTD	513,395,886	12.71
4	DB NOMINEES (SINGAPORE) PTE LTD	507,364,540	12.56
5	RAFFLES NOMINEES (PTE) LIMITED	316,335,231	7.83
6	DBSN SERVICES PTE. LTD.	303,495,788	7.51
7	HONG LEONG FINANCE NOMINEES PTE LTD	186,313,100	4.61
8	MAYBANK NOMINEES (SINGAPORE) PRIVATE LIMITED	175,348,800	4.34
9	OCBC SECURITIES PRIVATE LIMITED	98,655,098	2.44
10	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	97,132,066	2.40
11	TEE WEE SIEN (ZHENG WEIXIAN)	79,557,492	1.97
12	TAN YONG HOA	41,540,101	1.03
13	MAYBANK KIM ENG SECURITIES PTE. LTD.	41,428,050	1.03
14	UOB KAY HIAN PRIVATE LIMITED	34,932,728	0.86
15	CHING CHIAT KWONG	26,304,239	0.65
16	LIAN BEE METAL PTE LTD	20,029,916	0.50
17	HSBC (SINGAPORE) NOMINEES PTE LTD	18,876,860	0.47
18	PHILLIP SECURITIES PTE LTD	12,762,106	0.32
19	YAP BOH SIM	8,000,000	0.20
20	GOH KEE CHOO (WU QIZHU)	6,125,147	0.15
	<b>TOTAL</b>	<b>3,769,527,892</b>	<b>93.32</b>

## SHARES HELD BY PUBLIC

Based on the information provided to the Company as at 21 September 2018, approximately 19.18% of the issued ordinary shares (excluding treasury 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 I

16 October 2018

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, 31 October 2018 at 10.00 am at Polaris Ballroom, Level 1, Novotel & Mercure Singapore on Stevens, 28 Stevens Road, Singapore 257878.

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

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

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

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

## OXLEY HOLDINGS LIMITED

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

### APPENDIX

#### IN RELATION TO

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

## DEFINITIONS

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

### Companies within our Group

“Company” or “Oxley Holdings” : Oxley Holdings Limited

“Group” : The Company and its subsidiaries

### Other Companies and Organisations

“Oxley Construction” or  
“Mandated Interested Person” : Oxley Construction Pte Ltd

“SGX-ST” : Singapore Exchange Securities Trading Limited

### General

“Act” or “Companies Act” : The Companies Act (Chapter 50) of Singapore as amended, supplemented or modified from time to time

“AGM” : Annual general meeting to be held on Wednesday, 31 October 2018 at 10.00 am at Polaris Ballroom, Level 1, Novotel & Mercure Singapore on Stevens, 28 Stevens Road, Singapore 257878

“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



# APPENDIX I

- “**Controlling Shareholder**” : A person who:-
- (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares and subsidiary holdings in the Company; or
  - (b) in fact exercises control over the Company
- “**Directors**” : The directors of the Company
- “**Latest Practicable Date**” : 21 September 2018, being the latest practicable date prior to the printing of this Appendix
- “**Listing Manual**” : The Listing Manual of the SGX-ST, as may be amended, varied or supplemented from time to time
- “**Shareholders**” : 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
- “**Shareholders’ Mandate**” : 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
- “**Shares**” : Ordinary shares in the capital of the Company
- “**Substantial Shareholder**” : 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

- “**S\$**” or “**\$**” and “**cents**” : Singapore dollars and cents, respectively

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 (as amended or modified from time to time).

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

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

## 1. INTRODUCTION

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

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

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

At the last annual general meeting held on 31 October 2017, the Shareholders approved, amongst other things, the renewal of the Shareholders’ Mandate (as described below). The Shareholders’ Mandate was stated to continue in force, unless revoked or varied by the Company in general meeting, until the conclusion of the next annual general meeting of the Company, being the upcoming annual general meeting to be held on 31 October 2018 (the “**2018 AGM**”). The Directors propose that the Shareholders’ Mandate be renewed at the 2018 AGM and to take effect until the subsequent annual general meeting of the Company to be held in 2019. There is no change to the scope and terms of the Shareholders’ Mandate which is proposed to be renewed.

The purpose of this Appendix is to provide the Shareholders with the relevant information relating to, and to seek the Shareholders’ approval at the 2018 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 director and shareholder of Oxley Construction is Mr Ching Chiat Kwong, the Executive Chairman and Chief Executive Officer, as well as Controlling Shareholder, of the Company.

### 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.

# APPENDIX I

The Mandated Interested Person has been providing building and construction services to previous property development projects undertaken by Mr Ching Chiat Kwong, the Executive Chairman and Chief Executive Officer of the Company. The Mandated Interested Person has also been providing building and construction services to the Group since the listing of the Company. The Mandated Interested Person is thus familiar with the requirements and specifications, in terms of material quality, workmanship, timeline and other deliverables, demanded by the Group. As such, less time and resource will be spent on additional quality checks, unnecessary rectification works and supervision to ensure that work is done to the Group's satisfaction and project timelines are adhered to. Based on the foregoing, the Directors are of the view that it will be beneficial to the Group to continue to engage the services of the Mandated Interested Person in the future, subject to the review procedures under the Shareholders' Mandate.

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

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

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

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

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

## 2.4 Guidelines and review procedures under Shareholders' Mandate

Prior to engaging the services of the Mandated Interested Person, at least two other quotes or bids from unrelated parties shall be obtained for similar building and construction services for comparison purposes. If the construction contract is to be awarded to the Mandated Interested Person, the contract sum shall not be less favourable than the most competitive quote offered and the credentials of the Mandated Interested Person shall also be supported by a recommendation from an architect. In addition, the material terms (in respect of the total amount of the contract sum) offered by the Mandated Interested Person shall also not be less favourable than those offered by the unrelated parties. In the event that certain material terms are not directly comparable to the other quotes or bids from unrelated parties (for example, differences arising from classification of work to be performed), a Director or the Chief Financial Officer, 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.

# APPENDIX I

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

A register will be maintained by the Company to record all interested person transactions (including the dates, terms and basis on which such transactions are entered into) which are entered into pursuant to the Shareholders' Mandate and the approval or review by the Audit Committee or Chief Financial Officer, as the case may be. In the event that the Chief Financial Officer 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.



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## 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 31 October 2017 and that such methods and procedures are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

## 4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders in Shares as at the Latest Practicable Date, as recorded in the Register of Director's Shareholdings and the Register of Substantial Shareholders kept by the Company, are set out below:-

	Direct Interest		Deemed Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	%
Directors				
Ching Chiat Kwong	1,663,584,045	41.19	10,560,000	0.26
Low See Ching	1,119,019,792	27.70	–	–
Ng Weng Sui Harry	462,000	0.01	–	–
Phua Sian Chin	–	–	–	–
Lim Yeow Hua @ Lim You Qin	–	–	–	–
<b>Substantial Shareholders (other than Directors)</b>				
Tee Wee Sien	470,796,172	11.66	–	–

**Note:**

(1) Percentage computed based on the total number of issued Shares excluding treasury shares of the Company, being 4,039,150,338 Shares, as at the Latest Practicable Date.

## 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, are of the opinion that the Shareholders' Mandate will enhance the efficiency of the Company and the Group and is in the best interests of the Company and the Group, and therefore 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 2018 of the Company, will be held on Wednesday, 31 October 2018 at 10.00 am at Polaris Ballroom, Level 1, Novotel & Mercure Singapore on Stevens, 28 Stevens Road, Singapore 257878, for the purpose of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution relating to the renewal of the Shareholders' Mandate as set out in the Notice of AGM.

## 7. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and who wish to appoint a proxy to attend on their behalf are requested to complete, sign and return the Proxy Form attached to the Annual Report in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 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 72 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.

# APPENDIX II

16 October 2018

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, 31 October 2018 at 10.00 am at Polaris Ballroom, Level 1, Novotel & Mercure Singapore on Stevens, 28 Stevens Road, Singapore 257878.

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

#### PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

# APPENDIX II

## DEFINITIONS

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

“AGM”	:	Annual general meeting to be held on Wednesday, 31 October 2018 at 10.00 am at Polaris Ballroom, Level 1, Novotel & Mercure Singapore on Stevens, 28 Stevens Road, Singapore 257878
“Board”	:	The board of Directors of the Company for the time being
“CDP”	:	The Central Depository (Pte) Limited
“CEO”	:	Chief Executive Officer
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, supplemented or modified from time to time
“Company”	:	Oxley Holdings Limited
“Director”	:	A director of the Company for the time being
“FY”	:	Financial year ended, or as the case may be, ending 30 June
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	21 September 2018, being the latest practicable date prior to the printing of this Appendix
“Listing Manual”	:	The Listing Manual of the SGX-ST, as amended, supplemented or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Purchase Mandate”	:	The general mandate given by Shareholders to authorise the Directors to purchase Shares on behalf of the Company in accordance with the terms set out in this Appendix and the rules and regulations set forth in the Companies Act and the Listing Manual
“Shareholders”	:	Registered holders of Shares, except where the registered holder is CDP, the term “ <b>Shareholders</b> ” shall, in relation to such Shares, mean the Depositors whose securities accounts maintained with CDP are credited with the Shares
“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	The Securities Industry Council of Singapore
“subsidiary holdings”	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act



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“Take-over Code”	: The Singapore Code on Take-overs and Mergers, as amended, supplemented or modified from time to time
“treasury shares”	: Issued Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances which Section 76H of the Companies Act applies and have since purchase been continuously held by the Company
“\$” and “cents”	: Singapore dollars and cents respectively
“%” or “percent”	: Percentage or per centum

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 (as amended or modified from time to time).

Words importing the singular shall, where applicable, include the plural and vice versa. 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 as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Appendix shall have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Appendix is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Appendix between the sum of listed amounts and the totals thereof shown are due to rounding.

## 1. INTRODUCTION

Shareholders had approved the Share Purchase Mandate at the extraordinary general meeting held on 28 October 2015 to enable the Company to purchase or otherwise acquire issued Shares. The Share Purchase Mandate was subsequently renewed at the annual general meetings held on 28 October 2016 and 31 October 2017. The authority conferred on the Directors under the current Share Purchase Mandate will expire at the AGM to be held on 31 October 2018.

Accordingly, the Directors propose to seek the approval of Shareholders for the renewal of the Share Purchase Mandate. The purpose of this Appendix is to provide Shareholders with information in relation to the proposed renewal of the Share Purchase Mandate.

## 2. RATIONALE FOR THE SHARE PURCHASE MANDATE

The rationale for the Share Purchase Mandate includes the following:

- (a) The Share Purchase Mandate would give the Company the flexibility to undertake purchases of its Shares at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force. Share purchases provide the Company with a mechanism to return surplus cash over and above its ordinary capital requirements and investment needs to its Shareholders in an expedient and cost-efficient manner.
- (b) The Share Purchase Mandate will allow the Directors to exercise greater control over the Company's share capital structure, dividend policy and cash reserves, with a view to enhancing the net tangible assets and/or earnings per Share.
- (c) The purchase or acquisition of Shares under the Share Purchase Mandate will help to mitigate short-term share price volatility by stabilising the supply and demand of issued Shares and offset the effects of short-term share price speculation, thereby supporting the fundamental value of the issued Shares and bolstering Shareholders' confidence.

The purchase or acquisition of Shares will only be undertaken if the Directors believe that it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 5% limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity of Shares or the financial condition of the Company and the Group or result in the Company being delisted. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Purchase Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

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## 3. AUTHORITY AND LIMITS OF THE SHARE PURCHASE MANDATE

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the proposed Share Purchase Mandate, if renewed at the AGM, are summarised below:-

(a) Maximum Number of Shares

The Company may purchase only Shares, which are issued and fully paid-up. The total number of Shares that may be purchased is limited to that number of Shares representing not more than 5% of the issued Shares (excluding any treasury shares and subsidiary holdings) as at the date of the AGM at which the resolution renewing the Share Purchase Mandate is passed (the “**Approval Date**”), unless the Company has thereafter, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares as altered (excluding any treasury shares and subsidiary holdings). “**Relevant Period**” means the period commencing from the date on which the Share Purchase Mandate is renewed and expiring on the date on which the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier.

For illustrative purposes only, based on the issued share capital of the Company as at the Latest Practicable Date of 4,039,150,338 Shares (excluding 9,300,000 treasury shares held by the Company and no subsidiary holdings), and assuming that the number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company remains unchanged up to the date of the AGM, not more than 201,957,516 Shares, representing 5% of the issued Shares (excluding treasury shares and subsidiary holdings) as at that date, may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

(b) Duration of Authority

Purchases of Shares may be made, at any time and from time to time, from the Approval Date up to the earliest of:-

- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (ii) the date on which Share purchases have been carried out to the full extent of the Share Purchase Mandate; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by an ordinary resolution of Shareholders in general meeting.

(c) Manner of Purchase

Purchases of Shares may be made on the SGX-ST (“**Market Purchases**”) and/or otherwise than on the SGX-ST, in accordance with an equal access scheme (as defined in Section 76C(6) of the Companies Act) (“**Off-Market Purchases**”).

Market Purchases refer to purchases of Shares by the Company effected on the SGX-ST through one or more duly licensed stockbrokers appointed by the Company for the purpose.

## APPENDIX II

Off-Market Purchases refer to purchases of Shares by the Company made under an equal access scheme or schemes for the purchase of Shares from Shareholders. The Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:-

- (i) offers for the purchase or acquisition of issued shares shall be made to every person who holds issued shares to purchase or acquire the same percentage of their issued shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers are the same, except that there shall be disregarded:-
  - (aa) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements;
  - (bb) (if applicable) differences in consideration attributable to the fact that offers relate to shares with different amounts remaining unpaid; and
  - (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

In addition, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders, which must contain at least the following information:-

- (i) the terms and conditions of the offer;
  - (ii) the period and procedures for acceptances;
  - (iii) the reasons for the proposed share purchase;
  - (iv) the consequences, if any, of share purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
  - (v) whether the share purchase, if made, could affect the listing of the Shares on the SGX-ST;
  - (vi) details of any share purchases made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
  - (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.
- (d) Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commissions, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.



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However, the purchase price must not exceed:-

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined below),

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase.

For the above purposes:-

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five Market Days on which transactions in Shares were recorded, preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-Market Day period; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

#### 4. STATUS OF PURCHASED SHARES

Any Share which is purchased by the Company is deemed cancelled immediately on purchase (and all rights and privileges attached to that Share will expire on cancellation) unless such Share is held by the Company as a treasury share.

(a) Cancelled Shares

Where Shares purchased or acquired by the Company are cancelled, the Company shall:

- (i) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (ii) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (iii) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled.

Shares which are cancelled will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following such cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and not held as treasury shares.

(b) Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. According to the key provisions on treasury shares under the Companies Act:

(i) *Maximum Holdings*

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

(ii) *Voting and other Rights*

The Company will not have the right to attend or vote at meetings and/or to receive any dividends in respect of treasury shares. However, the allotment of treasury shares as fully paid bonus shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(iii) *Disposal and Cancellation*

The Company may dispose of treasury shares at any time in the following ways:

- (aa) selling the treasury shares for cash;
- (bb) transferring the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (cc) transferring the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (dd) cancelling the treasury shares; or
- (ee) selling, transferring or otherwise using the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

## 5. SOURCE OF FUNDS

The Companies Act permits the Company to purchase its Shares out of capital or profits so long as the Company is solvent. For this purpose, the Company is solvent if at the date of the payment for the Shares, the following conditions are satisfied:-

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if (i) it is intended to commence winding up of the Company within the period of 12 months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and

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- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the purchase of Shares, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal sources of funds, or a combination of internal resources and external borrowings, to finance purchases of its Shares.

### 6. FINANCIAL EFFECTS

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the proposed Share Purchase Mandate on the net tangible asset value and earnings per Share as the resultant effect would depend on factors such as the aggregate numbers of Shares purchased, the purchase prices paid at the relevant times, whether the Shares purchased or acquired are held in treasury or immediately cancelled on purchase or acquisition, how the Shares held in treasury are subsequently dealt with by the Company in accordance with Section 76K of the Companies Act, and the amounts (if any) borrowed by the Company to fund the purchases.

Where the purchase of Shares is made out of distributable profits, such purchase (including costs incidental to the purchase) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the purchase of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Where the purchase of Shares is financed through internal resources, it will reduce the cash reserves of the Group and the Company, and thus the current assets and shareholders' funds of the Group and the Company. This will result in an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

Where the purchase or acquisition of Shares is financed through external borrowings or financing, there would be an increase in the gearing ratios of the Group and the Company, and a decline in the current ratios and shareholders' funds of the Group and the Company, with the actual impact dependent on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

For illustrative purposes only and on the basis of the following assumptions:-

- (i) that the issued share capital of the Company as at the Latest Practicable Date of 4,039,150,338 Shares (excluding 9,300,000 treasury shares held by the Company and no subsidiary holdings), remains unchanged up to the date of the AGM, and not more than 201,957,516 Shares, representing 5% of the issued Shares (excluding treasury shares and subsidiary holdings) as at that date, may be purchased or acquired by the Company pursuant to the Share Purchase Mandate;
- (ii) that the purchase or acquisition by the Company of 201,957,516 Shares, representing 5% of its issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, was made on 30 June 2018;
- (iii) that, in the case of Market Purchases, the Company purchased or acquired Shares at the Maximum Price of \$0.437 for each Share (being 105% of the Average Closing Price as at 30 June 2018), and, in the case of Off-Market Purchases, the Company purchased or acquired Shares at the Maximum Price of \$0.499 for each Share (being 120% of the Average Closing Price as at 30 June 2018);

## APPENDIX II

- (iv) that the purchase or acquisition of Shares by the Company, which required funds amounting to, in the case of Market Purchases, \$88,215,043, and in the case of Off-Market Purchases, \$100,817,192, was financed entirely using its internal sources of funds; and
- (v) that the purchase or acquisition of Shares was made entirely out of profits and the Shares were held as treasury shares after the purchase or acquisition,

the financial effects of Share purchases by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Group for the financial year ended 30 June 2018 ("FY2018"), are set out below.

### Scenario 1

Market Purchases of 201,957,516 Shares made entirely out of profits and held as treasury shares

	Group		Company	
	Before Share Purchase \$'000	After Share Purchase \$'000	Before Share Purchase \$'000	After Share Purchase \$'000
<b>As at 30 June 2018</b>				
Share capital	242,050	242,050	242,050	242,050
Foreign exchange translation	(2,691)	(2,691)	–	–
Retained earnings	925,621	925,621	170,505	170,505
Treasury shares	(2,575)	(90,790)	(2,575)	(90,790)
Asset revaluation reserve	257,414	257,414	–	–
Fair value reserve	12,286	12,286	12,286	12,286
Other reserve	3,629	3,629	3,629	3,629
Shareholders' funds	1,435,734	1,347,519	425,895	337,680
Net tangible assets	1,502,280	1,414,065	425,895	337,680
Current assets	2,973,720	2,885,505	757,880	757,880
Current liabilities	1,239,860	1,239,860	1,736,648	1,824,863
Working capital	1,733,860	1,645,645	(978,768)	(1,066,983)
Total liabilities	4,518,472	4,518,472	2,139,582	2,227,797
Cash and cash equivalents <sup>(1)</sup>	254,980	166,765	30,830	30,830
Net profit attributable to owners of the Company	285,028	285,028	N.M. <sup>(5)</sup>	N.M. <sup>(5)</sup>
Number of Shares (excluding treasury shares) ('000)	4,042,750	3,840,792	4,042,750	3,840,792
<b>Financial Ratios</b>				
Net tangible assets per Share <sup>(2)</sup> (cents)	37.16	36.82	10.53	8.79
Earnings per Share (cents)	7.05	7.42	N.M. <sup>(5)</sup>	N.M. <sup>(5)</sup>
Gearing ratio <sup>(3)</sup> (times)	2.17	2.37	1.32	1.67
Current ratio <sup>(4)</sup> (times)	2.40	2.33	0.44	0.42

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### Notes:-

- (1) As funding for the Share purchases is assumed to be obtained from the Company's subsidiaries, the cash and cash equivalents at the Company level are not affected.
- (2) Net tangible assets per Share is computed based on total net assets less deferred expenditure, other intangible assets and non-controlling interests, divided by the number of issued Shares.
- (3) Gearing ratio equals total borrowings less cash and cash equivalents divided by total equity.
- (4) Current ratio equals current assets divided by current liabilities.
- (5) N.M. denotes not meaningful.

### Scenario 2

Off-Market Purchases of 201,957,516 Shares made entirely out of profits and held as treasury shares

	Group		Company	
	Before Share Purchase \$'000	After Share Purchase \$'000	Before Share Purchase \$'000	After Share Purchase \$'000
As at 30 June 2018				
Share capital	242,050	242,050	242,050	242,050
Foreign exchange translation	(2,691)	(2,691)	-	-
Retained earnings	925,621	925,621	170,505	170,505
Treasury shares	(2,575)	(103,392)	(2,575)	(103,392)
Asset revaluation reserve	257,414	257,414	-	-
Fair value reserve	12,286	12,286	12,286	12,286
Other reserve	3,629	3,629	3,629	3,629
Shareholders' funds	1,435,734	1,334,917	425,895	325,078
Net tangible assets	1,502,280	1,401,463	425,895	325,078
Current assets	2,973,720	2,872,903	757,880	757,880
Current liabilities	1,239,860	1,239,860	1,736,648	1,837,465
Working capital	1,733,860	1,633,043	(978,768)	(1,079,585)
Total liabilities	4,518,472	4,518,472	2,139,582	2,240,399
Cash and cash equivalents <sup>(1)</sup>	254,980	154,163	30,830	30,830
Net profit attributable to owners of the Company	285,028	285,028	N.M. <sup>(5)</sup>	N.M. <sup>(5)</sup>
Number of Shares (excluding treasury shares) ('000)	4,042,750	3,840,792	4,042,750	3,840,792
<b>Financial Ratios</b>				
Net tangible assets per Share <sup>(2)</sup> (cents)	37.16	36.49	10.53	8.46
Earnings per Share (cents)	7.05	7.42	N.M. <sup>(5)</sup>	N.M. <sup>(5)</sup>
Gearing ratio <sup>(3)</sup> (times)	2.17	2.40	1.32	1.73
Current ratio <sup>(4)</sup> (times)	2.40	2.32	0.44	0.41

## Notes:-

- (1) As funding for the Share purchases is assumed to be obtained from the Company's subsidiaries, the cash and cash equivalents at the Company level are not affected.
- (2) Net tangible assets per Share is computed based on total net assets less deferred expenditure, other intangible assets and non-controlling interests, divided by the number of issued Shares.
- (3) Gearing ratio equals total borrowings less cash and cash equivalents divided by total equity.
- (4) Current ratio equals current assets divided by current liabilities.
- (5) N.M. denotes not meaningful.

**Shareholders should note that the financial effects set out in this Section 6 are purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical FY2018 numbers and are in no way indicative of the Company's actual financial position or a forecast of the Company's financial figures.**

The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a Share purchase before execution.

## 7. LISTING RULES

Under the Listing Manual, a listed company may purchase shares by way of Market Purchases at a price per share which is not more than 5% above the average of the closing market prices of the shares over the last five Market Days, on which transactions in the shares were recorded, before the day on which the purchases were made and deemed to be adjusted for any corporate action that occurs after the relevant five-day period. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 3(d) above, conforms to this restriction.

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement must include details of the date of the purchases of the shares, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, and the cumulative number of shares purchased. Such announcement will be made in the form prescribed by the Listing Manual.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in observing the best practices recommended in the Listing Manual on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases during the period of two weeks immediately preceding the announcement of the Company's quarterly results or one month immediately preceding the announcement of the Company's full-year results, as the case may be, and ending on the date of announcement of the relevant results.

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## 8. LISTING STATUS ON THE SGX-ST

The Company is required under Rule 723 of the SGX-ST Listing Manual to ensure that at least 10% of its issued Shares (excluding treasury shares) are in the hands of the public. The “**public**”, as defined in the Listing Manual, are persons other than the Directors, CEO, substantial shareholders and controlling shareholders of the Company and its subsidiaries, as well as the associates (as defined in the Listing Manual) of such persons.

As at the Latest Practicable Date, there were approximately 774,728,329 issued Shares in the hands of the public (as defined above), representing 19.18% of the total number of issued Shares (excluding treasury shares) of the Company. Assuming that the Company purchases its Shares through Market Purchases up to the full 5% limit pursuant to the Share Purchase Mandate and holds the purchased Shares as treasury shares, the number of issued Shares in the hands of the public would be reduced to 572,770,813 Shares, representing 14.18% of the total number of issued Shares (excluding treasury shares) of the Company. As at the Latest Practicable Date, the Company held 9,300,000 treasury shares.

Under the Companies Act, in the event that the number of Shares held as treasury shares by the Company at any time exceeds 10% of the total number of issued Shares at that time, the Company shall dispose of or cancel the excess treasury shares within 6 months.

In view of the foregoing, the Company is of the view that there is, at present, a sufficient number of Shares in public hands that would permit the Company to potentially undertake purchases of its Shares through Market Purchases up to the full 5% limit pursuant to the Share Purchase Mandate without:-

- (i) affecting adversely the listing status of the Shares on the SGX-ST;
- (ii) causing market illiquidity; or
- (iii) affecting adversely the orderly trading of Shares.

## 9. TAX IMPLICATIONS

When a company purchases its own shares using its distributed profits or contributed capital, it will be regarded as any other disposal of shares by the shareholders from whom the shares are acquired.

For income tax purposes, whether or not the proceeds received by the Shareholders are taxable in the hands of the Shareholders who sell their Shares to the Company for which the purchases were made out of distributed profits or contributed capital will depend on whether such proceeds are receipts of an income or capital nature.

**Shareholders should note that the foregoing is not to be regarded as advice on the tax position of any Shareholder. Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.**

## 10. IMPLICATIONS OF TAKE-OVER CODE

### (a) Obligation to Make a Take-over Offer

If as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in a change in control, or as a result of such increase a Shareholder or Group of Shareholders acting in concert obtain or consolidate control, it may in certain circumstances give rise to an obligation on the part of such Shareholder or Shareholders to make a take-over offer under Rule 14 of the Take-over Code.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase of Shares by the Company are set out in Appendix 2 ("**TOC Appendix 2**") of the Take-over Code.

In relation to Directors and persons acting in concert with them, Rule 14 provides that unless exempted (or if exempted, such exemption is subsequently revoked), Directors and persons acting in concert with them will incur an obligation to make a take-over offer if, as a result of a purchase of Shares by the Company:-

- (i) the percentage of voting rights held by such Directors and their concert parties in the Company increases to 30% or more; or
- (ii) if they together hold between 30% and 50% of the Company's voting rights, their voting rights increase by more than 1% in any period of six months.

Under TOC Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

### (b) Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate control of that company. Unless the contrary is established, the following persons, inter alia, will be presumed to be acting in concert: (i) a company with any of its directors; and (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other. For this purpose, ownership or control of 20% or more of the equity share capital of a company will be regarded as the test of associated company status.

## APPENDIX II

(c) Effect of Rule 14 and Appendix 2 of the Take-over Code

As at the Latest Practicable Date, Ching Chiat Kwong and Low See Ching, who are Directors of the Company and persons acting in concert with each other, collectively held approximately 69.15% of the voting rights in the Company. They would not be obliged to make a take-over offer under Rule 14 of the Take-over Code as a result of any purchase of Shares by the Company under the Share Purchase Mandate.

**Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity.**

### 11. REPORTING REQUIREMENTS

Within 30 days of the passing of the Shareholders' resolution to renew the Share Purchase Mandate, the Directors shall lodge a copy of such resolution with the Registrar of Companies (the "Registrar").

The Directors shall lodge with the Registrar a notice of share purchase within 30 days of a share purchase. Such notification shall include the date of the purchase, the number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase, the amount of consideration paid by the Company for the purchase, whether the Shares were purchased out of the profits or the capital of the Company, and such other particulars as may be required in the prescribed form.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with the Registrar the notice of cancellation or disposal of treasury shares in the prescribed form.

### 12. SHARE PURCHASES IN THE PREVIOUS 12 MONTHS

9,300,000 Shares had been purchased by the Company in the 12 months preceding the Latest Practicable Date by way of Market Purchases at prices per Share ranging from \$0.335 to \$0.495, and the total consideration paid for the purchases (including brokerage and other charges) amounted to approximately \$3,942,835. These 9,300,000 Shares are held as treasury shares by the Company.

# APPENDIX II

## 13. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and substantial Shareholders in the share capital of the Company as at the Latest Practicable Date, as recorded in the Register of Director's Shareholdings and the Register of Substantial Shareholders kept by the Company, are as follows:-

	Direct Interest		Deemed Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
<b>Directors</b>				
Ching Chiat Kwong	1,663,584,045	41.19	10,560,000	0.26
Low See Ching	1,119,019,792	27.70	–	–
Ng Weng Sui Harry	462,000	0.01	–	–
Phua Sian Chin	–	–	–	–
Lim Yeow Hua @ Lim You Qin	–	–	–	–
<b>Substantial Shareholders (other than Directors)</b>				
Tee Wee Sien	470,796,172	11.66	–	–

**Note:**

(1) Percentage computed based on the total number of issued Shares excluding treasury shares of the Company, being 4,039,150,338 Shares, as at the Latest Practicable Date.

## 14. DIRECTORS' RECOMMENDATION

Having fully considered the rationale for the renewal of the Share Purchase Mandate set out in this Appendix, the Directors believe that the renewal of the Share Purchase Mandate is in the best interest of the Company. The Directors recommend that Shareholders vote in favour of the resolution to approve the renewal of the Share Purchase Mandate to be proposed at the AGM.

## 15. ANNUAL GENERAL MEETING

The AGM, notice of which is set out in the Annual Report 2018 of the Company, will be held on Wednesday, 31 October 2018 at 10.00 am at Polaris Ballroom, Level 1, Novotel & Mercure Singapore on Stevens, 28 Stevens Road, Singapore 257878, for the purpose of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution relating to the renewal of the Share Purchase Mandate as set out in the Notice of AGM.



## APPENDIX II

### 16. 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 Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 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 72 hours before the AGM.

### 17. 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 proposed renewal of the Share Purchase 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 Polaris Ballroom, Level 1, Novotel & Mercure Singapore on Stevens, 28 Stevens Road, Singapore 257878 on Wednesday, 31 October 2018 at 10.00 am for the following purposes:-

## AS ORDINARY BUSINESS

### Resolution 1

1. To receive and adopt the audited financial statements for the financial year ended 30 June 2018, together with the Statement by Directors and Independent Auditor’s Report.

### Resolution 2

2. To declare a final one-tier tax exempt dividend of S\$0.0078 per ordinary share for the financial year ended 30 June 2018. [FY2017: S\$0.0070]

### Resolution 3

3. To re-elect Mr Ng Weng Sui Harry 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.

*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 (the “**Listing Manual**”).*

### Resolution 4

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

*Mr Phua Sian Chin will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and the Board considers him to be independent for the purpose of Rule 704(8) of the Listing Manual.*

### Resolution 5

5. To approve the payment of Directors’ fees of S\$202,460 for the financial year ending 30 June 2019, to be paid quarterly in arrears. [FY2018: S\$286,000]

### Resolution 6

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



# NOTICE OF ANNUAL GENERAL MEETING

## AS SPECIAL BUSINESS

### Resolution 7

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

“Authority to allot and issue shares

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

- (A) (i) allot and issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (B) (notwithstanding that this authority may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this authority was in force,

provided that:-

- (1) the aggregate number of shares to be issued pursuant to this authority (including shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) 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 and subsidiary holdings) 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

# NOTICE OF ANNUAL GENERAL MEETING

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

[See Explanatory Note (i)]

## Resolution 8

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

“Authority to allot and issue shares under Oxley Holdings Limited Scrip Dividend Scheme

That pursuant to Section 161 of the Companies Act, Chapter 50 and the Listing Manual of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of shares in the capital of the Company as may be required to be allotted and issued pursuant to the Oxley Holdings Limited Scrip Dividend Scheme.”

[See Explanatory Note (ii)]

## Resolution 9

10. 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 Appendix I to the Annual Report 2018 (the **“Appendix I”**) with the interested person described in the Appendix I, 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 I 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 (iii)]

## Resolution 10

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

“Share purchase mandate

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the **“Companies Act”**), the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares (**“Shares”**) in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) market purchases (each a **“Market Purchase”**) on the Singapore Exchange Securities Trading Limited (**“SGX-ST”**), through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or



# NOTICE OF ANNUAL GENERAL MEETING

- (ii) off-market purchases (each an “**Off-Market Purchase**”) effected otherwise than on the SGX-ST in accordance with any equal access scheme as may be determined or formulated by the directors of the Company as they consider fit, which scheme shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

- (b) the authority conferred on the directors of the Company pursuant to the Share Purchase Mandate may be exercised by the directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:
  - (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
  - (ii) the date on which Share purchases have been carried out to the full extent of the Share Purchase Mandate; or
  - (iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in general meeting;
- (c) in this Resolution:

“**Prescribed Limit**” means 5% of the total number of issued Shares (excluding any treasury shares and subsidiary holdings) of the Company as at the date of the passing of this Resolution, unless the Company has reduced its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined), in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares as altered (excluding any treasury shares and subsidiary holdings);

“**Relevant Period**” means the period commencing from the date of the passing of this Resolution and expiring on the date on which the next annual general meeting of the Company is held or required by law to be held, whichever is the earlier; and

“**Maximum Price**” in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase : 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase : 120% of the Average Closing Price,

where:

“**Average Closing Price**” is the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-Market Day period;

# NOTICE OF ANNUAL GENERAL MEETING

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“**Market Day**” means a day on which the SGX-ST is open for trading in securities; and

- (d) the directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.”

[See Explanatory Note (iv)]

BY ORDER OF THE BOARD

CHAN YEAN CHUN  
Company Secretary

Singapore  
16 October 2018

## 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 and subsidiary holdings) 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 and subsidiary holdings) 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 empower the Directors to issue shares in the capital of the Company pursuant to the Oxley Holdings Limited Scrip Dividend Scheme (the “Scheme”) if the Company decides to apply the Scheme to any dividend declared by the Company (including the final one-tier tax exempt dividend of S\$0.0078 per ordinary share for the financial year ended 30 June 2018, if approved by the shareholders). Such authority will, unless previously revoked or varied at a general meeting, expire at the date of the next annual general meeting of the Company.
- (iii) Ordinary Resolution 9, 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 Appendix I to the Annual Report 2018). Such mandate will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company.
- (iv) Ordinary Resolution 10 will renew the mandate to permit the Company to purchase or otherwise acquire its issued ordinary shares on the terms and subject to the conditions of the Resolution. Further details are set out in Appendix II to the Annual Report 2018.



# NOTICE OF ANNUAL GENERAL MEETING

## Notes:-

- (i) Unless otherwise permitted under the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), a member of the Company entitled to attend and vote at the Annual General Meeting (the "**AGM**") may appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- (ii) A member who is a relevant intermediary (as defined in the Companies Act) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.
- (iii) Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.
- (iv) If the member is a corporation, the instrument appointing the proxy must be executed under its common seal or signed by its duly authorised officer or attorney.
- (v) The duly executed instrument appointing a proxy or proxies must be deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the AGM.

## Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 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.

# OXLEY HOLDINGS LIMITED

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

## ANNUAL GENERAL MEETING PROXY FORM

### IMPORTANT

For investors who have used their SRS monies to buy shares of Oxley Holdings Limited, this Proxy Form is not valid for use by such SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. Such SRS investors should contact their respective agent banks/SRS operators if they have any queries regarding their appointment as proxies.

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 Polaris Ballroom, Level 1, Novotel & Mercure Singapore on Stevens, 28 Stevens Road, Singapore 257878 on Wednesday, 31 October 2018 at 10.00 am, and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM and at any adjournment thereof.

No.	Resolutions relating to:	For	Against
	<b>Ordinary Business</b>		
1.	Audited financial statements for financial year ended 30 June 2018		
2.	Payment of final one-tier tax exempt dividend		
3.	Re-election of Mr Ng Weng Sui Harry as a Director		
4.	Re-election of Mr Phua Sian Chin as a Director		
5.	Payment of Directors' fees of S\$202,460 for financial year ending 30 June 2019		
6.	Re-appointment of RSM Chio Lim LLP as independent auditor		
	<b>Special Business</b>		
7.	Authority to allot and issue shares		
8.	Authority to allot and issue shares under Oxley Holdings Limited Scrip Dividend Scheme		
9.	Renewal of mandate for interested person transactions		
10.	Renewal of share purchase mandate		

(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. Alternatively, if you wish to exercise your votes both for and against the resolution, please indicate the number of shares in the respective spaces provided.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2018

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. Unless otherwise permitted under the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), 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.
2. A member who is a relevant intermediary (as defined in the Companies Act) may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.
3. Where a member appoints more than one proxy, the proportion of the shareholding to be represented by each proxy shall be specified in this proxy form.
4. 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 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, 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. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.
5. This proxy form duly executed must be deposited at the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time set for the AGM.
6. 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 common seal or under the hand of a duly authorised officer or attorney.
7. 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 shall be treated as invalid.
8. 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 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.
9. By submitting this proxy form, a member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 16 October 2018.

# SINGAPORE DEVELOPMENTS



OXLEY HOLDINGS LIMITED

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Co. Reg. No. 201005612G