



OXLEY HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 201005612G)

(The "Company")

Unaudited Second Quarter and Half Year Financial Statements
and Dividend Announcement For the Financial Period Ended
31 December 2018

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 Second Quarter Ended		% Change Increase/ (Decrease)	Group Half Year Ended		% Change Increase/ (Decrease)
	31-Dec-18 S\$'000	31-Dec-17 S\$'000		31-Dec-18 S\$'000	31-Dec-17 S\$'000	
Revenue	355,482	406,094	-12%	525,783	716,716	-27%
Cost of Sales	(309,129)	(337,253)	-8%	(424,328)	(594,998)	-29%
Gross Profit	46,353	68,841	-33%	101,455	121,718	-17%
Other Items of Income						
Other Income	1,372	272	404%	2,355	501	370%
Interest Income	2,532	744	240%	3,429	1,356	153%
Other Gains	51,494	3,873	1230%	56,385	11,730	381%
Other Items of Expense						
Marketing and Distribution Costs	(8,119)	(2,441)	233%	(14,806)	(4,152)	257%
Administrative Expenses	(7,185)	(15,184)	-53%	(14,362)	(24,673)	-42%
Finance Costs	(26,909)	(15,828)	70%	(48,800)	(24,694)	98%
Other Losses	(1,671)	(16,670)	-90%	(10,483)	(17,923)	-42%
Share of (Loss) / Profit From Equity-Accounted Associates and Joint Ventures	(245)	60,579	N.M.	(3,941)	74,813	N.M.
Profit Before Income Tax	57,622	84,186	-32%	71,232	138,676	-49%
Income Tax Expense	(9,525)	(15,948)	-40%	(18,368)	(24,507)	-25%
Profit Net of Tax	48,097	68,238	-30%	52,864	114,169	-54%
Other Comprehensive Income:						
<u>Items that will not be reclassified subsequently to profit or loss</u>						
Gain on Revaluation of Properties, Net of Tax	-	1,627	-100%	-	1,627	-100%
	-	1,627	-100%	-	1,627	-100%
<u>Items that may be reclassified subsequently to profit or loss</u>						
Loss on Investments in Securities	(18,689)	(6,597)	183%	(43,312)	(3,754)	1054%
Exchange (Loss) / Gain on Translating Foreign Operations	(26,624)	5,684	N.M.	(31,343)	20,555	N.M.
Other Comprehensive (Loss) / Income	(45,313)	(913)	4863%	(74,655)	16,801	N.M.
Total Other Comprehensive (Loss) / Income	(45,313)	714	N.M.	(74,655)	18,428	N.M.
Total Comprehensive Income / (Loss)	2,784	68,952	-96%	(21,791)	132,597	N.M.
Profit/ (Loss) Net of Tax Attributable to:						
-Owners of the Company	45,236	68,023	-33%	53,293	116,765	-54%
-Non-Controlling Interests	2,861	215	1231%	(429)	(2,596)	-83%
Profit Net of Tax	48,097	68,238	-30%	52,864	114,169	-54%
Total Comprehensive (Loss)/ Income Attributable to:						
-Owners of the Company	(62)	68,712	N.M.	(21,353)	135,283	N.M.
-Non-Controlling Interests	2,846	240	1086%	(438)	(2,686)	-84%
Total Comprehensive Income / (Loss)	2,784	68,952	-30%	(21,791)	132,597	N.M.

1(a)(i) Profit Before Income Tax is arrived after crediting / (charging) the following:

	Group Second Quarter Ended		% Change Increase/ (Decrease)	Group Half Year Ended		% Change Increase/ (Decrease)
	31-Dec-18 S\$'000	31-Dec-17 S\$'000		31-Dec-18 S\$'000	31-Dec-17 S\$'000	
Rental Income	10,304	3,856	167%	22,102	6,711	229%
Interest Income	2,532	744	240%	3,429	1,356	153%
Interest Expenses (including interest expense accounted for in cost of sales)	(26,882)	(18,058)	49%	(49,981)	(37,314)	34%
Gain on Sale of Investment Property	-	-	-	-	500	-100%
Depreciation of Properties, Plant and Equipment	(5,418)	(2,870)	89%	(10,795)	(3,399)	218%
Impairment on Development Properties - Reversal/(Loss)	-	908	-100%	-	(462)	-100%
Foreign Exchange Gains/(Losses), Net	12,693	(3,133)	N.M.	4,003	9,232	-57%
Fair Value Gain/ (Loss) on Investment Properties, Net	37,326	987	3682%	37,363	(3,646)	N.M.
Derecognition of subsidiary	-	-	-	2,993	-	N.M.
Fair Value Gain/(Losses) on Financial Instruments, Net	432	(12,650)	N.M.	1,290	(11,482)	N.M.
Bad debt written-off	(196)	-	N.M.	(284)	-	N.M.
Loss on disposal of Asset Classified as Held for Sale	(1,195)	-	N.M.	(1,195)	-	N.M.

Note:

(1) N.M. = Not Meaningful

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	
	31-Dec-18 S\$'000	30-Jun-18 S\$'000 Restated	31-Dec-18 S\$'000	30-Jun-18 S\$'000
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	961,163	971,918	2,345	2,816
Investment Properties	1,272,904	1,213,551	-	-
Investments in Subsidiaries	-	-	43,807	40,807
Investments in Associates	220,123	211,652	490	490
Investments in Joint Ventures	49,050	75,176	16,074	16,074
Deferred Tax Assets	1,896	1,530	-	-
Other Receivables	170,613	167,036	1,517,974	1,385,080
Other Assets	781	-	-	-
Investments in Securities	345,238	380,905	333,893	362,330
Total Non-Current Assets	3,021,768	3,021,768	1,914,583	1,807,597
Current Assets				
Inventories	67	52	-	-
Development Properties	2,513,587	2,143,716	-	-
Trade and Other Receivables	417,035	417,293	611,637	722,211
Other Assets	94,146	39,517	4,671	4,839
Asset Classified as Held for Sale	-	118,162	-	-
Cash and Cash Equivalents	248,482	254,980	57,904	30,830
Total Current Assets	3,273,317	2,973,720	674,212	757,880
Total Assets	6,295,085	5,995,488	2,588,795	2,565,477
EQUITY AND LIABILITIES				
Equity				
Share Capital	265,776	242,050	265,776	242,050
Treasury Shares	(3,943)	(2,575)	(3,943)	(2,575)
Retained Earnings	921,898	898,404	248,835	170,505
Foreign Currency Translation Reserve	(6,808)	24,526	-	-
Other Reserves	230,017	273,329	(27,397)	15,915
Equity Attributable to Owners of the Company	1,406,940	1,435,734	483,271	425,895
Non-Controlling Interests	10,054	41,282	-	-
Total Equity	1,416,994	1,477,016	483,271	425,895
Non-Current Liabilities				
Deferred Tax Liabilities	71,050	64,850	-	-
Other Financial Liabilities	2,728,687	3,213,762	339,168	402,934
Total Non-Current Liabilities	2,799,737	3,278,612	339,168	402,934
Current Liabilities				
Deferred Tax Liabilities on Asset Classified as Held for Sale	-	3,226	-	-
Income Tax Payable	47,764	38,239	-	-
Trade and Other Payables	521,322	475,771	1,495,899	1,545,570
Other Financial Liabilities	1,132,431	246,761	270,457	191,078
Other Liabilities	376,837	475,863	-	-
Total Current Liabilities	2,078,354	1,239,860	1,766,356	1,736,648
Total Liabilities	4,878,091	4,518,472	2,105,524	2,139,582
Total Equity and Liabilities	6,295,085	5,995,488	2,588,795	2,565,477

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 31 December 2018		As At 30 June 2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
685,042	446,793	142,364	104,000

Amount repayable after one year

As At 31 December 2018		As At 30 June 2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,946,944	780,979	2,035,767	1,177,995

Total bank borrowings and debt securities above amounted to S\$3,859.8 million (30 June 2018: S\$3,460.1 million).

The total bank borrowings and debt securities above exclude the carrying amounts of derivatives of S\$1.4 million (30 June 2018: S\$0.4 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\$53.1 million (30 June 2018: S\$56.0 million).

Note:

The above borrowings do not include advances from non-controlling shareholders of certain subsidiaries of S\$61.7 million as at 31 December 2018 (30 June 2018: S\$58.3 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\$1,079.6 million as at 31 December 2018 (30 June 2018: S\$1,074.3 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		Group	
	Second Quarter Ended		Half Year Ended	
	31-Dec-18 S\$'000	31-Dec-17 S\$'000	31-Dec-18 S\$'000	31-Dec-17 S\$'000
Cash Flows From Operating Activities:				
Profit Before Income Tax	57,622	84,186	71,232	138,676
Adjustments for:				
Depreciation of Property, Plant and Equipment	5,418	2,870	10,795	3,399
Plant and Equipment Written-Off	-	20	-	200
Impairment (Gain) / Loss on Development Properties	-	(908)	-	462
Bad debt written-off	196	-	284	-
Interest Income	(2,532)	(744)	(3,429)	(1,356)
Finance Costs	26,909	15,828	48,800	24,694
Fair Value (Gain) / Loss on Financial Instruments	(432)	12,650	(1,290)	11,482
Fair Value (Gain) / Loss on Investment Properties	(37,326)	(987)	(37,363)	3,646
Gain on Sale of Investment Properties	-	-	-	(500)
Loss on disposal of Asset Classified as Held for Sale	1,195	-	1,195	-
Derecognition of subsidiary	-	-	(2,993)	-
Share of Loss/ (Profit) From Equity-Accounted Associates and Joint Ventures	245	(60,579)	3,941	(74,813)
Net Effect of Exchange Rate Changes	(4,278)	(9,840)	2,155	(5,748)
Operating Cash Flows Before Changes in Working Capital	47,017	42,496	93,327	100,142
Inventories	5	(1,193)	(15)	(1,193)
Development Properties	49,649	105,332	(386,929)	210,290
Trade and Other Receivables	(82,231)	73,264	25,485	39,450
Other Assets	(47,903)	(42,357)	(56,548)	(38,599)
Trade and Other Payables	79,982	(30,361)	49,542	(89,406)
Other Liabilities	(110,505)	60,445	(91,637)	72,107
Cash Flows (Used In)/ Generated From Operations	(63,986)	207,626	(366,775)	292,791
Income Taxes Paid	(1,565)	(30,014)	(3,409)	(52,503)
Net Cash Flows (Used In)/ Generated From Operating Activities	(65,551)	177,612	(370,184)	240,288
Cash Flows From Investing Activities:				
Additions of Property, Plant and Equipment	(821)	(71)	(896)	(32,913)
Additions of Investment Properties	(11,875)	(36,084)	(17,690)	(66,073)
Investments in Securities	-	(17,181)	(14,875)	(265,998)
Investments in Joint Ventures	-	(1,600)	-	(3,000)
Investments in Associated Companies	(3,943)	-	(3,943)	-
Dividends from Associates and Joint Ventures	11,985	593	25,652	593
Advances to Associates	(775)	-	(1,081)	-
Advances to Joint Ventures	(56,559)	-	(63,873)	-
Proceeds from Asset Classified as Held for Sale	116,293	-	116,293	-
Proceeds from Sale of Investment Properties	-	-	-	5,600
Other Receivables, Non-current	928	-	993	-
Interest Income Received	2,532	744	3,429	1,356
Net Cash Flows Generated from / (Used In) Investing Activities	57,765	(53,599)	44,009	(360,435)
Cash Flows From Financing Activities:				
Purchase of Treasury Shares	-	-	(1,368)	-
Placement of Treasury Shares	-	13,146	-	13,146
Dividends Paid to Equity Owners	(7,779)	(20,638)	(7,779)	(20,638)
Advances to Non-Controlling Shareholders	(1,404)	(41,142)	(1,404)	(49,109)
Return of Capital Contribution to Non-Controlling Shareholders	-	-	(725)	-
Increase in Capital Contribution by Non-Controlling Shareholders	-	-	755	142
Proceeds from Borrowings	399,901	197,363	838,945	639,873
Repayment of Borrowings	(339,883)	(267,207)	(454,652)	(558,417)
Interest Expense Paid	(27,415)	(27,381)	(54,125)	(47,897)
Net Cash Flows Generated from / (Used In) Financing Activities	23,420	(145,859)	319,647	(22,900)
Net Increase / (Decrease) in Cash and Cash Equivalents	15,634	(21,846)	(6,528)	(143,047)
Effects of Exchange Rate Changes on the Balance of Cash Held in Foreign Currencies	503	(1,675)	30	1,688
Cash and Cash Equivalents at Beginning of Period	232,345	295,707	254,980	413,545
Cash and Cash Equivalents at End of Period	248,482	272,186	248,482	272,186

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 year

GROUP	ATTRIBUTABLE TO OWNERS OF THE COMPANY								Non-Controlling Interests S\$'000	TOTAL EQUITY S\$'000
	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Foreign Currency Translation Reserve S\$'000	Assets Revaluation Reserve S\$'000	Fair Value Reserve S\$'000	Other Reserve S\$'000	Total S\$'000		
Current Period:										
Balance as at 1 July 2018	242,050	(2,575)	925,621	(2,691)	257,414	12,286	3,629	1,435,734	41,282	1,477,016
Effect of adoption of Singapore Financial Reporting Standards (International)	-	-	(25,511)	27,217	-	-	-	1,706	-	1,706
Restated balance as at 1 July 2018	242,050	(2,575)	900,110	24,526	257,414	12,286	3,629	1,437,440	41,282	1,478,722
Purchase 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 Income / (Loss) for the Period	-	-	8,057	(4,725)	-	(24,623)	-	(21,291)	(3,284)	(24,575)
Balance as at 30 September 2018	242,050	(3,943)	908,167	19,801	257,414	(12,337)	3,629	1,414,781	38,028	1,452,809
Issue of shares under the Scrip Dividend Scheme	23,726	-	-	-	-	-	-	23,726	-	23,726
Dividends paid	-	-	(31,505)	-	-	-	-	(31,505)	(30,820)	(62,325)
Total Comprehensive Income / (Loss) for the Period	-	-	45,236	(26,609)	-	(18,689)	-	(62)	2,846	2,784
Balance as at 31 December 2018	265,776	(3,943)	921,898	(6,808)	257,414	(31,026)	3,629	1,406,940	10,054	1,416,994
Previous Period:										
Balance as at 1 July 2017	163,880	(9,517)	690,347	(27,217)	227,316	-	-	1,044,809	44,072	1,088,881
Effect of adoption of Singapore Financial Reporting Standards (International)	-	-	(27,217)	27,217	-	-	-	-	-	-
Restated balance as at 1 July 2017	163,880	(9,517)	663,130	-	227,316	-	-	1,044,809	44,072	1,088,881
Increase in Capital Contribution by Non-Controlling Interests of Subsidiaries	-	-	-	-	-	-	-	-	142	142
Total Comprehensive Income / (Loss) for the Period	-	-	48,742	14,986	-	2,843	-	66,571	(2,926)	63,645
Balance as at 30 September 2017	163,880	(9,517)	711,872	14,986	227,316	2,843	-	1,111,380	41,288	1,152,668
Placement of Treasury Shares	-	9,517	-	-	-	-	3,629	13,146	-	13,146
Dividends Paid	-	-	(20,638)	-	-	-	-	(20,638)	-	(20,638)
Total Comprehensive Income / (Loss) for the Period	-	-	68,023	5,659	1,627	(6,597)	-	68,712	240	69,952
Balance as at 31 December 2017	163,880	-	759,257	20,645	228,943	(3,754)	3,629	1,172,600	41,528	1,214,128

COMPANY	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Fair Value Reserve S\$'000	Other Reserve S\$'000	TOTAL EQUITY S\$'000
Current Period:						
Balance as at 1 July 2018	242,050	(2,575)	170,505	12,286	3,629	425,895
Effect of adoption of Singapore Financial Reporting Standards (International)	-	-	-	-	-	-
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	(12,337)	3,629	376,476
Issue of shares under the Scrip Dividend Scheme	23,726	-	-	-	-	23,726
Dividends paid	-	-	(31,505)	-	-	(31,505)
Total Comprehensive Income / (Loss) for the Period	-	-	133,263	(18,689)	-	114,574
Balance as at 31 December 2018	265,776	(3,943)	248,835	(31,026)	3,629	483,271
Previous Period:						
Balance as at 1 July 2017	163,880	(9,517)	264,059	-	-	418,422
Total Comprehensive Income for the Period	-	-	9,969	2,843	-	12,812
Balance as at 30 September 2017	163,880	(9,517)	274,028	2,843	-	431,234
Placement of Treasury Shares	-	9,517	-	-	3,629	13,146
Dividends Paid	-	-	(20,638)	-	-	(20,638)
Total Comprehensive (Loss) / Income for the Period	-	-	(28,589)	(6,597)	-	(35,186)
Balance as at 31 December 2017	163,880	-	224,801	(3,754)	3,629	388,556

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.

Total number of issued shares as at 31 December 2018 was 4,130,276,305 ordinary shares (30 September 2018: 4,048,450,338 ordinary shares). The increase represents 81,825,967 new ordinary shares being allotted and issued on 21 December 2018 at S\$0.2913 per share to eligible shareholders who have elected to participate in the Company's Scrip Dividend Scheme in respect of the final tax exempt (one-tier) dividend of S\$0.0078 per ordinary share in the capital of the Company for the financial year ended 30 June 2018.

The Company had no outstanding convertibles and no subsidiary holdings as at 31 December 2018 and 31 December 2017.

As at 31 December 2018, the Company held 9,300,000 treasury shares, constituting 0.23% of the total number of ordinary shares outstanding. As at 31 December 2017, the Company did not hold any treasury shares.

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 31 Dec 2018	As At 30 June 2018
No. of issued shares excluding treasury shares	4,120,976,305	4,042,750,338

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 for the current financial period ended 31 December 2018.

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 for the current financial period ended 31 December 2018.

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 FY2018 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

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as "Singapore Financial Reporting Standards (International)" ("SFRS(I)") hereinafter.

As required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 July 2018 and has issued its first set of financial information prepared under SFRS(I) for the period ended 30 September 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group will also concurrently apply SFRS(I) 9 Financial Instruments.

(a) Application of SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)

The Group is required to retrospectively apply all SFRS(I) effective at the end of the first SFRS(I) reporting period (financial year ending 30 June 2019), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. The Group has elected the relevant optional exemptions and the exemptions resulting in adjustments to the Group's financial statements are as follows:

Cumulative translation differences

The Group has elected to set the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 July 2017. As a result, foreign currency translation reserve and retained earnings as at 1 July 2017 increased and reduced by \$27.2 million respectively.

(b) Adoption of SFRS(I) 9 Financial Instruments

The Group and the Company have elected to apply SFRS(I) 9 for unquoted investment on 1 July 2018. The Group and the Company have assessed the business models that are applicable on 1 July 2018 to financial assets so as to classify them into the appropriate categories under SFRS(I) 9. The Group has elected to recognise changes in the fair value of its unquoted equity investments through Other Comprehensive Income, which were previously stated at cost, except for an unquoted equity investment whose underlying asset was sold at the date of this announcement.

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 (continued)

The effects of the adoption of the above standards on the results and the financial position of the Group are as follows:

Group	As at 1-Jul-17			As at 30-Jun-18		As at 1-Jul-18
	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>						
Retained Earnings	690,347	(27,217)	663,130	925,621	(25,511)	900,110
Foreign Currency Translation Reserve	(27,217)	27,217	-	(2,691)	27,217	24,526
Total Assets		NA		5,995,488	1,706	5,997,194

NA- Not Applicable

(c) Borrowing Costs Relating to Development Properties

In December 2018, IFRS Interpretations Committee issued a tentative agenda decision for public comments where it presented its views that borrowing costs relating to development properties should not be capitalised but expensed when incurred. The Group's accounting policy currently capitalises borrowing costs relating to its development properties under construction, which is the practice adopted by the property development companies in Singapore. The IFRS Interpretations Committee considers comments received before finalising the agenda decision which is expected in 3Q2019. Following the finalisation of the agenda decision, management will assess the impact of this accounting approach on its financial statements.

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 for the period is computed based on profit, net of tax, attributable to owners of the parent:-

	Group			
	Second Quarter Ended		Half Year Ended	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
Earnings per ordinary share				
(a) Based on the weighted average number of ordinary shares in issue	1.12 cents	1.75 cents	1.32 cents	3.01 cents
Weighted average number of ordinary shares in issue (excluding treasury shares)	4,048,044,465	3,886,102,443	4,043,678,923	3,873,864,438
(b) On a fully diluted basis	1.12 cents	1.75 cents	1.32 cents	3.01 cents
Weighted average number of ordinary shares in issue (excluding treasury shares)	4,048,044,465	3,886,102,443	4,043,678,923	3,873,864,438

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	
	31-Dec-18	30-Jun-18	31-Dec-18	30-Jun-18
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares)	34.14 cents	35.51 cents	11.73 cents	10.53 cents
Number of shares in issue (excluding treasury shares)	4,120,976,305	4,042,750,338	4,120,976,305	4,042,750,338

- 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 revenues for 2Q2019 and Half Year ("HY") 2019 declined by 12% and 27% to \$355.5 million and \$525.8 million respectively, compared with 2Q2018 and HY2018, mainly due to lower revenue contribution from the project in the United Kingdom.

Gross profit margin

Gross profit margin for 2Q2019 was 4 percentage points lower than that for 2Q2018, mainly due to lower margin on the development project at the United Kingdom.

Gross profit margin for HY2019 was 2 percentage points higher than that for HY2018, mainly due to higher margin on the new Singapore properties while the margin on the United Kingdom project in HY2019 was comparable with the margin in HY2018.

Other Gains

Other gains for 2Q2019 and HY2019 increased to \$51.5 million and \$56.4 million respectively, compared with \$3.9 million in 2Q2018 and \$11.7 million in HY2018, mainly due to fair value gain of investment properties in Dublin.

Marketing and Distribution Costs

In 2Q2019 and HY2019, increase in marketing and distribution costs over prior periods was mainly attributable to higher expenses incurred for the launch and advertising of the projects in Singapore and overseas, show flat expenses and sales commission for the project in Ireland, in addition to sales & marketing expenses incurred by the hotels at Stevens Road which commenced operations in the middle of 2Q2018.

Administrative Expenses

In 2Q2019 and HY2019, the decrease in administrative expenses was attributable to lower accrual of payroll related expenses.

Finance Costs

Finance costs increased to \$26.9 million in 2Q2019 and \$48.8 million in HY2019, mainly due to (i) increase in amount of bank loans to support the Group's acquisitions of properties, and for advances extended to joint ventures, and (ii) higher interest rates, in line with the interest rate hikes by the US Federal Reserve.

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

Other Losses

The decrease in other losses in 2Q2019 and HY2019 was mainly due to the absence of foreign exchange loss from translation of foreign currency denominated balances.

Share of Results from Equity-Accounted Associates and Joint Ventures

The decrease in share of results from equity-accounted associates and joint ventures was mainly due to absence of contribution from The Bridge project which was completed in FY2018.

Profit Before Income Tax

The pre-tax profits for 2Q2019 and HY2019 of \$57.6 million and \$71.2 million respectively were lower than prior periods due to the reasons stated above.

Income Tax Expense

The income tax expense for 2Q2019 and HY2019 was mainly due to tax on income earned from project in the United Kingdom.

Net asset and gearing

As at 31 December 2018, the shareholders' fund of \$1,406.9 million represented a decrease of 2.0% or \$28.8 million from 30 June 2018, mainly due to the fair value adjustment on the investment in securities, exchange loss on translating foreign operations and payment of dividend. The net asset value per share of the Group was lower by 3.9%, mainly due to the fair value adjustment on the investment in securities, exchange loss on translating foreign operations and payment of dividend.

The Group's gearing ratio as at 31 December 2018 was 2.55, higher than 2.17 as of 30 June 2018, attributable to the increase in the bank borrowings to support the acquisition of Singapore development projects and advances to joint ventures.

Statement of Financial Position Review

Current Assets

The increase in current assets of \$299.6 million or 10.1% as at 31 December 2018 over 30 June 2018 was mainly due to increase in development properties in Singapore, which was partly offset by the sale of asset classified as held for sale.

Non-Current Liabilities

The decrease in non-current liabilities of \$478.9 million or 14.6% as at 31 December 2018 over 30 June 2018 was mainly due to reclassification of bank loans and retail bonds from non-current liabilities to current liabilities, which was partly offset by new loans to support acquisitions of development projects in Singapore and overseas.

Current Liabilities

The increase in current liabilities of \$838.5 million or 67.6% as at 31 December 2018 over 30 June 2018 was mainly due to reclassification of bank loans and retail bond from non-current liabilities to current liabilities as the loans are due for repayment in less than 12 months, which was partly offset by repayment of a bank loan.

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

Cash Flow Review

The Group had net cash flows used in operating activities of \$65.6 million and \$370.2 million for 2Q2019 and HY2019 respectively, mainly due to the completion of the acquisition of Singapore development properties and reduction in customers' deposits as the units are delivered to the customers.

The cash inflows from investing activities for 2Q2019 and HY2019 were \$64.7 million and \$44.0 million respectively, mainly attributable to proceeds from sale of asset classified as held for sale and dividends received from joint ventures and associates.

The cash inflows from financing activities for 2Q2019 and HY2019 were \$16.5 million and \$319.6 million respectively arose mainly due to the increase in net bank borrowings to support the Group's activities.

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

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.

The global economic outlook has been dampened by the heightened risks from China-US trade war, Brexit and slowing China economy. IMF cut the global growth forecast modestly for Year 2019 to 3.5% from 3.7% and in Singapore, preliminary estimates show that the economy grew by 2.2% in Q4 2018 and 3.3% for the full year 2018, compared with 2.3% and 3.6% achieved in the previous periods while manufacturing sector growth has declined quarter-on-quarter, showing softening global demand.

Though the increasing economic risks coupled with an increase in home supply may curb Singapore's property price growth in 2019, the Company is in a relatively good position as the land bank was acquired earlier at lower prices. The outlook in the overseas markets are expected to be affected by the ongoing trade disputes and political developments in Europe. However, the uncertainty over Brexit may have a positive spill over effect on other parts of Europe. Further, these events are also expected to have an impact on currency fluctuations.

The United States' economy is facing more headwinds into 2019 as trade tariffs are rising and global growth is slowing. The US Federal Reserve has indicated a more measured approach towards rate hikes in 2019 which may slow the pace of rising interest rates in Singapore.

As at early February 2019, the Group's total sales secured for its development portfolio amounted to \$8.0 billion, of which approximately \$3.4 billion and \$4.6 billion were attributable to the projects in Singapore and overseas respectively.

	Sales Secured (S\$mn)	Recognised Billings (S\$mn)	Future Progress Billings (S\$mn)
Singapore	3,439	1,785	1,654
Overseas	4,587	2,964	1,623
Total *	<u>8,026</u>	<u>4,749</u>	<u>3,277</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)

An interim dividend in respect of the financial year ending 30 June 2019 has been declared

(b) (i) Amount per share

0.32 Singapore cent per ordinary share

(ii) Previous corresponding period

0.72 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 hands of shareholders.

(d) The date the dividend is payable.

To be announced at 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 later date.

12 If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13 Interested Person Transactions

There were no transactions under the general mandate from shareholders for interested person transaction during 2Q2019.

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 second quarter ended 31 December 2018 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ching Chiat Kwong
Executive Chairman and CEO
Date: 11 February 2019

Low See Ching
Deputy CEO
Date: 11 February 2019