



OXLEY HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 201005612G)

(The "Company")

Unaudited First Quarter Financial Statements
and Dividend Announcement For the Financial Period Ended
30 September 2019

1(a) Statement of Comprehensive Income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year
(The figures have not been audited or reviewed by the auditors)

	Group First Quarter Ended		Change %
	30-Sep-19 S\$'000	30-Sep-18 S\$'000	
		(Restated)	
Revenue	282,797	170,301	66%
Cost of sales	(224,483)	(114,895)	95%
Gross profit	58,314	55,406	5%
Other income	314	983	-68%
Interest income	2,764	897	208%
Other gains	33,061	4,892	576%
Marketing and distribution costs	(3,562)	(6,687)	-47%
Administrative expenses	(11,136)	(7,177)	55%
Other losses	(18,167)	(8,811)	106%
Finance costs	(38,807)	(32,144)	21%
Share of results from associates and joint ventures, net of tax	(4,939)	(3,696)	34%
Profit before tax	17,842	3,663	387%
Income tax expense	(8,458)	(7,606)	11%
Profit/(loss) for the period	9,384	(3,943)	N.M.
Other comprehensive loss			
<i>Items that will not be reclassified to profit or loss</i>			
Net fair value loss on investments in securities	(8,520)	(24,624)	-65%
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations	(1,832)	(4,751)	-61%
Total other comprehensive loss, net of tax	(10,352)	(29,375)	-65%
Total comprehensive loss for the period	(968)	(33,318)	-97%
Profit/(loss) for the period attributable to:			
- Owners of the Company	12,161	(655)	N.M.
- Non-controlling interests	(2,777)	(3,288)	-16%
	9,384	(3,943)	N.M.
Total comprehensive loss for the period attributable to:			
- Owners of the Company	1,957	(30,034)	N.M.
- Non-controlling interests	(2,925)	(3,284)	-11%
	(968)	(33,318)	-97%

1(a)(i) Profit before tax is arrived after crediting / (charging) the following:

	Group First Quarter Ended		Change %
	30-Sep-19 S\$'000	30-Sep-18 S\$'000	
		(Restated)	
Rental income ⁽²⁾	3,376	11,798	-71%
Depreciation of properties, plant and equipment	(3,735)	(5,377)	-31%
Net fair value gain on investment property	24,178	37	% ⁽³⁾
Deconsolidation of subsidiaries	-	2,993	N.M.
Net fair value gain on derivative financial instruments	7,905	858	821%
Net foreign exchange loss	(17,246)	(8,690)	98%

Note:

(1) N.M. = Not Meaningful

(2) Including rental income in other income

(3) >1000%

1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group As At		Company As At	
	30-Sep-19 S\$'000	30-Jun-19 S\$'000 (Restated)	30-Sep-19 S\$'000	30-Jun-19 S\$'000
Assets				
Non-current assets				
Property, plant and equipment	1,017,885	1,021,335	1,734	2,009
Investment properties	634,521	571,077	-	-
Investments in subsidiaries	-	-	42,807	42,807
Investments in associates	187,832	197,410	490	490
Investments in joint ventures	44,942	50,856	8,246	8,246
Deferred tax assets	12,080	12,765	-	-
Other receivables	175,036	177,297	1,442,622	1,417,395
Other assets	564	620	-	-
Investments in securities	340,925	349,389	333,498	342,017
Total non-current assets	2,413,785	2,380,749	1,829,397	1,812,964
Current assets				
Inventories	64	75	-	-
Development properties	2,569,930	2,594,037	-	-
Trade and other receivables	686,175	615,031	962,781	942,635
Other assets	32,627	35,317	504	327
Cash and cash equivalents	449,128	474,407	252,626	265,669
Total current assets	3,737,924	3,718,867	1,215,911	1,208,631
Total assets	6,151,709	6,099,616	3,045,308	3,021,595
Equity and liabilities				
Equity				
Share capital	275,922	275,922	275,922	275,922
Treasury shares	(3,943)	(3,943)	(3,943)	(3,943)
Retained earnings	910,951	898,790	436,049	447,701
Other reserves	224,920	235,124	(27,793)	(19,273)
Equity attributable to owners of the Company	1,407,850	1,405,893	680,235	700,407
Non-controlling interests	1,218	4,674	-	-
Total equity	1,409,068	1,410,567	680,235	700,407
Non-current liabilities				
Deferred tax liabilities	68,885	69,748	-	-
Other payables	-	-	73,943	75,371
Other financial liabilities	2,170,424	2,237,753	383,536	410,758
Total non-current liabilities	2,239,309	2,307,501	457,479	486,129
Current liabilities				
Income tax payable	53,209	47,536	1,900	1,900
Trade and other payables	468,515	511,410	1,611,244	1,575,777
Other financial liabilities	1,454,617	1,342,480	294,450	257,382
Other liabilities	526,991	480,122	-	-
Total current liabilities	2,503,332	2,381,548	1,907,594	1,835,059
Total liabilities	4,742,641	4,689,049	2,365,073	2,321,188
Total equity and liabilities	6,151,709	6,099,616	3,045,308	3,021,595

1(b)(ii) Aggregate amount of group's bank borrowings and debt securities

Amount repayable in one year or less, or on demand

As At 30 September 2019		As At 30 June 2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
924,971	529,533	813,638	528,738

Amount repayable after one year

As At 30 September 2019		As At 30 June 2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,395,609	774,457	1,474,545	763,038

Total bank borrowings and debt securities above amounted to S\$3,624.6 million (30 June 2019: S\$3,580.0 million).

The total bank borrowings and debt securities above exclude the carrying amounts of derivatives of S\$0.5 million (30 June 2019: S\$0.3 million) classified under other financial liabilities.

Details of collaterals

The above bank borrowings are secured by:

- a) First legal mortgages on the relevant property, plant and equipment, investment properties, development properties and investment securities.
- b) Legal assignment of all rights, title and interests in the construction contracts, insurance policies and performance bonds (if any), tenancy agreements and sale and purchase agreements in respect of the proposed developments, property, plant and equipment and investment properties.
- c) Corporate guarantees by the Company.
- d) Corporate guarantees by non-controlling shareholders of non-wholly owned subsidiaries for bank borrowings amounting to S\$52.0 million (30 June 2019: S\$52.4 million).

Note:

The above borrowings do not include advances from non-controlling shareholders of certain subsidiaries of S\$52.5 million as at 30 September 2019 (30 June 2019: S\$53.7 million). These advances, included in trade and other payables, are unsecured and without fixed repayment terms. Some of the advances are subordinated to the bank borrowings.

Unsecured borrowings include medium term notes and retail bonds of S\$1,086.2 million as at 30 September 2019 (30 June 2019: S\$1,074.6 million), due in financial years 2020 to 2022.

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	First Quarter Ended	
	30-Sep-19 S\$'000	30-Sep-18 S\$'000
<u>Cash flows from operating activities:</u>		
Profit before tax	17,842	3,663
Adjustments for:		
Interest income	(2,764)	(897)
Finance costs	38,807	32,144
Depreciation of property, plant and equipment	3,735	5,377
Deconsolidation of subsidiaries	-	(2,993)
Bad debt written-off	-	88
Fair value gains on derivative financial instruments	(7,905)	(858)
Gains on fair value changes in investment properties	(24,178)	(37)
Share of results from associates and joint ventures, net of tax	4,939	3,696
Net effect of exchange rate changes	17,852	6,392
Operating cash flows before changes in working capital	48,328	46,575
Inventories	11	(20)
Development properties	3,116	(431,369)
Trade and other receivables	(62,681)	107,716
Other assets	3,007	(8,645)
Trade and other payables	(43,812)	(30,440)
Other liabilities	44,096	18,868
Cash flows used in from operations	(7,935)	(297,315)
Income taxes paid	(161)	(1,844)
Net cash flows used in operating activities	(8,096)	(299,159)
<u>Cash flows from investing activities:</u>		
Additions of property, plant and equipment	(228)	(75)
Additions of investment properties	(23,641)	(5,815)
Additions of investment in securities	-	(14,875)
Other receivables, non-current	442	65
Dividends from associates and joint ventures	12,831	13,667
Advances from associates	(396)	(306)
Advances to joint ventures	(1,158)	(14,229)
Interest income received	2,764	897
Net cash flows used in investing activities	(9,386)	(20,671)
<u>Cash flows from financing activities:</u>		
Dividends paid to non-controlling interests	(531)	-
Purchase of treasury shares	-	(1,368)
Proceeds from borrowings	90,903	439,044
Repayment of borrowings	(70,555)	(114,769)
Advances to non-controlling shareholders	427	6,915
Return of capital contribution to non-controlling interests of subsidiaries	-	(725)
Increase in capital contribution by non-controlling interests of subsidiaries	-	755
Interest expense paid	(29,788)	(36,963)
Net cash flows (used in)/generated from financing activities	(9,544)	292,889
Net decrease in cash and cash equivalents	(27,026)	(26,941)
Effects of exchange rate changes on cash and cash equivalents	1,747	(473)
Cash and cash equivalents at beginning of period	474,407	254,980
Cash and cash equivalents at end of period	449,128	227,566

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial

Group	Share capital	Treasury shares	Retained earnings	Other reserves ⁽¹⁾	Total	Non-controlling interest	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current period							
Balance at 1 July 2019, as previously reported	275,922	(3,943)	993,498	234,793	1,500,270	4,600	1,504,870
Adoption of new accounting policy	-	-	(94,708)	331	(94,377)	74	(94,303)
Balance at 1 July 2019, as restated	275,922	(3,943)	898,790	235,124	1,405,893	4,674	1,410,567
Total comprehensive profit/(loss) for the period	-	-	12,161	(10,204)	1,957	(2,925)	(968)
Dividends	-	-	-	-	-	(531)	(531)
Balance as at 30 September 2019	275,922	(3,943)	910,951	224,920	1,407,850	1,218	1,409,068
Previous period							
Balance at 1 July 2018, as previously reported	242,050	(2,575)	898,404	297,855	1,435,734	41,282	1,477,016
Adoption of new accounting policy	-	-	(63,007)	-	(63,007)	(1,253)	(64,260)
Balance as at 1 July 2018, as restated	242,050	(2,575)	835,397	297,855	1,372,727	40,029	1,412,756
Placement of treasury shares	-	(1,368)	-	-	(1,368)	-	(1,368)
Increase in capital contribution by non-controlling interests of subsidiaries	-	-	-	-	-	755	755
Return of capital contribution to non-controlling interests of subsidiaries	-	-	-	-	-	(725)	(725)
Total comprehensive loss for the period	-	-	(655)	(29,379)	(30,034)	(3,284)	(33,318)
Balance as at 30 September 2018	242,050	(3,943)	834,742	268,476	1,341,325	36,775	1,378,100

Company	Share capital	Treasury shares	Retained earnings	Other reserves ⁽²⁾	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Current year					
Balance as at 1 July 2019	275,922	(3,943)	447,701	(19,273)	700,407
Total comprehensive loss for the period	-	-	(11,652)	(8,520)	(20,172)
Balance as at 30 September 2019	275,922	(3,943)	436,049	(27,793)	680,235
Previous year					
Balance as at 1 July 2018	242,050	(2,575)	170,505	15,915	425,895
Purchase of treasury shares	-	(1,368)	-	-	(1,368)
Total comprehensive loss for the period	-	-	(23,428)	(24,623)	(48,051)
Balance as at 30 September 2018	242,050	(3,943)	147,077	(8,708)	376,476

(1) Includes foreign currency translation reserve, assets revaluation reserve, fair value reserve and other reserve.

(2) Includes fair value reserve and other reserve.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There had been no changes in the Company's issued share capital since 30 June 2019.

As at 30 September 2019 and 30 September 2018, the Company held 9,300,000 treasury shares, constituting 0.22% and 0.23% respectively of the total number of ordinary shares outstanding.

The Company had no outstanding convertibles and no subsidiary holdings as at 30 September 2019 and 30 September 2018.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	As at 30-Sep-2019	As at 30-Jun-2019
Total number of issued shares, excluding treasury shares ('000)	4,155,743	4,155,743

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on

There were no sales, transfers, cancellation and/or use of treasury shares by the Company during the first quarter ended 30 September 2019.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

There were no sales, transfers, cancellation and/or use of subsidiary holdings during the first quarter ended 30 September 2019.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by auditors.

3 Where the figures have been audited or reviewed, the auditor' report (including any qualifications or emphasis of a matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The same accounting policies and methods of computation in the FY2019 audited annual financial statements have been applied for the current reporting period, except as disclosed in Section 5 below.

5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change**

New or amended standards

On 1 July 2019, the Group adopted the new standards, amendments and interpretations to existing standards that are mandatory for application from that date. The following are the new or amended financial reporting standards that are relevant to the Group.

- SFRS(I) 16 Leases
- SFRS(I) INT 23 Uncertainty Over Income Tax Treatments

The adoption of the above standards and interpretations did not result in any significant impact on the financial statements.

Agenda Decision - Overtime transfer of constructed goods (SFRS(I) 1-23 Borrowing Costs)

In March 2019, the IFRS Interpretations Committee (IFRSIC) issued an update on the decisions reached by the IFRSIC and concluded its views that borrowing costs relating to development properties where revenue is recognised over time should not be capitalised and instead, be expensed when incurred. Following the conclusion of the agenda decision by IFRSIC, borrowing costs where were previously capitalised for development projects over the period of development are now expensed as incurred to the statement of profit or loss. The financial effects are as follows:

	First Quarter Ended 30 September 2018		
	As previously reported S\$'000	Effects S\$'000	As restated S\$'000
<u>Effect on Consolidated Statement of Profit or Loss and Other Comprehensive Income</u>			
Cost of sales	(115,199)	304	(114,895)
Finance costs	(21,891)	(10,253)	(32,144)
Income tax expense	(8,843)	1,237	(7,606)
Profit/(loss) for the period	4,769	(8,712)	(3,943)
Exchange differences on translation of foreign operations	(4,721)	(30)	(4,751)
Total comprehensive loss for the period	(24,575)	(8,743)	(33,318)
Profit/(loss) for the period attributable to:			
- Owners of the company	8,057	(8,712)	(655)
- Non-controlling interest	(3,288)	-	(3,288)
	4,769	(8,712)	(3,943)
Total comprehensive loss for the period attributable to:			
- Owners of the company	(21,291)	(8,743)	(30,034)
- Non-controlling interest	(3,284)	-	(3,284)
	(24,575)	(8,743)	(33,318)
Basic and diluted earnings per share (cents)	0.20	(0.22)	(0.02)

	As at 30 June 2019			As at 1 July 2018		
	As previously reported S\$'000	Effects S\$'000	As restated S\$'000	As previously reported S\$'000	Effects S\$'000	As restated S\$'000
<u>Effect on Statements of Financial Position</u>						
Investments in joint ventures	53,312	(2,456)	50,856	75,176	(21)	75,155
Deferred tax assets	5,385	7,380	12,765	1,530	1,327	2,857
Development properties	2,693,264	(99,227)	2,594,037	2,143,716	(65,566)	2,078,150
Retained earnings	993,498	(94,708)	898,790	898,404	(63,007)	835,397
Other reserves	234,793	331	235,124	297,855	-	297,855
Non-controlling interests	4,600	74	4,674	41,282	(1,253)	40,029
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares)	36.21	(2.27)	33.94	36.53	(1.58)	34.95

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

Earnings per ordinary share is computed based on profit, net of tax, attributable to owners of the Company:-

	Group	
	First Quarter Ended	
	30-Sep-19	30-Sep-18
Earnings per ordinary share for the period		(Restated)
(a) Basic ⁽¹⁾	0.29 cents	-0.02 cents
(b) Fully diluted ⁽¹⁾	0.29 cents	-0.02 cents
(1) Calculated based on weighted average number of shares (excluding treasury shares) ('000)	4,155,743	4,039,310

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares at the end of the:-

- (a) current financial period reported on; and
 (b) immediately preceding financial year.

	Group As At		Company As At	
	30-Sep-19	30-Jun-19	30-Sep-19	30-Jun-19
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares)	33.91 cents	(Restated) 33.94 cents	16.37 cents	16.85 cents
Total number of issued shares (excluding treasury shares) ('000)	4,155,743	4,155,743	4,155,743	4,155,743

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Profit or loss review

Revenue

Group revenue for 1Q2020 increased by 66% to \$282.8 million, compared with 1Q2019, mainly due to increase in revenue from the development projects in Singapore and the United Kingdom.

Gross profit margin

Gross profit margin for 1Q2020 was 12 percentage points lower than that for 1Q2019, mainly due to lower margins from the United Kingdom project, partially offset by higher margins from the hotels at Stevens Road and Singapore development properties.

Interest income

Interest income for 1Q2020 increased to \$2.8 million compared with \$0.9 million in 1Q2019, mainly due to interest income from the advances due from joint venture and associate companies.

Other gains

Other gains for 1Q2020 increased to \$33.1 million compared with \$4.9 million in 1Q2019, mainly due to fair value gain on revaluation of an investment property in Cambodia and net gain from the mark-to-market of the derivative financial instruments.

Marketing and distribution costs

Marketing and distribution costs for 1Q2020 decreased to \$3.6 million compared with \$6.7 million in 1Q2019, mainly due to lower expenses incurred for the show flats.

Administrative expenses

Administrative expense for 1Q2020 increased by 55% to \$11.1 million compared with 1Q2019, mainly due to higher consultancy fees incurred for the overseas projects.

Other losses

The increase in other losses in 1Q2020 compared to 1Q2019 was mainly due to an increase in the unrealised foreign exchange loss from translation of foreign currency denominated balances.

Finance costs

Following the adoption of the Agenda Decision by IFRSIC on SFRS(I) 1-23 Borrowing costs as disclosed in Note 5, finance costs for 1Q2020 and 1Q2019 comprised interest expenses incurred for the development projects where revenue is recognised over time.

The increase in finance costs of 21% or \$6.7 million in 1Q2020 over 1Q2019 was primarily due to increase in borrowings to finance the Group's Singapore development projects, advances to joint ventures and additions to an investment property funded by equity, partially offset by absence of interest cost incurred on the bank borrowings for an investment property that was deconsolidated in 4Q2019.

Share of results from associates and joint ventures, net of tax

In 1Q2020, the Group's share of losses was mainly from associates in Australia and the United Kingdom.

Profit before tax

The profit before tax for 1Q2020 was \$17.8 million due to the reasons stated above.

8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. (continued)**

Profit or loss review (continued)

Income tax expense

The income tax expense for 1Q2020 comprised corporate taxes on the profit earned from the projects in the United Kingdom and withholding taxes on offshore payments.

Statement of financial position review

Net asset and gearing

As at 30 September 2019, the shareholders' fund of \$1,409.1 million was marginally lower than that as at 30 June 2019, mainly due to the fair value adjustment on the investment in quoted securities. The net asset value per share of the Group as at 30 September 2019 was marginally lower than that as at 30 June 2019, mainly due to the aforesaid reason.

The Group's gearing ratio as at 30 September 2019 was 2.25X, higher than the restated gearing ratio of 2.20X as of 30 June 2019, mainly due to the marginally higher borrowings attributable to the projects in Dublin.

Compared to 2.06X that was previously reported for the financial year ended 30 June 2019, the gearing ratio of 2.25X as at 30 September 2019 was higher primarily due to the cumulative effect from the adoption of the Agenda Decision by IFRSIC on SFRS(I) 1-23 Borrowing costs, as disclosed in Note 5.

Had there been no change in accounting treatment of the borrowing costs, the Group's gearing ratio as at 30 September 2019 would be 2.08X compared with 2.06X reported as at 30 June 2019.

Current liabilities

The increase in current liabilities of 5.1% as at 30 September 2019 over 30 June 2019 was mainly due to (i) increase in the net bank borrowings, partly due to the reclassification from non-current to current liabilities for those borrowings due for repayment in the next 12 months, and (ii) increase in sales receipts from customers for the projects sold in Singapore and Cambodia.

Cash flow review

Net cash flows used in operating activities for 1Q2020 decreased to \$8.1 million compared with \$299.2 million in 1Q2019, mainly due to improvement in working capital arising from substantially lower increase in development properties and higher sale receipts from the customers of the projects in Singapore and Cambodia, partially offset by higher prepayments at the overseas subsidiaries.

Net cash flows used in investing activities for 1Q2020 was \$9.4 million, mainly due to additions of investment properties in Dublin, partially offset by dividends received from associate and joint venture companies in Singapore and Cambodia.

The cash flows used in financing activities for 1Q2020 was \$9.5 million, mainly due to the interest expenses paid for the period, partially offset by a net increase in bank borrowings to support the Group's property development business in Dublin.

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

The Company has not previously disclosed any forecast / prospect statements.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Despite global uncertainties and non-removal of cooling measures in Singapore, Singapore's real estate market appears resilient. Prices of private residential properties in Singapore rose by 1.3% in 3Q 2019 compared to the previous quarter, and the number of private homes sold increased by 40.0% over the same period.

According to the statistics from Singapore Tourism Board, the tourist arrivals grew 2.1% to 14.2 million during the first nine months of 2019 compared with the same period last year. Revenue per available room grew 6.8% and 2.1% for the mid-scale and upscale hotel segments respectively in 3Q2019 year-on-year. As the hotels at Stevens Road enter the third year of operation, the positive industry factors will enable the hotels to contribute positively to the Group's results.

Volatile political developments in the United Kingdom will weigh on property prices, mitigated by the attractiveness of real estate in London to investors looking to diversify away from their home country as well as locals looking to make the purchases as prices stabilise. Property sector in other parts of the world is also affected by the global economic growth and consumer sentiment which have been beaten down by the trade conflicts between China and the United States, though there are signs that a trade deal may be finalised soon.

In Singapore and other parts of the world, interest rates are on a downtrend due to the negative outlook on global growth and US Federal Reserve cutting the benchmark interest rate for the third time in the last 12 months to a range 1.5% to 1.75%. Lower interest rates will reduce the Group's borrowing costs in the current financial year.

As at end-October 2019, the Group's total sales secured for its development portfolio amounted to \$7.5 billion, of which approximately \$2.9 billion and \$4.7 billion were attributable to the projects in Singapore and overseas respectively.

Future Billings as at end-October 2019

	Sales secured (\$mn)	Recognised billings (\$mn)	Future progress billings (\$mn)
Singapore	2,851	581	2,270
Overseas	4,667	3,592	1,075
Total *	<u>7,518</u>	<u>4,173</u>	<u>3,345</u>

* Includes unbilled contract value of joint ventures and associates

11 If a decision regarding dividend has been made:-

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

None.

(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

None.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country whether the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect and reason(s) for the decision

No dividend has been declared/ recommended for the first quarter ended 30 September 2019 in order to preserve the Group's working capital.

13 Interested person transactions

There were no transactions under the general mandate from shareholders for interested person transactions during the first quarter ended 30 September 2019.

During the first quarter ended 30 September 2019, there were interests of \$214,000 payable to Mr Ching Chiat Kwong (Executive Chairman and CEO and controlling shareholder of the Company) and Mr Low See Ching (Deputy CEO and controlling shareholder of the Company), in respect of advances amounting to \$8 million extended by each of them to the Group.

14 Confirmation pursuant to rule 720(1) of the listing manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7 of the Listing Manual) under Rule 720(1) of the Listing Manual.

15 Confirmation by the board pursuant to rule 705(5) of the listing manual

We, Ching Chiat Kwong and Low See Ching, being Directors of the Company, do hereby confirm, on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the first quarter ended 30 September 2019 to be false or misleading in any material aspect.

By order of the Board

Ching Chiat Kwong
Executive Chairman and CEO
12 November 2019

Low See Ching
Deputy CEO
12 November 2019