



## **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 2016

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-16 S\$'000	31-Dec-15 S\$'000		31-Dec-16 S\$'000	31-Dec-15 S\$'000	
<b>Revenue</b>	605,733	177,771	241%	732,192	613,665	19%
Cost of Sales	(403,735)	(109,815)	268%	(482,656)	(441,506)	9%
<b>Gross Profit</b>	201,998	67,956	197%	249,536	172,159	45%
<b>Other Items of Income</b>						
Other Income	325	643	-49%	668	1,180	-43%
Interest Income	391	1,412	-72%	1,044	2,695	-61%
Other Gains	191	12,914	N.M.	224	12,925	-98%
<b>Other Items of Expense</b>						
Marketing and Distribution Costs	(2,168)	(4,254)	-49%	(5,715)	(7,986)	-28%
Administrative Expenses	(16,904)	(8,582)	97%	(20,364)	(13,275)	53%
Finance Costs	(12,984)	(13,047)	0%	(22,349)	(25,675)	-13%
Other Losses	(6,098)	(4,974)	23%	(19,365)	(16,191)	20%
Share of (Loss)/ Profit From Equity-Accounted Associates	(4,817)	3,289	-246%	(4,027)	3,289	-222%
Share of Profit From Equity-Accounted Joint Ventures	353	23,176	-98%	379	33,633	-99%
<b>Profit Before Income Tax</b>	<b>160,287</b>	<b>78,533</b>	<b>104%</b>	<b>180,031</b>	<b>162,754</b>	<b>11%</b>
Income Tax Expense	(37,112)	(17,719)	109%	(41,517)	(25,184)	65%
<b>Profit Net of Tax</b>	<b>123,175</b>	<b>60,814</b>	<b>103%</b>	<b>138,514</b>	<b>137,570</b>	<b>1%</b>
<b>Other Comprehensive Income:</b>						
<u>Items that will not be reclassified subsequently to profit or loss</u>						
Gain on Revaluation of Properties, Net of Tax	257	-	N.M.	257	-	N.M.
	257	-	N.M.	257	-	N.M.
<u>Items that may be reclassified subsequently to profit or loss</u>						
Exchange Differences on Translating Foreign Operations, Net of Tax	3,206	(4,758)	-167%	1,531	5,700	N.M.
	3,206	(4,758)	-167%	1,531	5,700	N.M.
Other Comprehensive Income / (Loss)	3,463	(4,758)	-173%	1,788	5,700	-69%
<b>Total Comprehensive Income</b>	<b>126,638</b>	<b>56,056</b>	<b>126%</b>	<b>140,302</b>	<b>143,270</b>	<b>-2%</b>
Profit Net of Tax Attributable to:						
-Owners	123,749	47,007	163%	130,864	83,086	58%
-Non-Controlling Interests	(574)	13,807	-104%	7,650	55,614	-86%
<b>Profit Net of Tax</b>	<b>123,175</b>	<b>60,814</b>	<b>103%</b>	<b>138,514</b>	<b>137,570</b>	<b>1%</b>
Total Comprehensive Income Attributable to:						
-Owners	127,268	42,248	201%	132,719	88,793	49%
-Non-Controlling Interests	(630)	13,808	-105%	7,583	54,477	-86%
<b>Total Comprehensive Income</b>	<b>126,638</b>	<b>56,056</b>	<b>126%</b>	<b>140,302</b>	<b>143,270</b>	<b>-2%</b>

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

	Group Second Quarter Ended		% Change Increase/ (Decrease)	Group Half Year Ended		% Change Increase/ (Decrease)
	31-Dec-16 S\$'000	31-Dec-15 S\$'000		31-Dec-16 S\$'000	31-Dec-15 S\$'000	
Rental Income	2,772	2,887	-4%	5,605	5,165	9%
Interest Income	391	1,412	-72%	1,044	2,695	-61%
Interest Expenses (including interest expense accounted for in cost of sales)	(33,579)	(22,370)	50%	(43,195)	(40,702)	6%
Depreciation of Plant and Equipment	(122)	(125)	-2%	(244)	(237)	3%
Impairment on Development Properties	(8,410)	-	100%	(8,410)	-	N.M.
Foreign Exchange Adjustment Losses, Net	7,040	(4,972)	-242%	-	(7,038)	-100%
Fair Value Gains / (Losses) on Financial Instruments, Net	6,188	12,098	-49%	-	2,947	-100%

**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-16 S\$'000	30-Jun-16 S\$'000	31-Dec-16 S\$'000	30-Jun-16 S\$'000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	749,286	690,084	357	212
Investment Properties	411,720	403,754	-	-
Investments in Subsidiaries	-	-	32,035	32,035
Investment in Associates #	188,413	159,429	490	490
Investments in Joint Ventures	42,444	42,787	23,074	23,074
Deferred Tax Assets	5,301	9,241	-	-
Other Receivables	32,478	32,631	604,869	598,352
Available-For-Sale Financial Assets	2,239	2,239	-	-
<b>Total Non-Current Assets</b>	<b>1,431,881</b>	<b>1,340,165</b>	<b>660,825</b>	<b>654,163</b>
<b>Current Assets</b>				
Development Properties	1,924,582	2,460,655	-	-
Trade and Other Receivables	615,520	358,896	907,947	900,483
Other Assets	22,778	21,526	280	150
Cash and Cash Equivalents	462,394	551,253	23,537	86,846
<b>Total Current Assets</b>	<b>3,025,274</b>	<b>3,392,330</b>	<b>931,764</b>	<b>987,479</b>
<b>Total Assets</b>	<b>4,457,155</b>	<b>4,732,495</b>	<b>1,592,589</b>	<b>1,641,642</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share Capital	163,880	163,880	163,880	163,880
Treasury Shares	(9,517)	(7,855)	(9,517)	(7,855)
Retained Earnings	626,509	502,959	110,218	119,657
Foreign Currency Translation Reserve	(26,925)	(28,523)	-	-
Asset Revaluation Reserve	154,459	154,202	-	-
<b>Equity Attributable to Owners</b>	<b>908,406</b>	<b>784,663</b>	<b>264,581</b>	<b>275,682</b>
Non-Controlling Interests	174,011	180,557	-	-
<b>Total Equity</b>	<b>1,082,417</b>	<b>965,220</b>	<b>264,581</b>	<b>275,682</b>
<b>Non-Current Liabilities</b>				
Deferred Tax Liabilities	64,719	126,484	-	-
Other Financial Liabilities	1,447,959	1,234,589	320,227	108,551
<b>Total Non-Current Liabilities</b>	<b>1,512,678</b>	<b>1,361,073</b>	<b>320,227</b>	<b>108,551</b>
<b>Current Liabilities</b>				
Income Tax Payable	116,463	33,581	1,577	1,577
Trade and Other Payables	351,021	346,191	726,289	841,292
Other Financial Liabilities	938,709	1,420,925	279,915	414,540
Other Liabilities	455,867	605,505	-	-
<b>Total Current Liabilities</b>	<b>1,862,060</b>	<b>2,406,202</b>	<b>1,007,781</b>	<b>1,257,409</b>
<b>Total Liabilities</b>	<b>3,374,738</b>	<b>3,767,275</b>	<b>1,328,008</b>	<b>1,365,960</b>
<b>Total Equity and Liabilities</b>	<b>4,457,155</b>	<b>4,732,495</b>	<b>1,592,589</b>	<b>1,641,642</b>

# On 5 December 2016, the Group completed its acquisition of 40% equity interest in Pindan Group Pty Ltd ("Pindan"), an Australia-based property developer. Management has accounted for the Group's investment in Pindan as an associate. The fair values of identifiable assets acquired and liabilities assumed from the acquisition of Pindan and its subsidiaries (collectively, the "Pindan Group") are recorded on a provisional basis and are subject to changes upon completion of the purchase price allocation exercise as required under FRS 103, Business Combinations. The purchase price allocation exercise is expected to be completed not later than 12 months from the date of acquisition.

**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 2016		As At 30 June 2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
658,533	270,217	931,743	467,252

**Amount repayable after one year**

As At 31 December 2016		As At 30 June 2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,004,981	442,828	683,961	550,471

Total bank borrowings and debt securities above amounted to S\$2,376.56 million (30 June 2016: S\$2,633.43 million).

The total bank borrowings and debt securities above exclude the fair value adjustments on financial instruments of S\$10.11 million (30 June 2016: S\$22.09 million) classified in other financial liabilities.

**Details of collaterals**

**The above bank borrowings are secured by:**

- First legal mortgage on the relevant property, plant and equipment, investment properties and development properties.
- Legal assignment of all rights, title and interests in the construction contracts, insurance policies and performance bonds (if any), in respect of the proposed developments.
- Corporate guarantees by the Company.
- Corporate guarantees by non-controlling shareholders of non-wholly owned subsidiaries for bank borrowings amounting to S\$58.83 million (30 June 2016: S\$188.21 million).

**Note:**

The above borrowings do not include interest bearing and non-interest bearing advances from non-controlling shareholders of the subsidiaries (which are not wholly owned by the Company) of S\$57.96 million as at 31 December 2016 (30 June 2016: S\$56.04 million). These advances were included in trade and other payables and they were unsecured and without fixed repayment terms. Some of the advances were subordinated to the bank borrowings.

Unsecured borrowings repayable in one year or less and after one year includes medium term notes and retail bonds of S\$589.74 million as at 31 December 2016 (30 June 2016: S\$909.17 million), due in financial years 2017 and 2020.

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-16 S\$'000	31-Dec-15 S\$'000	31-Dec-16 S\$'000	31-Dec-15 S\$'000
<b>Cash Flows From Operating Activities:</b>				
Profit Before Income Tax	160,287	78,533	180,031	162,754
Adjustments for:				
Depreciation of Property, Plant and Equipment	122	125	244	237
Plant and Equipment Written Off	1	-	1	-
Impairment Loss on Development Properties	8,410	-	8,410	-
Interest Income	(391)	(1,412)	(1,044)	(2,695)
Finance Costs	12,984	13,047	22,349	25,675
Fair Value (Gains) Losses on Financial Instruments	(4,291)	(12,098)	1,897	(2,947)
Net Gain on Disposal of Property, Plant and Equipment	-	-	(6)	-
Share of Loss (Profit) from Equity-Accounted Associates	4,817	(3,289)	4,027	(3,289)
Share of Profit from Equity-Accounted Joint Ventures	(353)	(23,176)	(379)	(33,633)
Net Effect of Exchange Rate Changes	3,163	(2,463)	2,528	8,370
Operating Cash Flows Before Changes in Working Capital	184,749	49,267	218,058	154,472
Development Properties	361,430	(69,837)	543,100	47,206
Trade and Other Receivables	(133,973)	97,581	(177,083)	83,859
Other Assets	(564)	(156)	(1,252)	(738)
Trade and Other Payables	47,620	9,550	2,910	30,464
Other Liabilities	(172,991)	40,015	(149,638)	(55,556)
Cash Flows From Operations	286,271	126,420	436,095	259,707
Income Taxes Paid	(12,638)	(13,658)	(16,512)	(16,269)
<b>Net Cash Flows Generated From Operating Activities</b>	<b>273,633</b>	<b>112,762</b>	<b>419,583</b>	<b>243,438</b>
<b>Cash Flows From Investing Activities:</b>				
Purchase of Property, Plant and Equipment	(34,183)	(92)	(53,918)	(135)
Additions of Investment Properties	(3,824)	(4,584)	(11,164)	(13,600)
Decrease in Available-for-Sale Financial Assets	-	7,638	-	818
Acquisition of Associates	(33,576)	-	(33,576)	(105,450)
Dividend from Associates	536	614	536	614
Proceeds from Disposal of Property, Plant and Equipment	-	-	25	-
Proceeds from Disposal of Investment Properties	-	-	3,200	-
Receivables, Non-current	472	(2,819)	153	(2,819)
Interest Income Received	391	1,412	1,044	2,695
<b>Net Cash Flows (Used in) Generated From Investing Activities</b>	<b>(70,184)</b>	<b>2,169</b>	<b>(93,700)</b>	<b>(117,877)</b>
<b>Cash Flows From Financing Activities:</b>				
Dividends Paid to Non-Controlling Shareholders	-	(390)	(14,700)	(1,593)
Purchase of Treasury Shares	(192)	-	(1,662)	-
Dividends Paid to Owners	(7,314)	(26,829)	(7,314)	(26,829)
Net Movement in Balance with Non-Controlling Shareholders	(36,096)	(501)	(77,592)	-
Proceeds from Borrowings	244,489	285,976	314,669	882,978
Repayment of Borrowings	(287,394)	(83,965)	(585,316)	(714,286)
Interest Expense Paid	(24,004)	(3,245)	(43,954)	(30,641)
<b>Net Cash Flows (Used in) Generated From Financing Activities</b>	<b>(110,511)</b>	<b>171,046</b>	<b>(415,869)</b>	<b>109,629</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>92,938</b>	<b>285,977</b>	<b>(89,986)</b>	<b>235,190</b>
Effects of Exchange Rate Changes on the Balance of Cash Held in Foreign Currencies	2,380	(2,345)	1,127	(2,392)
Cash and Cash Equivalents at Beginning of Period	367,076	293,140	551,253	343,974
<b>Cash and Cash Equivalents at End of Period</b>	<b>462,394</b>	<b>576,772</b>	<b>462,394</b>	<b>576,772</b>

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						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	Asset Revaluation Reserve S\$'000	Total S\$'000		
<b>Current Period:</b>								
Balance as at 1 July 2016	163,880	(7,855)	502,959	(28,523)	154,202	784,663	180,557	965,220
Purchase of Treasury Shares	-	(1,470)	-	-	-	(1,470)	-	(1,470)
Dividends paid	-	-	-	-	-	-	(14,700)	(14,700)
Total Comprehensive Income for the Period	-	-	7,115	(1,664)	-	5,451	8,213	13,664
<b>Balance as at 30 September 2016</b>	<b>163,880</b>	<b>(9,325)</b>	<b>510,074</b>	<b>(30,187)</b>	<b>154,202</b>	<b>788,644</b>	<b>174,070</b>	<b>962,714</b>
Purchase of Treasury Shares	-	(192)	-	-	-	(192)	-	(192)
Dividends Paid	-	-	(7,314)	-	-	(7,314)	-	(7,314)
Issue of Share Capital	-	-	-	-	-	-	571	571
Total Comprehensive Income for the Period	-	-	123,749	3,262	257	127,268	(630)	126,638
<b>Balance as at 31 December 2016</b>	<b>163,880</b>	<b>(9,517)</b>	<b>626,509</b>	<b>(26,925)</b>	<b>154,459</b>	<b>908,406</b>	<b>174,011</b>	<b>1,082,417</b>
<b>Previous Period:</b>								
Balance as at 1 July 2015	163,880	-	357,618	4,618	153,448	679,564	110,793	790,357
Dividends paid	-	-	-	-	-	-	(1,203)	(1,203)
Total Comprehensive Income for the Period	-	-	36,079	10,466	-	46,545	40,669	87,214
<b>Balance as at 30 September 2015</b>	<b>163,880</b>	<b>-</b>	<b>393,697</b>	<b>15,084</b>	<b>153,448</b>	<b>726,109</b>	<b>150,259</b>	<b>876,368</b>
Dividends Paid	-	-	(26,829)	-	-	(26,829)	(390)	(27,219)
Total Comprehensive Income for the Period	-	-	47,007	(4,759)	-	42,248	13,808	56,056
<b>Balance as at 31 December 2015</b>	<b>163,880</b>	<b>-</b>	<b>413,875</b>	<b>10,325</b>	<b>153,448</b>	<b>741,528</b>	<b>163,677</b>	<b>905,205</b>

COMPANY	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	TOTAL EQUITY S\$'000
<b>Current Period:</b>				
Balance as at 1 July 2016	163,880	(7,855)	119,657	275,682
Purchase of Treasury Shares	-	(1,470)	-	(1,470)
Total Comprehensive Income for the Period	-	-	(5,778)	(5,778)
<b>Balance as at 30 September 2016</b>	<b>163,880</b>	<b>(9,325)</b>	<b>113,879</b>	<b>268,434</b>
Purchase of Treasury Shares	-	(192)	-	(192)
Dividends Paid	-	-	(7,314)	(7,314)
Total Comprehensive Income for the Period	-	-	3,653	3,653
<b>Balance as at 31 December 2016</b>	<b>163,880</b>	<b>(9,517)</b>	<b>110,218</b>	<b>264,581</b>
<b>Previous Period:</b>				
Balance as at 1 July 2015	163,880	-	149,211	313,091
Total Comprehensive Income for the Period	-	-	12,961	12,961
<b>Balance as at 30 September 2015</b>	<b>163,880</b>	<b>-</b>	<b>162,172</b>	<b>326,052</b>
Dividends Paid	-	-	(26,829)	(26,829)
Total Comprehensive Income for the Period	-	-	13,300	13,300
<b>Balance as at 31 December 2015</b>	<b>163,880</b>	<b>-</b>	<b>148,643</b>	<b>312,523</b>

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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

Except as disclosed below, there had been no changes in the Company's issued share capital since 30 June 2016. The Company had no outstanding convertibles as at 31 December 2016 and 31 December 2015.

During the quarter ended 31 December 2016, the Company purchased 450,000 of its ordinary shares by way of open-market purchase at a total consideration of \$192,461, and held them as treasury shares. As at 31 December 2016, the Company held 22,745,400 treasury shares (31 December 2015: Nil), against the total number of issued shares excluding treasury shares of 2,925,474,571 (31 December 2015: 2,948,219,971).

- 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 December 2016	As At 30 June 2016
No. of issued shares excluding treasury shares	2,925,474,571	2,929,480,971

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares by the Company as at the end of the current financial period ended 31 December 2016.

**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**

Other than the adoption of the new and revised Financial Reporting Standards ("FRS") which came into effect for the financial year ending 30 June 2017, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited financial statements for the financial year ended 30 June 2016.

**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 transfer to the new or revised standards from the effective dates does not result in material adjustments to the financial position, results of operations, or cash flows of the Group for the financial year ending 30 June 2017.



**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:-

	<b>Group</b>			
	<b>Second Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>31-Dec-16</b>	<b>31-Dec-15</b>	<b>31-Dec-16</b>	<b>31-Dec-15</b>
Earnings per ordinary share				
(a) Based on the weighted average number of ordinary shares in issue	4.23 cents	1.59 cents	4.47 cents	2.82 cents
Weighted average number of ordinary shares in issue (excluding treasury shares)	2,925,483,362	2,948,219,971	2,926,811,719	2,948,219,971
(b) On a fully diluted basis				
Weighted average number of ordinary shares in issue (excluding treasury shares)	2,925,483,362	2,948,219,971	2,926,811,719	2,948,219,971

**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-16	30-Jun-16	31-Dec-16	30-Jun-16
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares)	31.05 cents	26.79 cents	9.04 cents	9.41 cents
Number of shares in issue (excluding treasury shares)	2,925,474,571	2,929,480,971	2,925,474,571	2,929,480,971

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**

**2Q2017 vs 2Q2016**

The revenue of S\$605.73 million for 2Q2017 was mainly due to recognition of revenue from a commercial project, Oxley Tower, using the completion of construction method upon its completion, and handover of certain plots in The Royal Wharf Phase 1A. Revenue was also recognised using the percentage of completion method on sold units in 3 mixed-residential projects in Singapore namely, Floraville/Floraview/Floravista, KAP and KAP Residences and The Rise @ Oxley-Residences due to progress made in the construction of these developments. The revenue also included rental income from investment properties.

**HY2017 vs HY2016**

The revenue of S\$732.19 million for FY2017 was mainly due to recognition of revenue from a commercial project, Oxley Tower, using the completion of construction method upon its completion, and handover of certain plots in The Royal Wharf Phase 1A. Revenue was also recognised using percentage of completion method on sold units in 5 mixed-residential projects in Singapore namely, Oxley Edge, NEWest, Floraville/Floraview/Floravista, KAP & KAP Residences and The Rise @ Oxley-Residences due to progress made in the construction of these developments. The revenue also included rental income from investment properties.

**Cost of Sales**

**2Q2017 vs 2Q2016**

The cost of sales of S\$403.74 million for 2Q2017 was mainly due to recognition of construction costs from a commercial project, Oxley Tower, and certain plots in The Royal Wharf Phase 1A, using the completion of construction method upon its completion. Cost of sales also included recognition of construction costs using the percentage of completion method relating to the sold units in 3 mixed-residential projects namely, Floraville/Floraview/Floravista, KAP and KAP Residences and The Rise @ Oxley-Residences due to progress made in the construction of these developments, and rental expenses on investment properties.

**HY2017 vs HY2016**

The cost of sales of S\$482.66 million for FY2017 was mainly due to recognition of construction costs from a commercial project, Oxley Tower, and certain plots in The Royal Wharf Phase 1A, using the completion of construction method upon its completion. Cost of sales also included recognition of construction costs using the percentage of completion method, from the progress made in the construction of 5 mixed-residential projects namely, Oxley Edge, NEWest, Floraville/Floraview/Floravista, KAP & KAP Residences and The Rise @ Oxley-Residences, and rental expenses on investment properties.

**Other Items of Income**

**2Q2017 vs 2Q2016**

Other income decreased by S\$0.32 million mainly due to decrease in rental income of S\$0.27 million.

The decrease in interest income of S\$1.02 million was mainly due to decrease in fixed deposit interest income and interest income from advances to non-controlling shareholders of the subsidiaries.

Other gains decreased by S\$12.72 million mainly due to a fair value gain of S\$12.10 million on financial instrument arising from marked-to-market position of the currency swap in 2Q2016, not reported in 2Q2017.

**HY2017 vs HY2016**

Other income decreased by S\$0.51 million mainly due to decrease in rental income of S\$0.50 million.

The decrease in interest income of S\$1.65 million was mainly due to decrease in fixed deposit interest income and interest income from advances to non-controlling shareholders of the subsidiaries.

Other gains decreased by S\$3.55 million mainly due to lower fair value gain on financial instrument arising from marked-to-market position of the currency swap and customer's deposit forfeited.

**Other Items of Expense**

**2Q2017 vs 2Q2016**

Marketing and distribution expenses decreased by S\$2.09 million mainly due to lower advertisement expenses and showflat expenses.

Administrative expenses increased by S\$8.32 million mainly due to the increase in accruals of CEO's incentive bonus of S\$5.11 million, and a bank charges of S\$4.78 million charged by bank for the re-financing of loan.

Finance costs decreased by S\$0.06 million mainly due to decrease in interest expenses on bank loans and bond interest of S\$3.59 million, partially offset by increases in amortisation of transaction cost on medium term notes amounting to S\$3.53 million.

Other losses increased by S\$1.12 million mainly due to increase in impairment on development properties of S\$8.4 million from certain mixed-residential projects in Singapore, partially offset by decrease in foreign exchange adjustment loss of S\$2.99 million and decrease in fair value loss of S\$4.29 million on financial instrument arising from marked-to-market position.

**HY2017 vs HY2016**

Marketing and distribution expenses decreased by S\$2.27 million mainly due to the lower advertisement expenses and showflat expenses.

Administrative expenses increased by S\$7.09 million, mainly due to increase in accruals of directors' incentive bonus of \$3.38 million in line with higher profits, and a bank charges of S\$4.78 million charged by bank for the re-financing of loan.

Finance costs decreased by S\$3.33 million mainly due to decrease in interest expenses on bank loans and bond interest of S\$8.95 million, partially offset by increases in amortisation of transaction cost on medium term notes amounting to S\$5.62 million.

Other losses increased by S\$12.33 million mainly due to increase in impairment on development properties of S\$8.4 million from certain mixed-residential projects in Singapore, foreign exchange adjustment loss of S\$1.98 million and fair value loss on financial instrument of S\$1.90 million arising from mark-to-market position.

**Profit before tax**

2Q2017 vs 2Q2016

Profit before tax for 2Q2017 was S\$160.29 million compared with S\$78.53 million for 2Q2016. This was mainly attributable to the reasons given above, and decrease in share of profit from equity-accounted joint ventures and associates of S\$30.93 million. The loss of S\$4.8 million from equity-accounted associate was attributable to the one-time share of its joint venture's loss arising from fair value adjustments. The lower share of profit from equity-accounted joint venture was mainly due the joint venture's project has obtained its Temporary Occupation Permit in FY2016.

HY2017 vs HY2016

Profit before tax for FY2017 was S\$180.03 million compared with S\$162.75 million for FY2016. This was mainly attributable to the reasons given above, and decrease in share of profit from equity-accounted joint ventures and associates of S\$40.57 million.

**Statement of Financial Position Review**

**31 December 2016 vs 30 June 2016**

**Non-Current Assets**

Non-current assets increased by S\$91.72 million due to increase in property, plant and equipment of S\$59.20 million, increase in investment in associates of S\$28.98 million and increase in investment properties of S\$7.97 million, partially offset by decrease in deferred tax assets of S\$3.94 million and decrease in investments in joint venture of S\$0.34 million and increase in other receivables of S\$0.15 million.

**Current Assets**

Current assets decreased by S\$367.06 million due to decrease in development properties of S\$536.07 million and decrease in cash and cash equivalents of S\$88.86 million, partially offset by increase in trade and other receivables of S\$256.62 million which was mainly due to the increase in accrued receivables from projects which have obtained Temporary Occupation Permit, and increase in other assets of S\$1.25 million.

**Non-Current Liabilities**

Non-current liabilities increased by S\$151.61 million due to the increase in other financial liabilities of S\$213.37 million which was mainly due to the new borrowings, partially offset by decrease in deferred tax liabilities of S\$61.77 million.

**Current Liabilities**

Current liabilities decreased by S\$544.14 million due to decrease in other financial liabilities of S\$482.22 million which was due to the redemption of medium term notes in 2Q2017, decrease in other liabilities of S\$149.64 million, partially offset by increase in income tax payable of S\$82.88 million and increase in trade and other payables of S\$4.83 million.

**Cash Flow Review**

2Q2017

The net cash flows generated from operating activities for 2Q2017 was S\$273.63 million. This was mainly due to profit before tax of S\$160.29 million, decrease in development properties of S\$361.43 million and increase in trade and other payables of S\$47.62 million, partly offset by decrease in other liabilities of S\$172.99 million, increase in trade and other receivables of S\$133.97 million, increase in other assets of S\$0.56 million and income tax paid of S\$12.64 million.

The net cash flows used in investing activities for 2Q2017 was S\$70.18 million. This was mainly due to purchase of property, plant and equipment of S\$34.18 million, acquisition of associates of S\$33.58 million and addition of investment property of S\$3.82 million, partially offset by dividend from associates of S\$0.54 million, decrease in non-current receivables of S\$0.47 million and interest income received of S\$0.39 million.

The net cash flows used in financing activities was S\$110.51 million. This was mainly due to repayment of borrowings of S\$287.39 million, repayment to non-controlling shareholders of S\$36.10 million, interest expense paid of S\$24.00 million, dividends paid to owners of S\$7.31 million and purchase of treasury shares of S\$0.19 million, partially offset by proceeds of borrowings of S\$244.49 million.

HY2017

The net cash flows generated from operating activities for HY2017 was S\$419.58 million. This was mainly due to profit before tax of S\$180.03 million, decrease in development properties of S\$543.10 million and decrease in trade and other payables of S\$2.91 million, partly offset by increase in trade and other receivables of S\$177.08 million, increase in other liabilities of S\$149.64 million, increase in other assets of S\$1.25 million and income tax paid of S\$16.51 million.

The net cash flows used in investing activities was S\$93.70 million. This was mainly due to purchase of plant and equipment of S\$53.92 million, investment in associate of S\$33.58 million and addition in investment properties of S\$11.16 million, partially offset by proceeds from disposal of long-term investment of S\$3.2 million, interest income received of S\$1.04 million, dividend from associates of S\$0.54 million and increase in non-current receivables of S\$0.15 million.

The net cash flows used in financing activities was S\$415.87 million. This was mainly due to the repayment of borrowings of S\$585.32 million, repayment to non-controlling shareholders of S\$77.59 million, interest expense paid of S\$43.59 million, dividend paid to non-controlling shareholders of S\$14.70 million, dividend paid to owners of S\$7.31 million and purchase of treasury shares of S\$1.66 million, partially offset by proceeds from borrowings of S\$314.67 million.

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

The Group's results for the second quarter ended 31 December 2016 are in line with the Company's commentary in paragraph 10 of the announcement of the results for the first quarter ended 30 September 2016 on 11 November 2016.

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 factors that may significantly affect the Group in the next 12 months are as follows:

- i. The growth of the global economy, especially in China, Europe and USA.
- ii. The political climate and economic and regulatory policies of the countries where the Group's overseas property development projects are located, including the impact from Brexit, and the risks associated with investing in emerging markets.
- iii. The fluctuations of the various currencies, especially the British Pound, United States dollar, Malaysian Ringgit, and Euro against the Singapore dollar.
- iv. The fluctuation of interest rates and the impact on interest costs in respect of debts and borrowings.

To-date, the Group has launched 33 projects and has completed 25 projects. The percentage (%) sold as shown below is computed based on the number of units sold as of 31 December 2016.

No	Project Name	Type of Development	Revenue recognition method	As at 31 December 2016
<b>Singapore</b>				
1	The Flow	Commercial	Completion of construction	73%
2	Floraville/ Floraview	Residential	Percentage of completion	97%
	Floravista	Commercial	Percentage of completion	7%
3	The Rise@Oxley - Residences	Residential	Percentage of completion	83%
4	T-Space	Industrial	Completion of construction	35%
<b>Overseas</b>				
5	Royal Wharf - Phase 1A	Residential	Completion of construction	99%
	- Phase 1B	Residential	Completion of construction	93%
	- Phase 2	Residential	Completion of construction	91%
	- Phase 3	Residential	Completion of construction	70%
6	The Bridge - Phase 1 - Residential units	Residential	Completion of construction	96%
	- SOHO units	SOHO	Completion of construction	74%
	- Retail units	Retail	Completion of construction	45%
7	The Peak - Phase 1	Residential	Completion of construction	51%
	The Peak - Phase 2	Residential	Completion of construction	11%
	The Peak - Phase 2	Office	Completion of construction	8%
8	Oxley Convention City	Residential and Commercial	Under review	45%

As at 31 December 2016, subject to cancellation of contracts and excluding projects for which contract value had been fully accounted, the Group's total unbilled contract value amounted to S\$2.60 billion, of which approximately S\$0.49 billion is attributable to the projects in Singapore and approximately S\$2.11 billion is attributable to overseas projects.

	Singapore S\$'000	Overseas S\$'000	Total S\$'000
Unbilled contract value at 1 Oct 2016	879,331	1,757,803	2,637,134
Add : New sales	61,633	393,646	455,279
Less : Progress billing in 2Q2017	(451,624)	(50,726)	(502,350)
Currency alignment	-	13,767	13,767
Unbilled contract value at 31 Dec 2016	489,340	2,114,490	2,603,830
Revenue to be recognized on the sold units #	397,828	2,634,565	3,032,393

# The sold units include those of joint ventures/associates of the group.

10 The Group expects that the following will have a positive impact on its financial performance for the next 12 months:

- (i) The projects which are expected to obtain Temporary Occupation Permit ("TOP") or Completion in the next 12 months are as follows:

Project Name	Quarter Estimated to achieve TOP * / Completion * (based on calendar year)
The Flow	1Q2017
Floraville / Floraview / Floravista	2Q2017
71 & 73 Oxley Rise	4Q2017
Royal Wharf	
- Phase 1A	3Q2016 - 3Q2017 #
- Phase 1B	3Q2016 - 3Q2017 #

\* subject to approval granted by the relevant authorities.

# Some plots are expected to obtain TOP after the next twelve months.

- (ii) The above projects which are expected to obtain TOPs in the next 12 months have a cumulative unbilled contract value of S\$1.05 billion, of which S\$0.25 billion relates to Singapore projects and S\$0.80 billion relates to the Royal Wharf project.

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 2017

(b) (i) Amount per share

0.50 Singapore cent per ordinary share.

(ii) Previous corresponding period

0.75 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.

Payment of the interim tax exempt dividend will be made on 7 February 2017.

(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.

Notice is hereby given that the Share Transfer Book and Register of Members of the Company will be closed from 5.00 p.m. on 31 January 2017 for the preparation of dividend payment. Duly completed and stamped registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 31 January 2017 will be registered to determine shareholders' entitlements to the interim tax exempt (one-tier) dividend.

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 31 January 2017 will be entitled to the interim tax exempt (one-tier) dividend.

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

Not applicable.

13 Interested Person Transactions

Name of interested persons	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	2Q2017 S\$'000	HY2017 S\$'000	2Q2017 S\$'000	HY2017 S\$'000
"Oxley Construction Pte. Ltd." for construction of property development projects.	N.A.	N.A.	136	1044

**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 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ching Chiat Kwong  
Executive Chairman and CEO  
Date: 19th January 2017

Low See Ching  
Deputy CEO  
Date: 19th January 2017