



OXLEY HOLDINGS LIMITED

(Company Registration No. 201005612G)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND DIVIDENDS ANNOUNCEMENT FOR THE SECOND HALF AND FULL YEAR ENDED 30 JUNE 2022 (UNAUDITED)

Item No.	Table of Contents Description	Page No.
A	Condensed interim consolidated statement of profit or loss and other comprehensive income	1 - 2
B	Condensed interim consolidated statements of financial position	3 - 4
C	Condensed interim consolidated statements of changes in equity	5 - 6
D	Condensed interim consolidated statements of cash flows	7 - 8
E	Notes to the condensed interim consolidated financial statements	9 - 26
F	Other information required by Listing Rule Appendix 7.2	27 - 32

OXLEY HOLDINGS LIMITED
Second Half and Full Year Ended 30 June 2022

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group			Group		
		Second Half Ended		Change	Full Year Ended		Change
		30-Jun-22	30-Jun-21		30-Jun-22	30-Jun-21	
		\$'000	\$'000	%	\$'000	\$'000	%
<u>Continuing operations</u>							
Revenue	5	419,524	781,919	-46	925,899	1,364,171	-32
Cost of sales		(363,502)	(575,803)	-37	(796,265)	(1,067,676)	-25
Gross profit		56,022	206,116	-73	129,634	296,495	-56
Other income		869	2,690	-68	3,049	6,474	-53
Interest income		6,548	4,551	44	12,525	9,287	35
Other gains		49,714	3,419	1354	79,367	39,742	100
Marketing and distribution costs		(1,742)	(6,254)	-72	(4,164)	(10,302)	-60
Administrative expenses		(20,039)	(22,407)	-11	(38,621)	(38,669)	0
Other losses		(42,174)	(78,647)	-46	(49,870)	(89,211)	-44
Finance costs		(60,001)	(57,294)	5	(117,275)	(112,730)	4
Share of results from joint ventures and associates, net of tax		18,804	5,804	224	20,322	8,009	154
Profit before tax	6	8,001	57,978	-86	34,967	109,095	-68
Income tax expense	7	(221)	(12,017)	-98	(3,768)	(19,590)	-81
Profit from continuing operations		7,780	45,961	-83	31,199	89,505	-65
<u>Discontinued operations</u>							
Loss from discontinued operations, net of tax	8	(23,892)	(25,086)	-5	(23,892)	(39,999)	-40
Loss/(profit) for the period		(16,112)	20,875	N.M.	7,307	49,506	-85
<u>Other comprehensive income/(loss)</u>							
<i>Items that will not be reclassified to profit or loss</i>							
Net fair value (loss)/gain on investments in securities		(5,573)	(6,890)	-19	(10,032)	8,816	N.M.
Gain/(loss) on revaluation of properties, net of tax		50,303	(32,004)	N.M.	44,634	(32,004)	N.M.
		44,730	(38,894)	N.M.	34,602	(23,188)	N.M.
<i>Items that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translation of foreign operations		(13,802)	2,838	N.M.	(19,149)	14,975	N.M.
Other comprehensive income/ (loss), net of tax		30,928	(36,056)	N.M.	15,453	(8,213)	N.M.
Total comprehensive income/(loss) for the period		14,816	(15,181)	N.M.	22,760	41,293	-45

N.M. - Not meaningful

A. Condensed interim consolidated statement of profit or loss and other comprehensive income (cont'd)

Note	Group			Group		
	Second Half Ended		Change %	Full Year Ended		Change %
	30-Jun-22 \$'000	30-Jun-21 \$'000		30-Jun-22 \$'000	30-Jun-21 \$'000	
(Loss)/profit for the period	(16,112)	20,875	N.M.	7,307	49,506	-85
(Loss)/profit for the period attributable to:						
Owners of the Company	(20,289)	(9,629)	111	3,224	13,093	-75
Non-controlling interests	4,177	30,504	-86	4,083	36,413	-89
	<u>(16,112)</u>	<u>20,875</u>	N.M.	<u>7,307</u>	<u>49,506</u>	-85
(Loss)/profit for the period attributable to owners of the Company:						
Profit from continuing operations	3,603	15,457	-77	27,116	53,092	-49
Loss from discontinued operations	(23,892)	(25,086)	-5	(23,892)	(39,999)	-40
	<u>(20,289)</u>	<u>(9,629)</u>	111	<u>3,224</u>	<u>13,093</u>	-75
Total comprehensive income/(loss) for the period attributable to:						
Owners of the Company	9,427	(45,685)	N.M.	17,465	4,880	258
Non-controlling interests	5,389	30,504	-82	5,295	36,413	-85
	<u>14,816</u>	<u>(15,181)</u>	N.M.	<u>22,760</u>	<u>41,293</u>	-45
Basic and diluted earnings/(loss) per share attributable to owners of the Company						
Weighted average number of shares (excluding treasury shares) ('000)						
- Basic	4,239,436	4,236,583		4,238,820	4,227,909	
- Diluted*	4,668,147	4,276,792		4,668,147	4,238,972	
Basic earnings/(loss) per share (cents)						
Continuing operations	0.08	0.36		0.64	1.26	
Discontinued operations	(0.56)	(0.59)		(0.56)	(0.95)	
	<u>(0.48)</u>	<u>(0.23)</u>		<u>0.08</u>	<u>0.31</u>	
Diluted earnings/(loss) per share (cents)*						
Continuing operations	0.08	0.36		0.58	1.25	
Discontinued operations	(0.51)	(0.59)		(0.51)	(0.94)	
	<u>(0.43)</u>	<u>(0.23)</u>		<u>0.07</u>	<u>0.31</u>	

* For computation of diluted earnings/(loss) per share, the weighted average number of ordinary shares has been adjusted for any dilutive effect arising from the conversion of all the convertible notes and unexercised warrants to ordinary shares.

N.M. - Not meaningful

B. Condensed interim consolidated statements of financial position

	Note	Group		Company	
		30-Jun-22 \$'000	30-Jun-21 \$'000	30-Jun-22 \$'000	30-Jun-21 \$'000
Assets					
Non-current assets					
Property, plant and equipment	11	953,686	945,571	185	246
Investment properties	12	342,922	324,833	-	-
Investments in subsidiaries		-	-	36,533	37,032
Investments in joint ventures		71,083	58,822	3,767	3,767
Investments in associates		26,677	23,420	490	490
Investments in securities		12,470	22,695	7,434	16,467
Deferred tax assets		10,791	15,391	2,950	2,950
Other receivables		197,359	188,986	1,087,255	1,271,107
Other non-financial assets		212	264	124	173
Total non-current assets		1,615,200	1,579,982	1,138,738	1,332,232
Current assets					
Assets classified as held for sale	13	32,334	-	-	-
Inventories		27	54	-	-
Development properties	15	1,710,790	1,953,898	-	-
Trade and other receivables		347,383	378,895	533,087	715,621
Other non-financial assets		38,607	38,049	4,296	6,504
Cash and cash equivalents		143,874	215,839	51,210	44,389
Total current assets		2,273,015	2,586,735	588,593	766,514
Total assets		3,888,215	4,166,717	1,727,331	2,098,746
Equity and liabilities					
Equity					
Share capital	16	305,078	304,558	305,078	304,558
Treasury shares	17	(8,063)	(7,638)	(8,063)	(7,638)
Retained earnings		520,494	527,861	324,935	195,853
Other reserves	18	189,520	175,279	(7,788)	2,244
Equity attributable to owners of the Company		1,007,029	1,000,060	614,162	495,017
Non-controlling interests		55,312	50,096	-	-
Total equity		1,062,341	1,050,156	614,162	495,017
Non-current liabilities					
Deferred tax liabilities		48,291	42,051	-	-
Trade and other payables		35,275	-	35,275	-
Other financial liabilities	19	500,804	1,725,472	76,975	314,699
Other non-financial liabilities		107	-	-	-
Total non-current liabilities		584,477	1,767,523	112,250	314,699

B. Condensed interim consolidated statements of financial position (cont'd)

	Note	Group		Company	
		30-Jun-22 \$'000	30-Jun-21 \$'000	30-Jun-22 \$'000	30-Jun-21 \$'000
Current liabilities					
Liabilities directly associated with assets classified as held for sale	13	145	-	-	-
Income tax payable		29,785	46,915	-	-
Trade and other payables		377,309	489,127	478,412	1,019,230
Other financial liabilities	19	1,793,647	784,089	522,507	269,800
Other non-financial liabilities		40,511	28,907	-	-
Total current liabilities		2,241,397	1,349,038	1,000,919	1,289,030
Total liabilities		2,825,874	3,116,561	1,113,169	1,603,729
Total equity and liabilities		3,888,215	4,166,717	1,727,331	2,098,746

C. Condensed interim consolidated statements of changes in equity

	Attributable to Owners of the Company				Total \$'000	Non- controlling interest \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Other reserves \$'000			
Group							
Current year							
Balance at 1 July 2021	304,558	(7,638)	527,861	175,279	1,000,060	50,096	1,050,156
Dividends on ordinary shares (Note 10)	-	-	(10,591)	-	(10,591)	(79)	(10,670)
Issue of shares under the Scrip Dividend Scheme (Note 16)	520	-	-	-	520	-	520
Purchase of treasury shares (Note 17)	-	(425)	-	-	(425)	-	(425)
Total comprehensive income for the period	-	-	3,224	14,241	17,465	5,295	22,760
Balance at 30 June 2022	305,078	(8,063)	520,494	189,520	1,007,029	55,312	1,062,341
Previous year							
Balance at 1 July 2020	300,700	(7,638)	578,045	176,291	1,047,398	18,124	1,065,522
Dividends on ordinary shares (Note 10)	-	-	(63,277)	-	(63,277)	-	(63,277)
Issue of shares under the Scrip Dividend Scheme (Note 16)	3,858	-	-	-	3,858	-	3,858
Issue of warrants (Note 18.4)	-	-	-	7,201	7,201	-	7,201
Striking off of a subsidiary	-	-	-	-	-	(340)	(340)
Deconsolidation of subsidiary with a change in control (Note 14)	-	-	-	-	-	(4,101)	(4,101)
Total comprehensive income/(loss) for the period	-	-	13,093	(8,213)	4,880	36,413	41,293
Balance at 30 June 2021	304,558	(7,638)	527,861	175,279	1,000,060	50,096	1,050,156

C. Condensed interim consolidated statements of changes in equity (cont'd)

Company	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Other reserves \$'000	Total equity \$'000
Current year					
Balance at 1 July 2021	304,558	(7,638)	195,853	2,244	495,017
Dividends on ordinary shares (Note 10)	-	-	(10,591)	-	(10,591)
Issue of shares under the Scrip Dividend Scheme (Note 16)	520	-	-	-	520
Purchase of treasury shares (Note 17)	-	(425)	-	-	(425)
Total comprehensive income/(loss) for the period	-	-	139,673	(10,032)	129,641
Balance at 30 June 2022	<u>305,078</u>	<u>(8,063)</u>	<u>324,935</u>	<u>(7,788)</u>	<u>614,162</u>
Previous year					
Balance at 1 July 2020	300,700	(7,638)	399,884	(13,773)	679,173
Dividends on ordinary shares (Note 10)	-	-	(63,277)	-	(63,277)
Issue of shares under the Scrip Dividend Scheme (Note 16)	3,858	-	-	-	3,858
Issue of warrants (Note 18.4)	-	-	-	7,201	7,201
Total comprehensive (loss)/income for the period	-	-	(140,754)	8,816	(131,938)
Balance at 30 June 2021	<u>304,558</u>	<u>(7,638)</u>	<u>195,853</u>	<u>2,244</u>	<u>495,017</u>

D. Condensed interim consolidated statements of cash flows

	Group	
	Full Year Ended	
	30-Jun-22	30-Jun-21
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax from continuing operations	34,967	109,095
Loss before tax from discontinued operations (Note 8)	(23,892)	(41,121)
Profit before tax, total	11,075	67,974
Adjustments for:		
Interest income	(12,525)	(9,287)
Finance costs	117,275	112,730
Depreciation of property, plant and equipment	21,261	17,611
Gain on striking off of a subsidiary	-	(340)
Impairment loss on right-of-use assets	32,233	-
Impairment loss on investments in joint ventures	-	140
(Write-back of impairment) / Impairment loss on development properties	(29,867)	32,455
Impairment loss on receivables	252	13,291
Fair value (gain)/loss on derivative financial instruments	(22,612)	1,896
Gain on disposal of investment properties	(1,235)	-
Fair value (gain)/loss on investment properties	(14,990)	17,694
Loss on deconsolidation of a subsidiary (Note 14)	-	39,999
Share of results from joint ventures and associates, net of tax	(20,322)	(8,009)
Net effect of exchange rate changes	(18,252)	(5,751)
Settlement cost	23,892	-
Operating cash flows before changes in working capital	86,185	280,403
Inventories	27	(146)
Development properties	229,824	498,151
Trade and other receivables	19,066	221,171
Other non-financial assets	(7,846)	4,184
Trade and other payables	(35,389)	13,705
Other non-financial liabilities	10,665	(366,247)
Cash flows from operations	302,532	651,221
Income taxes paid	(17,935)	(27,649)
Net cash flows from operating activities	284,597	623,572
Cash flows from investing activities		
Additions of property, plant and equipment (Note 11)	(892)	(2,165)
Other receivables, non-current	-	133
Other non-financial assets, current	(20,707)	-
Proceeds from disposal of investment properties	2,314	-
Investments in associates	-	(814)
Net cash outflow on deconsolidation of a subsidiary (Note 14)	-	(7,018)
Dividends from joint ventures and associates	392	1,470
Advances from/(to) associates	1,333	(1,647)
Advances to joint ventures	(17,263)	(44,100)
Interest income received	12,525	9,287
Net cash flows used in investing activities	(22,298)	(44,854)

D. Condensed interim consolidated statement of cash flows (cont'd)

	Group	
	Full Year Ended	
	30-Jun-22	30-Jun-21
	\$'000	\$'000
<u>Cash flows from financing activities:</u>		
Proceeds from new borrowings	521,798	576,596
Repayment of borrowings	(768,861)	(1,172,392)
Cash restricted in use	20,887	36,312
Dividends paid to equity owners	(10,071)	(59,419)
Dividends paid to non-controlling interests	(79)	-
Purchase of treasury shares	(425)	-
Advances from/(to) non-controlling shareholders	245	(2,325)
Interest expense paid	(76,857)	(89,827)
Net cash flows used in financing activities	(313,363)	(711,055)
Net decrease in cash and cash equivalents	(51,064)	(132,337)
Cash and cash equivalents at beginning of financial year	173,396	305,967
Effects of exchange rate changes on cash and cash equivalents	(15)	(234)
Cash and cash equivalents at end of financial year (Note A)	122,317	173,396
Note A		
Cash and cash equivalents at end of financial year	122,317	173,396
Cash restricted in use	21,556	42,443
Cash and cash equivalents on the Statement of Financial Position	143,873	215,839

E. Notes to the condensed interim consolidated financial statements

1. General

Oxley Holdings Limited (the "Company") is incorporated in Singapore with limited liability. It is listed on the Main Board of the Singapore Exchange Securities Trading Limited. The registered office and principal place of business is located at 138 Robinson Road, #30-01 Oxley Tower, Singapore 068906.

The condensed interim financial statements cover the Company and its subsidiaries and the Group's interests in joint ventures and associates (collectively the "Group"). All financial information are presented in Singapore Dollar ("S") and have been rounded to the nearest thousand ("S'000") unless otherwise indicated.

The principal activities of the Group are property development, property investment, the provision of hospitality and corporate services and investment holding.

2. Basis of preparation

The condensed interim financial statements for the second half and full year ended 30 June 2022 have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)s"), 1-34 Interim Financial Reporting issued by the Singapore Accounting Standards Council.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the financial year ended 30 June 2021.

The accounting policies adopted are consistent with those disclosed in the Group's annual financial statements for the financial year ended 30 June 2021.

The new or revised SFRS(I)s and the related Interpretations to SFRS(I) ("SFRS(I) INT"), which became mandatory for the Group as of 1 July 2021, did not result in substantial changes to the Group's accounting policies.

The Group has not early adopted any other SFRS(I)s, interpretation or amendment to SFRS(I)s that have been issued but are not yet effective.

The Group's operations are generally not significantly affected by seasonality. However, property markets in which the Group operates may fluctuate from period to period, resulting from fluctuations in property prices, lease rates and general global economic conditions, thereby affecting the Group's financial condition and results of operations. Accordingly, the Group expects its results of operations to vary from period to period.

2.1 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 30 June 2021.

E. Notes to the condensed interim consolidated financial statements (cont'd)

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the condensed interim financial statements is included in the following note:

Note 11 Classification of properties under hotel segment

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities during the financial year is included in the following notes:

Note 11 Fair value of properties classified as property, plant and equipment

Note 12 Fair value of investment properties

Note 15 Allowance for impairment in carrying amount of development properties

3. Related party transactions

In addition to the transactions disclosed elsewhere in the notes to the condensed interim consolidated financial statements, the following significant related party transactions took place between the Group and related parties during the financial year on terms agreed between the parties. Other related parties comprise mainly entities which are controlled or jointly-controlled by the Group's key management personnel and close family members.

	Group			
	Second Half Ended		Full Year Ended	
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
	\$'000	\$'000	\$'000	\$'000
<u>Non-controlling interests</u>				
Interest income	-	318	324	642
Interest expense	(83)	(478)	(569)	(964)
<u>Joint ventures</u>				
Dividend income	-	122	-	122
Interest income	4,952	4,105	9,982	7,532
Interest expense	(33)	(94)	(70)	(187)
Management income	381	2,193	381	2,193
<u>Associates</u>				
Dividend income	392	-	392	1,470
Interest income	305	314	615	314
<u>Related parties</u>				
Interest expense	(750)	(1,296)	(2,879)	(3,209)

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Operating segments

4.1 Business segments

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

- Property development – development of properties for sale
- Property investment – leasing of commercial properties
- Hotel – operation of owned hotels
- Construction – construction of commercial and residential properties
- Corporate – provision of corporate and investment services, and treasury functions

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

The construction segment is presented as discontinued operations due to the deconsolidation of Disposal Group as disclosed in Notes 8 and 14.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the Group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the significant accounting policies.

Segment profit before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

	Continuing operations					Discontinued operations	
	Property development \$'000	Property investment \$'000	Hotel \$'000	Corporate \$'000	Subtotal \$'000	Construction \$'000	Total \$'000
Six months period from <u>1 January 2022 to 30 June 2022</u>							
Segment revenue:							
Revenue	400,562	-	11,635	-	412,197	-	412,197
Rental income	-	7,327	-	-	7,327	-	7,327
Total revenue	400,562	7,327	11,635	-	419,524	-	419,524

OXLEY HOLDINGS LIMITED
Second Half and Full Year Ended 30 June 2022

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Operating segments (cont'd)

4.1 Business segments (cont'd)

	Continuing operations					Discontinued operations	
	Property development \$'000	Property investment \$'000	Hotel \$'000	Corporate \$'000	Subtotal \$'000	Construction \$'000	Total \$'000
Six months period from 1 January 2022 to 30 June 2022 (cont'd)							
Segment result	54,868	5,686	(2,966)	(32,947)	24,641	(23,892)	749
Net fair value gain on derivative financial instruments	-	-	1,815	3,356	5,171	-	5,171
Net fair value gain on investment properties	-	12,604	-	-	12,604	-	12,604
Gain on disposal of investment property	-	177	-	-	177	-	177
Gain on disposal of property, plant and equipment	-	-	-	2	2	-	2
Write-back of impairment loss on receivables	55	-	-	-	55	-	55
Interest income	353	2	1	6,192	6,548	-	6,548
Operating profit/(loss)	55,276	18,469	(1,150)	(23,397)	49,198	(23,892)	25,306
Finance costs	(8,727)	(1,942)	(12,407)	(36,925)	(60,001)	-	(60,001)
Share of results from joint ventures and associates, net of tax	20,322	-	-	(1,518)	18,804	-	18,804
Profit/(loss) before tax	66,871	16,527	(13,557)	(61,840)	8,001	(23,892)	(15,891)
Income tax credit/ (expense)	2,032	(825)	(21)	(1,407)	(221)	-	(221)
Profit/(loss) for the year	68,903	15,702	(13,578)	(63,247)	7,780	(23,892)	(16,112)
Other significant items:							
Depreciation expense	(720)	-	(4,855)	(5,332)	(10,907)	-	(10,907)
Write-back of impairment loss on development properties	29,867	-	-	-	29,867	-	29,867
Impairment loss on right-of-use assets	-	-	-	(32,233)	(32,233)	-	(32,233)
Additions:							
Property, plant and equipment	-	-	474	(339)	135	-	135

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Operating segments (cont'd)

4.1 Business segments (cont'd)

	Continuing operations					Discontinued operations	Total \$'000
	Property development \$'000	Property investment \$'000	Hotel \$'000	Corporate \$'000	Subtotal \$'000	Construction \$'000	
Six months period from <u>1 January 2021 to 30 June 2021</u>							
Segment revenue:							
Revenue	765,793	-	10,082	-	775,875	55,114	830,989
Rental income	-	6,044	-	-	6,044	-	6,044
Total revenue	765,793	6,044	10,082	-	781,919	55,114	837,033
Segment result	154,743	5,232	(170)	(28,932)	130,873	(25,811)	105,062
Fair value gain/(loss) on derivative financial instruments	1	25	949	(1,827)	(852)	-	(852)
Fair value loss on investment properties	-	(17,694)	-	-	(17,694)	-	(17,694)
Gain on disposal of investment properties	-	-	-	-	-	229	229
Gain on redemption of bonds	-	-	-	915	915	-	915
Impairment loss on receivables	(6,407)	-	(1)	(1,917)	(8,325)	(15)	(8,340)
Interest income	299	320	-	3,932	4,551	1	4,552
Operating profit/(loss)	148,636	(12,117)	778	(27,829)	109,468	(25,596)	83,872
Finance costs	(3,833)	(1,770)	(9,632)	(42,059)	(57,294)	(612)	(57,906)
Share of results from joint ventures and associates, net of tax	1	-	-	5,803	5,804	-	5,804
Profit/(loss) before tax	144,804	(13,887)	(8,854)	(64,085)	57,978	(26,208)	31,770
Income tax (expense)/ credit	(7,851)	443	(1,635)	(2,974)	(12,017)	1,122	(10,895)
Profit/(loss) for the year	136,953	(13,444)	(10,489)	(67,059)	45,961	(25,086)	20,875
Other significant items:							
Depreciation expense	(595)	-	(5,526)	(3,356)	(9,477)	(233)	(9,710)
Impairment loss on development properties	(32,455)	-	-	-	(32,455)	-	(32,455)
Additions:							
Property, plant and equipment	-	-	115	-	115	-	115

OXLEY HOLDINGS LIMITED
Second Half and Full Year Ended 30 June 2022

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Operating segments (cont'd)

4.1 Business segments (cont'd)

	Continuing operations					Discontinued operations	Total \$'000
	Property development \$'000	Property investment \$'000	Hotel \$'000	Corporate \$'000	Subtotal \$'000	Construction \$'000	
Full year from 1 July 2021 to 30 June 2022							
Segment revenue:							
Revenue	889,415	-	22,150	-	911,565	-	911,565
Rental income	-	14,334	-	-	14,334	-	14,334
Total revenue	889,415	14,334	22,150	-	925,899	-	925,899
Segment result	118,772	10,625	(889)	(47,700)	80,808	(23,892)	56,916
Fair value (loss)/gain on derivative financial instruments	-	(4)	2,093	20,523	22,612	-	22,612
Fair value gain on investment properties	-	14,990	-	-	14,990	-	14,990
Gain on disposal of investment property	-	1,235	-	-	1,235	-	1,235
Gain on disposal of property, plant and equipment	-	-	-	2	2	-	2
receivables	-	(145)	-	(107)	(252)	-	(252)
Interest income	518	330	1	11,676	12,525	-	12,525
Operating profit/(loss)	119,290	27,031	1,205	(15,606)	131,920	(23,892)	108,028
Finance costs	(16,925)	(3,864)	(23,692)	(72,794)	(117,275)	-	(117,275)
Share of results from joint ventures and associates, net of tax	20,322	-	-	-	20,322	-	20,322
Profit/(loss) before tax	122,687	23,167	(22,487)	(88,400)	34,967	(23,892)	11,075
Income tax expense	(1,468)	(2,017)	(320)	37	(3,768)	-	(3,768)
Profit/(loss) for the year	121,219	21,150	(22,807)	(88,363)	31,199	(23,892)	7,307
Other significant items:							
Depreciation expense	(966)	-	(9,653)	(10,642)	(21,261)	-	(21,261)
Write-back of impairment loss on development properties	29,867	-	-	-	29,867	-	29,867
Impairment loss on right-of-use assets	-	-	-	(32,233)	(32,233)	-	(32,233)

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Operating segments (cont'd)

4.1 Business segments (cont'd)

	Continuing operations					Discontinued operations	
	Property development \$'000	Property investment \$'000	Hotel \$'000	Corporate \$'000	Subtotal \$'000	Construction \$'000	Total \$'000
Full year from 1 July 2021 to 30 June 2022 (cont'd)							
Assets and reconciliations:							
Segment assets	1,988,666	350,946	882,993	555,380	3,777,985	-	3,777,985
Investments in joint ventures and associates	79,676	-	-	18,084	97,760	-	97,760
Investments in securities	7,098	-	-	5,372	12,470	-	12,470
Total assets	2,075,440	350,946	882,993	578,836	3,888,215	-	3,888,215
Additions:							
Property, plant and equipment	-	-	584	6,110	6,694	-	6,694
Liabilities and reconciliations:							
Segment liabilities	920,431	171,326	688,637	1,045,480	2,825,874	-	2,825,874
Full year from 1 July 2020 to 30 June 2021							
Segment revenue:							
Revenue	1,330,320	-	21,752	-	1,352,072	218,208	1,570,280
Rental income	-	12,099	-	-	12,099	-	12,099
Total revenue	1,330,320	12,099	21,752	-	1,364,171	218,208	1,582,379
Segment result	235,376	8,975	3,060	(11,256)	236,155	(39,501)	196,654
Fair value (loss)/gain on derivative financial instruments	-	(19)	45	(1,922)	(1,896)	-	(1,896)
Fair value loss on investment properties	-	(17,694)	-	-	(17,694)	-	(17,694)
Gain on striking off of a subsidiary	-	-	-	340	340	-	340
Gain on redemption of bonds	-	-	-	915	915	-	915
Impairment loss on receivables	(6,407)	-	(1)	(6,883)	(13,291)	(62)	(13,353)
Interest income	476	645	-	8,166	9,287	11	9,298
Operating profit/(loss)	229,445	(8,093)	3,104	(10,640)	213,816	(39,552)	174,264
Finance costs	(20,643)	(3,389)	(17,911)	(70,787)	(112,730)	(1,569)	(114,299)
Share of results from joint ventures and associates, net of tax	8,009	-	-	-	8,009	-	8,009
Profit/(loss) before tax	216,811	(11,482)	(14,807)	(81,427)	109,095	(41,121)	67,974
Income tax (expense)/credit	(15,963)	(999)	(285)	(2,343)	(19,590)	1,122	(18,468)
Profit/(loss) for the year	200,848	(12,481)	(15,092)	(83,770)	89,505	(39,999)	49,506

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Operating segments (cont'd)

4.1 Business segments (cont'd)

	Continuing operations					Discontinued operations	Total \$'000
	Property development \$'000	Property investment \$'000	Hotel \$'000	Corporate \$'000	Subtotal \$'000	Construction \$'000	
Full year from 1 July 2020 to 30 June 2021 (cont'd)							
Other significant items:							
Depreciation expense	(612)	-	(11,510)	(5,489)	(17,611)	(829)	(18,440)
Impairment loss on development properties	(32,455)	-	-	-	(32,455)	-	(32,455)
Assets and reconciliations:							
Segment assets	2,306,026	330,416	832,244	593,094	4,061,780	-	4,061,780
Investments in joint ventures and associates	78,909	-	-	3,333	82,242	-	82,242
Investments in securities	7,291	-	-	15,404	22,695	-	22,695
Total assets	2,392,226	330,416	832,244	611,831	4,166,717	-	4,166,717
Additions:							
Property, plant and equipment	50	-	125	74,659	74,834	-	74,834
Liabilities and reconciliations:							
Segment liabilities	1,275,205	118,569	694,656	1,028,131	3,116,561	-	3,116,561

4.2 Geographical information

	Group					
	Revenue		Revenue		Non-current assets	
	Second Half Ended 30-Jun-22 \$'000	30-Jun-21 \$'000	30-Jun-22 \$'000	30-Jun-21 \$'000	30-Jun-22 \$'000	30-Jun-21 \$'000
Singapore	373,012	261,516	737,743	458,499	1,474,781	1,398,114
United Kingdom	952	73,915	7,622	341,960	34,906	36,161
Ireland	1,797	46,290	21,411	101,715	-	-
Cambodia	41,555	392,240	58,692	441,346	58,918	100,082
Malaysia	2,219	7,958	3,364	20,651	30,739	29,793
Australia	(11)	-	97,067	-	-	301
Others	-	-	-	-	15,856	15,531
Continuing operations	419,524	781,919	925,899	1,364,171	1,615,200	1,579,982
Discontinued operations	-	55,114	-	218,208	-	-
Total	419,524	837,033	925,899	1,582,379	1,615,200	1,579,982

E. Notes to the condensed interim consolidated financial statements (cont'd)

4. Operating segments (cont'd)

4.3 Breakdown of sales

	Group	
	30-Jun-22 \$'000	30-Jun-21 \$'000
(a) Sales reported for:		
First half year	506,375	582,252
Second half year	419,524	781,919
From continuing operations	925,899	1,364,171
(b) Profit before tax before deducting non-controlling interests reported for:		
First half year	26,966	51,117
Second half year	8,001	57,978
From continuing operations	34,967	109,095

5. Revenue

	Group			
	Second Half Ended		Full Year Ended	
	30-Jun-22 \$'000	30-Jun-21 \$'000	30-Jun-22 \$'000	30-Jun-21 \$'000
Revenue from sale of development properties:				
- recognised at point in time	43,391	512,239	183,433	884,788
- recognised over time	357,171	253,554	705,982	445,532
	400,562	765,793	889,415	1,330,320
Revenue from hotel ownership and operations:				
- recognised at point in time	1,425	1,968	2,754	4,888
- recognised over time	10,210	8,114	19,396	16,864
	11,635	10,082	22,150	21,752
Rental income from investment properties	7,327	6,044	14,334	12,099
	419,524	781,919	925,899	1,364,171

6. Profit before tax from continuing operations is stated after crediting/(charging):

	Group			
	Second Half Ended		Full Year Ended	
	30-Jun-22 \$'000	30-Jun-21 \$'000	30-Jun-22 \$'000	30-Jun-21 \$'000
Rental income [#]	7,627	6,516	15,024	13,279
Depreciation of property, plant and equipment	(10,907)	(9,477)	(21,261)	(17,611)
Fair value gain/(loss) on investment properties	12,604	(17,694)	14,990	(17,694)
Gain on disposal of investment properties	177	-	1,235	-
Gain on striking off of a subsidiary	-	-	-	340
Impairment loss on investments in joint ventures	-	(140)	-	(140)
Write-back of impairment/(Impairment loss) on development properties	29,867	(32,455)	29,867	(32,455)
Impairment loss on right-of-use assets	(32,233)	-	(32,233)	-
Write back/(impairment loss) on receivables	55	(8,325)	(252)	(13,291)
Fair value gain/(loss) on derivative financial instruments	5,171	(852)	22,612	(1,896)
Gain on redemption of bonds	-	915	-	915
Net foreign exchange (loss)/gain	(5,642)	(14,124)	(6,641)	18,025
Government grant income	439	2,126	2,171	5,254

[#]Including rental income in other income

E. Notes to the condensed interim consolidated financial statements (cont'd)

7. Income tax expense

	Group			
	Second Half Ended		Full Year Ended	
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
	\$'000	\$'000	\$'000	\$'000
Current tax (credit)/expense	(1,234)	8,062	667	14,635
Deferred tax expense	1,455	3,955	3,101	4,955
	221	12,017	3,768	19,590

8. Loss from discontinued operations, net of tax

In May 2021, due to the challenges posed by COVID-19 pandemic that caused delays to construction activities, project completions and collections of project proceeds, the Group's wholly-owned Pindan group of subsidiaries in Australia (the "Pindan Group") was placed under voluntary administration. Accordingly, this has led to the Group's loss of control over Pindan Group and certain of its subsidiaries (the "Disposal Group") and the entire results of the Pindan Group are presented separately in the condensed interim consolidated statement of profit or loss and other comprehensive income as "Discontinued operations".

The results for the discontinued operations for the financial year were as follows:

	Group			
	Second Half Ended		Full Year Ended	
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
	\$'000	\$'000	\$'000	\$'000
Revenue	-	55,114	-	218,208
Cost of sales	-	(49,167)	-	(198,934)
Gross profit	-	5,947	-	19,274
Other income	-	24	-	74
Interest income	-	1	-	11
Other gains	-	4	-	302
Marketing and distribution costs	-	(48)	-	(193)
Administrative expenses	-	(6,086)	-	(21,906)
Other losses	(23,892)	(25,438)	(23,892)	(37,114)
Finance costs	-	(612)	-	(1,569)
Loss before tax	(23,892)	(26,208)	(23,892)	(41,121)
Income tax credit	-	1,122	-	1,122
Loss from discontinued operations	(23,892)	(25,086)	(23,892)	(39,999)

The cash flows of the discontinued operations for the financial year were as follows:

	30-Jun-22	30-Jun-21
	\$'000	\$'000
Operating cash flows	-	(11,983)
Investing activities	(20,707)	8,776
Financing activities	-	2,961
Total cash flows	(20,707)	(246)

E. Notes to the condensed interim consolidated financial statements (cont'd)

9. Net asset value per ordinary share

	<u>Group</u>		<u>Company</u>	
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
Total number of issued shares (excluding treasury shares) ('000)	4,237,084	4,236,584	4,237,084	4,236,584
Net asset value (total equity) per ordinary share (excluding treasury shares) (cents)	25.07	24.79	14.49	11.68

10. Dividends

10.1 Dividends to owners of the Company

	<u>Rate per share</u>		<u>30-Jun-22</u>	<u>30-Jun-21</u>
	<u>30-Jun-22</u>	<u>30-Jun-21</u>		
	Cents	Cents	\$'000	\$'000
<u>Dividend paid in respect of previous financial year</u>				
Final tax exempt (1-tier)	0.25	0.50	10,591	21,092
Special tax exempt (1-tier)	-	1.00	-	42,185
	0.25	1.50	10,591	63,277

10.2 Dividends to non-controlling interests of subsidiaries

In the financial year ended 30 June 2022, interim tax exempt (1-tier) dividends totalled \$79,000 (2021: Nil) were declared and paid by certain subsidiaries to their non-controlling shareholders.

11. Property, plant and equipment

- (a) For the financial year ended 30 June 2022, the Group acquired property, plant and equipment amounting to \$6,694,000 (30 June 2021: \$74,834,000) and the additions arising from right-of-use assets was \$5,802,000 (30 June 2021: \$72,669,000).
- (b) At the end of the financial year, the freehold land, hotel buildings and improvements and freehold properties of the Group are pledged to financial institutions as securities for credit facilities.
- (c) Hotel property and freehold properties are carried at revalued amounts, being their fair values at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair values of the properties were measured by independent professional valuation experts using the discounted cashflow method, income capitalisation method, or direct comparison method. The valuation methods involve certain estimates including those relating to discount rate, growth rate, capitalisation rate, and price per square metre. In relying on the valuation reports, management has exercised judgement and is satisfied that the valuation methods and estimates used are reflective of the current market conditions.
- (d) 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.

E. Notes to the condensed interim consolidated financial statements (cont'd)

12. Investment properties

	Group	
	30-Jun-22	30-Jun-21
	\$'000	\$'000
At fair value:		
At beginning of the year	324,833	329,749
Disposal	(1,079)	-
Transfer from development properties	5,344	16,831
Transfer to property, plant and equipment	-	(1,256)
Deconsolidation of a subsidiary (Note 14)	-	(3,294)
Fair value gain/(loss) included in profit or loss under other gains/(losses)	14,990	(17,694)
Foreign exchange adjustments	(1,166)	497
At end of the year	<u>342,922</u>	<u>324,833</u>

- (a) At the end of the financial year, certain investment properties of the Group are pledged to financial institutions as securities for credit facilities.
- (b) Investment properties are carried at fair value. The fair values of the investment properties are derived using the direct comparison method. The valuation method involves using the values of sale prices of comparable properties and comparing them directly to the subject property. Allowances are made for differences in the properties including land size, improvements and location. The most significant input into this valuation approach is market price per room or per square meter. In relying on the valuation reports, management has exercised judgement and is satisfied that the valuation methods and estimates used are reflective of the current market conditions.

13. Assets and liabilities held for sale

In April 2022, management committed to a plan to sell the entire capital of Phu Think Land Co., Ltd. ("Phu Think"), of which the Group has an effective stake of 80%.

The transaction resulted in the reclassification of Phu Think's assets and liabilities to assets and liabilities held for sale at 30 June 2022. The disposal of the subsidiary is expected to be completed in the next financial year.

13.1 Assets and liabilities of disposal group held for sale

At 30 June 2022, the transaction was stated at fair value less costs to sell and comprised the following assets and liabilities:

	Group
	30-Jun-22
	\$'000
Other receivables, non-current	3
Development properties	26,136
Trade and other receivables, current	692
Other non-financial assets	5,503
Assets held for sale	<u>32,334</u>
Trade and other payables	117
Other non-financial liabilities, current	28
Liabilities held for sale	<u>145</u>

13.2 Cumulative income or expenses recognised in other comprehensive income

There are no cumulative income or expenses included in other comprehensive income relating to the transaction.

E. Notes to the condensed interim consolidated financial statements (cont'd)

14. Deconsolidation of a subsidiary

As a result of the loss of control over the Disposal Group (Note 8), the carrying value of assets and liabilities of Pindan Group as of the date of deconsolidation and the effects of the deconsolidation were:

	At the date of deconsolidation \$'000
Property, plant and equipment	15,501
Investment properties	3,294
Goodwill	21,427
Other intangible assets	2,877
Investments in associates	9,853
Investments in securities	1,381
Deferred tax assets	10,530
Other non-financial assets, non-current	54
Inventories	1,718
Trade and other receivables	32,836
Other non-financial assets	2,652
Cash and cash equivalents	7,018
Deferred tax liabilities	(1,652)
Trade and other payables, non-current	(19,188)
Other financial liabilities, non-current	(12,583)
Income tax payable	(1,874)
Trade and other payables, current	(32,391)
Other financial liabilities, current	(1,454)
Net identifiable assets	<u>39,999</u>
<u>Loss on deconsolidation:</u>	
Cash consideration	-
Net identifiable assets derecognised	<u>(39,999)</u>
Loss on deconsolidation	<u>(39,999)</u>
<u>Net cash outflow on deconsolidation:</u>	
Cash at Disposal Group	<u>(7,018)</u>

E. Notes to the condensed interim consolidated financial statements (cont'd)

15. Development properties

- (a) At the end of the financial year, certain development properties of the Group are mortgaged to financial institutions as securities for credit facilities.
- (b) The allowance for foreseeable losses is determined by the management after taking into account estimated selling prices and estimated total construction costs. The estimated selling prices are based on recent selling prices with reference to valuation reports for the development project or comparable projects and prevailing property market conditions including the implication from the COVID-19 pandemic. The estimated total construction costs are based on contracted amounts and, in respect of amounts not contracted for, management's estimates of the amounts to be incurred taking into consideration historical trends of the amounts incurred and the implication from the COVID-19 pandemic. The allowance made / (written back) for foreseeable losses is included in "other losses" or "other gains".

16. Share capital

	Group and Company			
	Number of shares issued		30-Jun-22	30-Jun-21
	30-Jun-22	30-Jun-21		
	'000	'000	\$'000	\$'000
At beginning of the year	4,264,013	4,245,903	304,558	300,700
Shares issued under the Scrip Dividend Scheme	3,105	18,110	520	3,858
At end of the year	4,267,118	4,264,013	305,078	304,558

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

On 15 January 2021, the Company issued 18,109,707 ordinary shares of no par value at an issue price of \$0.2138 per ordinary share to eligible shareholders who elected to participate in the Company's Scrip Dividend Scheme.

On 21 December 2021, the Company issued 3,105,418 ordinary shares of no par value at an issue price of \$0.1891 per ordinary share to eligible shareholders who elected to participate in the Company's Scrip Dividend Scheme.

As at 30 June 2022, the Company had 4,237,084,139 (30 June 2021: 4,236,583,321) ordinary shares, excluding treasury shares.

Convertible Notes

As at 30 June 2022, total number of shares that may be issued on conversion under the terms of the Convertible Notes is 400,492,800 ordinary shares (30 June 2021: 387,187,200), based on the initial conversion price of \$0.25 (30 June 2021: \$0.25), and assuming (a) an USD: SGD exchange rate of US\$1:S\$1.3906 (30 June 2021: US\$1:S\$1.3444), (b) full conversion of the issued Convertible Notes, and (c) no adjustment events.

There has been no conversion of the Convertible Notes since the date of issue.

Warrants

As at 30 June 2022, total number of shares that may be issued on exercise under the terms of the Warrants is 199,810,898 ordinary shares (30 June 2021: 199,810,898).

There has been no exercise of the Warrants since the date of issue.

The total number of shares that may be issued on conversion of all the outstanding convertibles amounted to 600,303,698 shares as at 30 June 2022 (30 June 2021: 586,998,098), constituting 14.17% (30 June 2021: 13.86%) of the total number of ordinary shares, excluding treasury shares.

Save as disclosed above, the Company had no outstanding convertibles and no subsidiary holdings as at 30 June 2022 and 30 June 2021.

E. Notes to the condensed interim consolidated financial statements (cont'd)

17. Treasury shares

	Group and Company			
	Number of shares			
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
	'000	'000	\$'000	\$'000
At beginning of the year	27,429	27,429	7,638	7,638
Purchased during the year	2,605	-	425	-
At end of the year	<u>30,034</u>	<u>27,429</u>	<u>8,063</u>	<u>7,638</u>

Treasury shares relate to ordinary shares of the Company that are held by the Company. In the financial year ended 30 June 2022, the purchase prices of the treasury shares ranged from \$0.157 to \$0.176 per share.

As at 30 June 2022, the Company's treasury shares constituted 0.70% (30 June 2021: 0.64%) of the total number of ordinary shares outstanding.

There were no sales, transfer, cancellation and/or use of subsidiary holdings or treasury shares during the financial year ended 30 June 2022 (30 June 2021: Nil).

18. Other reserves

	Group		Company	
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
	\$'000	\$'000	\$'000	\$'000
Foreign currency translation reserve (Note 18.1)	(13,622)	6,739	-	-
Asset revaluation reserve (Note 18.2)	210,930	166,296	-	-
Fair value reserve (Note 18.3)	(18,618)	(8,586)	(18,618)	(8,586)
Warrant reserve (Note 18.4)	7,201	7,201	7,201	7,201
Other reserve (Note 18.5)	3,629	3,629	3,629	3,629
	<u>189,520</u>	<u>175,279</u>	<u>(7,788)</u>	<u>2,244</u>

18.1 Foreign currency translation reserve

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

18.2 Asset revaluation reserve

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.

18.3 Fair value reserve

The fair value reserve arises from the revaluation of financial assets. It is not distributable until it is reclassified to retained earnings upon the disposal of the assets.

18.4 Warrant reserve

On 21 April 2021, the Company issued 199,810,898 non-listed warrants to an unrelated lender in lieu of payment of finance costs under a facility agreement entered by the Company and the lender on 17 September 2020.

The warrant reserve represents the fair value of the unexercised warrants on the date of issuance.

18.5 Other reserve

Other reserve arises from the excess of proceeds over cost of placing the treasury shares.

E. Notes to the condensed interim consolidated financial statements (cont'd)

19. Other financial liabilities

	Group		Company	
	30-Jun-22 \$'000	30-Jun-21 \$'000	30-Jun-22 \$'000	30-Jun-21 \$'000
Amount repayable in one year or less, or on demand				
Secured	1,477,512	420,858	290,396	66,470
Unsecured	304,808	351,958	232,111	203,329
	1,782,320	772,816	522,507	269,799
Amount repayable after one year				
Secured	236,006	1,467,924	74,495	196,284
Unsecured	205,470	178,862	2,480	104,460
Total bank borrowing and debt securities	2,223,796	2,419,602	599,482	570,543
Derivative financial instruments	-	18,880	-	13,956
Lease liabilities	70,655	71,079	-	-
	2,294,451	2,509,561	599,482	584,499
Non-current portion	500,804	1,725,472	76,975	314,699
Current portion	1,793,647	784,089	522,507	269,800
	2,294,451	2,509,561	599,482	584,499

Convertible Notes

On 19 January 2021, the Company issued 4.5% convertible notes of US\$72,000,000 in aggregate principal amount of Tranche A Convertible Notes under a subscription agreement entered into with a third party.

As at 30 June 2022, the derivative financial instrument included fair value of unconverted Convertible Notes amounting to \$Nil (30 June 2021: \$12,239,000).

Details of collaterals

- (a) First legal mortgages on certain properties classified as property, plant and equipment, investment properties and development properties.
- (b) Legal assignment of all rights, titles and interests in the construction contracts, insurance policies, and performance bonds (if any), tenancy agreements and sale and purchase agreements with respect to the proposed developments, property, plant and equipment and investment properties.
- (c) Fixed and floating charges on relevant present and future assets.
- (d) Charge over shares held by the Company in certain subsidiaries.
- (e) Assignment and/or subordination of all shareholder loans.
- (f) Corporate guarantees by the Company.
- (g) Corporate guarantees by non-controlling shareholders of non-wholly owned subsidiaries for bank borrowings amounting to \$47.1 million (30 June 2021: \$49.0 million).

Note:

The above borrowings do not include advances from non-controlling shareholders of certain subsidiaries of \$50.7 million as at 30 June 2022 (30 June 2021: \$49.7 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 of \$277.7 million as at 30 June 2022 (30 June 2021 medium term notes: \$224.1 million), due in financial years 2022 to 2025.

E. Notes to the condensed interim consolidated financial statements (cont'd)

20. Commitments

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

	30-Jun-22	30-Jun-21
	\$'000	\$'000
Development expenditure contracted for development properties	863,177	763,391

21. Categories of financial assets and liabilities

	Group		Company	
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
	\$'000	\$'000	\$'000	\$'000
<u>Financial assets:</u>				
At amortised cost	1,165,101	980,735	1,673,615	2,032,181
At FVTPL (derivative instruments)	703	-	-	-
At FVTOCI (equity instruments)	12,470	22,695	5,371	15,403
	1,178,274	1,003,430	1,678,986	2,047,584
<u>Financial liabilities:</u>				
At amortised cost	2,707,035	2,979,808	1,113,169	1,589,773
At FVTPL (derivative instruments)	-	18,880	-	13,956
	2,707,035	2,998,688	1,113,169	1,603,729

22. Litigation cases

22.1 Legal proceedings against Oxley Sanctuary Pte Ltd ("Oxley Sanctuary")

In May 2019, the owners of 19 units at KAP Mall commenced legal proceedings against Oxley Sanctuary, a 55%-owned subsidiary of the Company. The claimants alleged that the latter breached an implied term of the contract arising out of statements by Oxley Sanctuary's marketing agents and other co-broke agents regarding the tenancy of McDonalds and Cold Storage at KAP Mall.

Oxley Sanctuary had refuted the claims on the basis that such statements were unauthorised and the proceedings were ongoing as at 19 August 2022. The potential financial impact of the claims cannot be determined at this stage as the Plaintiffs have not quantified their claims.

22.2 Legal proceedings involving Oxley Gem (Cambodia) Co., Ltd ("Oxley Gem")

In April 2022, Oxley Gem, a subsidiary of the Company, had entered into a full and final settlement agreement to settle disputes with Sino Great Wall International Engineering Co., Ltd. ("SGW"), the previous main contractor engaged for The Peak project in Cambodia.

Both parties had fulfilled the terms of the settlement agreement and agreed to the withdrawal and termination of the arbitration on 2 August 2022.

E. Notes to the condensed interim consolidated financial statements (cont'd)

23. Subsequent events

23.1 Deposit Agreement Signed for Sale of Mozac Thao Dien's Land Use Rights

On 27 July 2022, MK Thao Dien Project Co., Ltd, the Group's 36%-owned associated company, had entered into a deposit agreement for the sale of land use rights of Mozac Thao Dien, located at Ho Chi Minh City, for the sale price of VND480 billion (approximately SGD 28.3 million).

A refundable deposit of VND47.5 billion (approximately S\$2.8 million) had been received for the proposed sales transaction. The completion of the sale transaction is subject to various conditions including the signing of a formal agreement.

F. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed interim statements of financial position of the Group and the Company as at 30 June 2022 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statements of cash flows for the financial year then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Profit or loss review

Revenue

Group revenue for second half year ended 30 June 2022 ("2H FY2022") and financial year ended 30 June 2022 ("FY2022") was lower by 46% and 32% to \$419.5 million and \$925.9 million respectively, compared with \$781.9 million and \$1,364.2 million in second half year ended 30 June 2021 ("2H FY2021") and financial year ended 30 June 2021 ("FY2021") respectively. This was mainly due to lower revenue contribution from the overseas projects in Cambodia, United Kingdom, Ireland and Malaysia, partially offset by higher revenue from the development projects in Singapore and the sale of land parcels in Australia.

Gross profit margin

Gross profit ("GP") margins for 2H FY2022 and FY2022 were lower compared with 2H FY2021 and FY2021, mainly due to lower margins from local development projects coupled with lower revenue from overseas projects.

Other income

Other income for 2H FY2022 and FY2022 decreased by 68% and 53% to \$0.9 million and \$3.0 million respectively, mainly due to lower government grants received.

Interest income

Interest income for 2H FY2022 and FY2022 increased by 44% and 35% to \$6.5 million and \$12.5 million respectively, mainly due to higher interest income from advances to joint ventures and associates for Riverfront Residences and Affinity at Serangoon projects.

Other gains

Other gains for 2H FY2022 of \$49.7 million comprise mainly fair value gains arising from revaluation of investment properties in Singapore, write-back of impairment of development properties in Cambodia and mark-to-market valuation of derivative financial instruments, in addition to forfeited customer deposits.

Other gains for FY2022 of \$79.4 million comprise the aforesaid gains for 2H FY2022 and gains from disposal of overseas assets.

Marketing and distribution costs

Marketing and distribution costs for 2H FY2022 and FY2022 decreased to \$1.7 million and \$4.2 million, from \$6.3 million and \$10.3 million in 2H FY2021 and FY2021 respectively, mainly due to lower expenses incurred for show flats, advertisements, exhibitions and project launches for Singapore and overseas projects.

Administrative expenses

Administrative expenses for FY2022 was comparable to that for FY2021 at \$38.6 million. For better presentation of the expenses by function, certain expenses amounting to \$4.3 million previously classified under administrative expenses were reclassified to other losses for 2H FY2022.

Other losses

Other losses for 2H FY2022 of \$42.2 million, compared with \$78.6 million for 2H FY2021, comprise mainly impairment loss on right-of-use assets in Cambodia, costs incurred for defect rectification and foreign exchange loss from translation of US\$ denominated borrowings as a result of the appreciation of US dollar against Singapore dollar.

Other losses for FY2022 of \$49.9 million, compared with \$89.2 million for FY2021, comprise the aforesaid losses for 2H FY2022, in addition to the costs incurred for rental support of the property at 30 Raffles Place.

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

2. Review of performance of the Group (cont'd)

Profit or loss review (cont'd)

Finance costs

Finance costs for 2H FY2022 and FY2022 increased by 5% and 4% to \$60.0 million and \$117.3 million respectively, compared with \$57.3 million and \$112.7 million in 2H FY2021 and FY2021 respectively, mainly due to higher interest rates from external financing.

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

Share of results from joint ventures and associates for 2H FY2022 and FY2022 were higher than that for 2H FY2021 and FY2021 by 224% and 154%, at \$18.8 million and \$20.3 million respectively, mainly due to higher profit contribution from the joint ventures and associates in Singapore and Malaysia, partially offset by higher share of losses from the other overseas entities.

Profit before tax from continuing operations

Profit before tax from continuing operations for 2H FY2022 and FY2022 was \$8.0 million and \$35.0 million respectively, compared with profit of \$58.0 million and \$109.1 million respectively in 2H FY2021 and FY2021, due to the reasons stated above.

Loss from discontinued operations

The loss from discontinued operations for 2H FY2021 and FY2021 represented the Group's losses from Pindan Group in Australia. In May 2021, voluntary administrators were appointed for certain Pindan subsidiaries.

The loss from discontinued operations for 2H FY2022 and FY2022 related to expenses incurred for the voluntary administration of Pindan Group, mainly to facilitate the fulfilment of the conditions precedent under the Deed of Company Agreement (DOCA).

Income tax expense

The income tax expenses for 2H FY2022 and FY2022 comprised (a) corporate taxes on the profits earned from the projects in Singapore and Cambodia and (b) withholding taxes on the offshore payments, partially offset by the write-back of over-provision of prior years' corporate and withholding taxes.

Statement of financial position review

Net assets and gearing

As at 30 June 2022, the shareholders' fund of \$1,062.3 million represented an increase of 1% or \$12.2 million from the amount as at 30 June 2021 primarily due to the total comprehensive income for the year, partially offset by the dividend payment of \$10.7 million. The net asset value (total equity) per share of 25.07 cents as at 30 June 2022 was higher than the amount of 24.79 cents as at 30 June 2021 due to the aforesaid reason.

Excluding derivative financial liabilities and finance lease liabilities, the Group's gearing ratios as at 30 June 2022 and 30 June 2021 were 1.96 and 2.10 times respectively and the net debts were \$2.1 billion and \$2.2 billion respectively.

Current assets

The decrease in current assets of \$313.7 million or 12% as at 30 June 2022 compared with that as at 30 June 2021 was mainly attributable to (i) decrease in carrying value of development properties as the cost had been progressively taken up as cost of sales in the statement of profit or loss upon recognition of revenue, (ii) lower trade and other receivables arising from sales collection, and (iii) repayment of debt obligations resulting in lower cash and cash equivalents.

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

Statement of financial position review (cont'd)

Non-current liabilities

The decrease in non-current liabilities of \$1,183.0 million or 67% as at 30 June 2022 compared with that as at 30 June 2021 was mainly due to reclassification of borrowings from non-current liabilities to current liabilities in accordance with the repayment schedule based on the maturity period.

Current liabilities

The increase in current liabilities of \$892.4 million or 66% as at 30 June 2022 compared with that as at 30 June 2021 was mainly due to reclassification of borrowings to current liabilities from non-current liabilities in accordance with the repayment schedule based on the maturity period. This was partially offset by repayment of borrowings of approximately \$768.9 million during the year.

Cash flow review

Net cash flows from operating activities of \$284.6 million for FY2022 was mainly generated from the completion of sales of the Singapore developments and land parcels in Australia.

Net cash flows used in investing activities for FY2022 was \$22.3 million, mainly due to advances made to joint venture companies in Singapore and the United Kingdom and payment of expenses incurred for the voluntary administration of Pindan Group. This was partially offset by interest income received from loans to joint ventures and associates.

Net cash flows used in financing activities for FY2022 was \$313.4 million, mainly due to net repayment of bank loans which comprised the settlements of the borrowings for the completed Singapore's developments.

3. 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 or prospect statements.

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

4. 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.

Global uncertainties surrounded the business environment in 2022. While the Covid-19 pandemic continued to rage across the Asia continent with an unexpected surge in variants of COVID-19, Europe witnesses the start of a new infectious disease, Monkeypox. Amidst the global pandemic crisis, the ongoing conflict between Russia and Ukraine caused Europe largest refugee crisis since World War II. These events set off a domino effect, with inflation soaring and central banks rushing to increase interest rates to curb it.

Singapore, being an open economy, bore the brunt of the global inflation waves. The Monetary Authority of Singapore acted swiftly to strengthen Singapore dollar to combat inflation while maintaining the competitiveness of Singapore's economy. According to the Ministry of Trade and Industry, Singapore's GDP growth in 2022 is expected to be between 3.0% and 4.0%.

The Group's exposure to the Singapore residential market is not significant as the projects are over 99% sold. Singapore private home prices rose at a quicker pace of 3.5 percent in the second quarter of this year, compared to 0.7 percent increase in the previous quarter. Current housing price levels are favorable for the sale of the Group's remaining residential units, which are expected to fetch better their profit margins. The Group's hotels on Stevens Road will be released as Stay-Home-Notice (SHN) Dedicated Facilities and re-open to full operation in September 2022. Our hotel management is rejuvenating our hotels to make rooms for the pent-up global travel demand and domestic demand for corporate events.

In the overseas markets, 62% of the launched private residential units at Riverscape, a 50% joint venture project with Ballymore in London, has been sold. The property market in London is expected to stay buoyant with the imbalance in housing demand and supply. In Malaysia, 45% of the residential units at Oxley KLCC Tower has been sold while the Group is launching a mass market residential development in Ampas Jaya, Selangor. The rate of luxury apartment sales in Malaysia is likely to be more correlated with the stability of the political situation and availability of property financing. The projects in Malaysia are expected to be completed progressively by 2025. In Cambodia, construction of the retail, residential and office units at The Peak project in Cambodia was completed and the project is now 76% sold for the retail units and 99% sold for the residential and office units. Construction of the Shangri-La Hotel at The Peak is on-going and expected to be completed in 2023. The Palms project will be completed in late 2022 and the project is now 76% sold. The Royal Wharf and Dublin Landings projects in London and Dublin had been completed and fully sold.

Despite the disruption in the construction industry, 7 out of the remaining 8 Singapore projects are expected to achieve TOPs by end of calendar year 2022.

The expectation of rate hikes by US Federal Reserve may result in a tandem increase in global interest rates that may affect affordability to property buyers, albeit possibly less impact on buyers of mass market offerings. Additionally, the rise in Singapore interest rates is largely expected to lag US interest rates with the monetary policy by Monetary Authority of Singapore. As most of the Group's Singapore development projects are expected to be completed within the next 6 months, the repayment of most of the Group's project loans will mitigate the impact of gradual interest rate hikes on borrowing costs. The Group's gearing ratio is expected to decrease in tandem with the repayment of project loans.

As at 22 July 2022, the Group's total sales secured for its development portfolio amounted to S\$10.5 billion, of which approximately S\$4.8 billion and S\$5.7 billion were attributable to the projects in Singapore and overseas respectively.

	Sales secured	Recognised billings	Future progress billings
	(\$mn)	(\$mn)	(\$mn)
Singapore	4,834	2,388	2,446
Overseas	5,676	5,166	510
Total *	<u>10,510</u>	<u>7,554</u>	<u>2,956</u>

* Includes unbilled contract value of joint ventures and associates

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

5. If a decision regarding dividend has been made:-

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

A final dividend in respect of the financial year ended 30 June 2022 have been recommended.*

(b) (i) Amount per share

0.25 Singapore cent per ordinary share.*

(ii) Previous corresponding period

A final dividend of 0.25 Singapore cent per ordinary share.

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

The dividend is tax exempt in the hand of shareholders.

(d) The date the dividend is payable

To be announced at a later date.

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

To be announced at a later date.

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

Not applicable

7. Interested person transactions

There were no transactions under the general mandate from shareholders for interested person transactions during the second half year ended 30 June 2022.

During the six months and full year ended 30 June 2022, there were the following interested person transactions:

- (a) finance costs amounting to \$532,000 and \$1,698,000 for the six months and full year ended 30 June 2022, respectively, payable to Oxley Construction Pte. Ltd., a company wholly-owned by Mr Ching Chiat Kwong (Executive Chairman and CEO and controlling shareholder of the Company), in respect of a loan granted to the Company;
- (b) finance costs amounting to \$218,000 and \$909,000 for the six months and full year ended 30 June 2022, respectively, payable to GMTC Private Limited, a company wholly-owned by Mr Low See Ching (Deputy CEO and controlling shareholder of the Company), in respect of a loan granted to the Company; and
- (c) finance costs amounting to \$nil and \$272,000 for the six months and full year ended 30 June 2022, respectively payable to Blacktip Partners Pte. Ltd., a company wholly-owned by Mr Shawn Ching Wei Hung (Director of the Company and the son of Mr Ching Chiat Kwong), in respect of loans granted to the Company.

* The proposed final tax exempt (one-tier) dividend of 0.25 Singapore cent per ordinary share in respect of FY2022 is subject to shareholders' approval at the forthcoming AGM.

F. Other information required by Listing Rule Appendix 7.2 (cont'd)

8. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer

Save that Mr Shawn Ching Wei Hung (Executive Director and Group General Manager of the Company) is the son of Mr Ching Chiat Kwong (Executive Chairman and CEO and substantial shareholder of the Company), there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director, CEO or substantial shareholder of the Company.

9. 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) pursuant to Rule 720(1) of the Listing Manual.

By order of the Board

Ching Chiat Kwong
Executive Chairman and CEO
19 August 2022

Low See Ching
Deputy CEO
19 August 2022