



OXLEY HOLDINGS LIMITED

(Company Registration No. 201005612G)

CONDENSED INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2021 (UNAUDITED)

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OXLEY HOLDINGS LIMITED
Six Months and Full Year Ended 30 June 2021

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

	Notes	Group			Group		
		Second Half Ended		Change %	Full Year Ended		Change %
		30-Jun-21 \$'000	30-Jun-20 \$'000		30-Jun-21 \$'000	30-Jun-20 \$'000	
Continuing operations							
Revenue	5	781,919	493,488	58	1,364,171	1,027,791	33
Cost of sales		(575,803)	(355,742)	62	(1,067,676)	(802,464)	33
Gross profit		206,116	137,746	50	296,495	225,327	32
Other income		2,687	5,701	-53	6,474	6,378	2
Interest income		4,551	5,191	-12	9,287	10,292	-10
Other gains		17,476	2,852	N.M.	39,742	6,957	471
Marketing and distribution costs		(6,254)	(3,601)	74	(10,302)	(10,225)	1
Administrative expenses		(22,407)	(24,548)	-9	(38,669)	(48,734)	-21
Other losses		(92,701)	(325,013)	-71	(89,211)	(298,118)	-70
Finance costs		(57,294)	(67,586)	-15	(112,730)	(147,921)	-24
Share of results from associates and joint ventures, net of tax		5,804	(7,535)	N.M.	8,009	4,717	N.M.
Profit/(loss) before tax	6	57,978	(276,793)	N.M.	109,095	(251,327)	N.M.
Income tax expense	7	(12,017)	(4,888)	146	(19,590)	(15,491)	26
Profit/(loss) from continuing operations		45,961	(281,681)	N.M.	89,505	(266,818)	N.M.
Discontinued operations							
Loss from discontinued operations, net of tax	8	(36,486)	(6,326)	477	(39,999)	(8,271)	384
Total profit/(loss) for the year		9,475	(288,007)	N.M.	49,506	(275,089)	N.M.
Other comprehensive income							
<i>Items that will not be reclassified to profit or loss</i>							
Net fair value gain/(loss) on investment in securities		(6,890)	(1,935)	256	8,816	7,099	24
Loss on revaluation of properties, net of tax		(32,004)	(70,281)	-54	(32,004)	(70,281)	-54
		(38,894)	(72,216)	-46	(23,188)	(63,182)	-63
<i>Items that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translation of foreign operations		2,838	382	643	14,975	5,879	155
Total other comprehensive loss, net of tax		(36,056)	(71,834)	-50	(8,213)	(57,303)	-86
Total comprehensive income/(loss) for the year		(26,581)	(359,841)	-93	41,293	(332,392)	N.M.
Profit/(loss) for the year attributable to:							
Owners of the Company		(21,029)	(296,328)	-93	13,093	(280,612)	N.M.
Non-controlling interests		30,504	8,321	267	36,413	5,523	559
		9,475	(288,007)	N.M.	49,506	(275,089)	N.M.
Profit/(loss) for the year attributable to owners of the Company:							
Profit/(loss) from continuing operations		15,457	(290,002)	N.M.	53,092	(272,341)	N.M.
Loss from discontinued operations		(36,486)	(6,326)	477	(39,999)	(8,271)	384
		(21,029)	(296,328)	-93	13,093	(280,612)	N.M.
Total comprehensive income/(loss) for the year attributable to:							
Owners of the Company		(57,085)	(368,093)	-84	4,880	(337,846)	N.M.
Non-controlling interests		30,504	8,252	270	36,413	5,454	568
		(26,581)	(359,841)	-93	41,293	(332,392)	N.M.

N.M. - Not meaningful

OXLEY HOLDINGS LIMITED
Six Months and Full Year Ended 30 June 2021

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

	Group		Group		
	Notes	30-Jun-21 \$'000	30-Jun-20 \$'000	30-Jun-21 \$'000	30-Jun-20 \$'000
Basic and diluted earnings/(loss) per share attributable to owners of the Company					
Weighted average number of shares (excluding treasury shares) ('000)					
- Basic		4,236,583	4,220,816	4,227,909	4,185,452
- Diluted*		4,276,792	4,220,816	4,238,972	4,185,452
Basic earnings/(loss) per share (cents)					
Continuing operations		0.36	(6.87)	1.26	(6.51)
Discontinued operations		(0.86)	(0.15)	(0.95)	(0.20)
		<u>(0.50)</u>	<u>(7.02)</u>	<u>0.31</u>	<u>(6.71)</u>
Diluted earnings/(loss) per share (cents)*					
Continuing operations		0.36	(6.87)	1.25	(6.51)
Discontinued operations		(0.85)	(0.15)	(0.94)	(0.20)
		<u>(0.49)</u>	<u>(7.02)</u>	<u>0.31</u>	<u>(6.71)</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.

For 2H FY2020 and FY2020, the diluted earnings/(loss) per share is the same as basic earnings/(loss) per share as no convertible notes and warrants were in issue in last financial year.

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Six Months and Full Year Ended 30 June 2021

B. Condensed interim statements of financial position

	Notes	Group		Company	
		30-Jun-21 \$'000	30-Jun-20 \$'000	30-Jun-21 \$'000	30-Jun-20 \$'000
Assets					
Non-current assets					
Property, plant and equipment	11	945,571	944,555	246	1,033
Investment properties	12	324,833	329,749	-	-
Intangible assets	13	-	27,182	-	-
Investments in subsidiaries		-	-	37,032	37,078
Investments in joint ventures		58,822	50,518	3,767	4,321
Investments in associates		23,420	28,367	490	490
Investments in securities		22,695	14,791	16,467	6,587
Deferred tax assets		15,391	24,164	2,950	-
Other receivables		188,986	178,175	1,271,107	1,282,907
Other non-financial assets		264	610	173	-
Total non-current assets		1,579,982	1,598,111	1,332,232	1,332,416
Current assets					
Inventories		54	1,626	-	-
Development properties	15	1,953,898	2,488,751	-	-
Trade and other receivables		378,895	629,973	715,621	661,877
Other non-financial assets		38,049	44,435	6,504	762
Cash and cash equivalents		215,839	384,722	44,389	205,783
Total current assets		2,586,735	3,549,507	766,514	868,422
Total assets		4,166,717	5,147,618	2,098,746	2,200,838
Equity and liabilities					
Equity					
Share capital	16	304,558	300,700	304,558	300,700
Treasury shares	17	(7,638)	(7,638)	(7,638)	(7,638)
Retained earnings		527,861	578,045	195,853	399,884
Other reserves	18	175,279	176,291	2,244	(13,773)
Equity attributable to owners of the Company		1,000,060	1,047,398	495,017	679,173
Non-controlling interests		50,096	18,124	-	-
Total equity		1,050,156	1,065,522	495,017	679,173
Non-current liabilities					
Deferred tax liabilities		42,051	45,151	-	-
Trade and other payables		-	-	-	64,259
Other financial liabilities	19	1,725,472	1,266,222	314,699	5,070
Total non-current liabilities		1,767,523	1,311,373	314,699	69,329
Current liabilities					
Income tax payable		46,915	55,038	-	384
Trade and other payables		489,127	558,295	1,019,230	1,028,250
Other financial liabilities	19	784,089	1,759,633	269,800	423,702
Other non-financial liabilities		28,907	397,757	-	-
Total current liabilities		1,349,038	2,770,723	1,289,030	1,452,336
Total liabilities		3,116,561	4,082,096	1,603,729	1,521,665
Total equity and liabilities		4,166,717	5,147,618	2,098,746	2,200,838

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Six Months and Full Year Ended 30 June 2021

C. Condensed interim statements of changes in equity

	Attributable to Owners of the Company					Non-controlling interest \$'000	Total equity \$'000
	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Other reserves \$'000	Total \$'000		
Group							
Current year							
Balance at 1 July 2020	300,700	(7,638)	578,045	176,291	1,047,398	18,124	1,065,522
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)
Disposal of subsidiary with a change in control (Note 14)	-	-	-	-	-	(4,101)	(4,101)
Total comprehensive income/(loss) for the year	-	-	13,093	(8,213)	4,880	36,413	41,293
Dividends on ordinary shares (Note 10)	-	-	(63,277)	-	(63,277)	-	(63,277)
Balance as at 30 June 2021	304,558	(7,638)	527,861	175,279	1,000,060	50,096	1,050,156
Previous year							
Balance at 1 July 2019	275,922	(3,943)	898,790	235,124	1,405,893	4,674	1,410,567
Purchase of treasury shares (Note 17)	-	(3,695)	-	-	(3,695)	-	(3,695)
Increase in capital contribution by non-controlling interests of subsidiaries	-	-	-	-	-	4,357	4,357
Return of capital contribution to non-controlling interests of subsidiaries	-	-	-	-	-	(3,169)	(3,169)
Issue of shares under the scrip dividend scheme (Note 16)	24,778	-	-	-	24,778	-	24,778
Non-controlling interest arising from acquisition of a subsidiary (Note 14.1)	-	-	-	-	-	7,339	7,339
Transfer upon disposal of investment in equity instruments at FVTOCI	-	-	1,599	(1,599)	-	-	-
Total comprehensive (loss)/income for the year	-	-	(280,612)	(57,234)	(337,846)	5,454	(332,392)
Dividends on ordinary shares (Note 10)	-	-	(41,732)	-	(41,732)	(531)	(42,263)
Balance as at 30 June 2020	300,700	(7,638)	578,045	176,291	1,047,398	18,124	1,065,522
	Share capital \$'000	Treasury shares \$'000	Retained earnings \$'000	Other reserves \$'000	Total equity \$'000		
Company							
Current year							
Balance at 1 July 2020	300,700	(7,638)	399,884	(13,773)	679,173		
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 year	-	-	(140,754)	8,816	(131,938)		
Dividends on ordinary shares (Note 10)	-	-	(63,277)	-	(63,277)		
Balance as at 30 June 2021	304,558	(7,638)	195,853	2,244	495,017		
Previous year							
Balance at 1 July 2019	275,922	(3,943)	447,701	(19,273)	700,407		
Purchase of treasury shares (Note 17)	-	(3,695)	-	-	(3,695)		
Issue of shares under the scrip dividend scheme (Note 16)	24,778	-	-	-	24,778		
Transfer upon disposal of investment in equity instruments at FVTOCI	-	-	1,599	(1,599)	-		
Total comprehensive (loss)/income for the year	-	-	(7,684)	7,099	(585)		
Dividends on ordinary shares (Note 10)	-	-	(41,732)	-	(41,732)		
Balance as at 30 June 2020	300,700	(7,638)	399,884	(13,773)	679,173		

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D. Condensed interim consolidated statements of cash flows

	Group	
	Full Year Ended	
	30-Jun-21	30-Jun-20
	\$'000	\$'000
<u>Cash flows from operating activities</u>		
Profit before tax from continuing operations	109,095	(251,327)
Loss before tax from discontinued operations (Note 8)	(41,121)	(6,999)
Profit/(loss) before tax, total	67,974	(258,326)
Adjustments for:		
Dividend income	-	(337)
Interest income	(9,287)	(10,321)
Finance costs	112,730	149,969
Depreciation of property, plant and equipment	17,611	16,105
Gain on striking off of a subsidiary	(340)	-
Impairment loss on investment in joint venture	140	-
Impairment loss on development property	32,455	1,182
Impairment loss on receivables	13,291	115,507
Fair value loss on derivative financial instruments	1,896	4,726
Gain on disposal of property, plant and equipment	-	(253)
Gain on sale of investment property	-	(1,747)
Loss on fair value changes in investment property	17,694	48,709
Loss on disposal of subsidiary (Note 14)	39,999	-
Loss on disposal of investment in associate	-	100,885
Share of results from associates and joint ventures, net of tax	(8,009)	(4,768)
Net effect of exchange rate changes	(5,751)	22,743
Operating cash flows before changes in working capital	280,403	184,074
Inventories	(146)	150
Development properties	498,151	116,865
Trade and other receivables	221,171	(74,196)
Other non-financial assets	4,184	(5,044)
Trade and other payables	13,705	(21,835)
Other non-financial liabilities	(366,247)	(124,338)
Cash flows from operations	651,221	75,676
Income taxes paid	(27,649)	(36,787)
Net cash flows generated from operating activities	623,572	38,889
<u>Cash flows from investing activities</u>		
Additions of property, plant and equipment (Note 11)	(2,165)	(4,475)
Additions of investment properties	-	(144,738)
Other receivables, non-current	133	884
Proceeds from disposal of investments in associates	-	56,285
Proceeds from disposal of investments in securities	-	342,844
Proceeds from disposal of property, plant and equipment	-	463
Proceeds from sale of investment properties	-	380,903
Investments in associates	(814)	(2,410)
Investments in joint ventures	-	(1)
Net cash inflow on acquisition of a subsidiary (Note 14.1)	-	5,749
Net cash outflow on disposal of a subsidiary (Note 14)	(7,018)	-
Dividends from associates and joint ventures	1,470	13,820
Advances (to)/from associates	(1,647)	47
Advances to joint ventures	(44,100)	(9,002)
Interest income received	9,287	10,321
Net cash flows (used in)/generated from investing activities	(44,854)	650,690

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Six Months and Full Year Ended 30 June 2021

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

	Group	
	Full Year Ended	
	30-Jun-21	30-Jun-20
	\$'000	\$'000
Cash flows from financing activities:		
Proceeds from new borrowings	576,596	1,037,166
Repayment of borrowings	(1,172,392)	(1,677,164)
Cash restricted in use	36,312	14,211
Dividends paid to equity owners	(59,419)	(16,954)
Dividends paid to non-controlling interests	-	(531)
Purchase of treasury shares	-	(3,695)
Advances from non-controlling shareholders	(2,325)	565
Return of capital contribution to non-controlling interests of subsidiaries	-	(3,169)
Increase in capital contribution by non-controlling interests of subsidiaries	-	4,357
Interest expense paid	(89,827)	(120,827)
Net cash flows used in financing activities	(711,055)	(766,041)
Net decrease in cash and cash equivalents	(132,337)	(76,462)
Effects of exchange rate changes on cash and cash equivalents	(234)	988
Cash and cash equivalents at beginning of year	305,967	381,441
Cash and cash equivalents at end of year (Note A)	173,396	305,967
Note A		
Cash and cash equivalents at end of year	173,396	305,967
Cash restricted in use	42,443	78,755
Cash and cash equivalents on the Statement of Financial Position	215,839	384,722

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

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

2. Basis of preparation

The condensed interim financial statements for the six months and full year ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting.

The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the reporting year ended 30 June 2020.

The accounting policies and methods of computation adopted in the preparation of the condensed interim financial statements are same as those disclosed in the Group’s annual financial statements for the reporting year ended 30 June 2020.

The new or revised Singapore Financial Reporting Standards (International) (“SFRS(I)s”) and the related Interpretations to SFRS(I) (“SFRS (I) INT”) issued by the Singapore Accounting Standards Council, which became mandatory for the Group as of 1 July 2020, 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 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. As a result, 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 reporting year ended 30 June 2020.

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 reporting 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

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

3. Related party transactions

In addition to the related party information disclosed elsewhere in the condensed interim financial statements, the following significant transactions took place between the Group and related parties during the financial period 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-21	30-Jun-20	30-Jun-21	30-Jun-20
	\$'000	\$'000	\$'000	\$'000
<u>Non-controlling interests</u>				
Interest income	318	320	642	644
Interest expense	(478)	(481)	(964)	(967)
<u>Joint ventures</u>				
Interest income	4,105	4,489	7,532	8,977
Interest expense	(94)	(63)	(187)	(125)
Management income	2,193	2,046	2,193	3,301
<u>Associates</u>				
Interest income	314	617	314	617
<u>Related parties</u>				
Interest expense	(1,296)	(638)	(3,209)	(638)
<u>Controlling shareholders</u>				
Interest expense	-	(477)	-	(477)

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

The construction segment is presented as discontinued operations due to the deconsolidation of Disposal Group 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.

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

4. Operating segments (cont'd)

4.1 Business segments (cont'd)

	Property development \$'000	Property investment \$'000	Hotel \$'000	Corporate \$'000	Continuing operations \$'000	Discontinued operations \$'000	Total \$'000
Six months period from <u>1 January 2021 to 30 June 2021</u>							
Segment revenue							
Revenue from external parties	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							
Net fair value gain/(loss) on financial instruments	1	25	949	(1,827)	(852)	-	(852)
Net fair value loss on investment properties	-	(17,694)	-	-	(17,694)	-	(17,694)
Gain on disposal of property, plant and equipment	-	-	-	-	-	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	(36,996)	72,472
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	(37,608)	20,370
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	(36,486)	9,475
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
Six months period from <u>1 January 2020 to 30 June 2020</u>							
Segment revenue							
Revenue from external parties	474,397	-	13,975	-	488,372	145,434	633,806
Rental income	-	5,116	-	-	5,116	-	5,116
Total revenue	474,397	5,116	13,975	-	493,488	145,434	638,922

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

4. Operating segments (cont'd)

4.1 Business segments (cont'd)

	Property development \$'000	Property investment \$'000	Hotel \$'000	Corporate \$'000	Continuing operations \$'000	Discontinued operations \$'000	Total \$'000
Six months period from <u>1 January 2020 to 30 June 2020 (cont'd)</u>							
Segment result	126,056	4,136	(85)	(39,806)	90,301	(2,824)	87,477
Net fair value (loss)/gain on financial instruments	(156)	(605)	(8,723)	714	(8,770)	-	(8,770)
Net fair value loss on investment properties	-	(72,579)	-	-	(72,579)	-	(72,579)
Loss on disposal of associates	-	-	-	(100,746)	(100,746)	-	(100,746)
Gain on disposal of investment properties	-	420	-	-	420	-	420
Impairment loss on receivables	(198)	(913)	-	(114,378)	(115,489)	(18)	(115,507)
Interest income	964	320	-	3,907	5,191	12	5,203
Operating profit/(loss)	126,666	(69,221)	(8,808)	(250,309)	(201,672)	(2,830)	(204,502)
Finance costs	(22,046)	(3,852)	(10,337)	(31,351)	(67,586)	(1,502)	(69,088)
Share of results from joint ventures and associates, net of tax	4,718	-	-	(12,253)	(7,535)	13	(7,522)
Profit/(loss) before tax	109,338	(73,073)	(19,145)	(293,913)	(276,793)	(4,319)	(281,112)
Income tax (expense)/credit	(3,577)	1,259	-	(2,570)	(4,888)	(2,007)	(6,895)
Profit/(loss) for the year	105,761	(71,814)	(19,145)	(296,483)	(281,681)	(6,326)	(288,007)
Other significant items:							
Depreciation expense	-	-	(6,571)	(660)	(7,231)	(1,009)	(8,240)
Impairment loss on development properties	(1,182)	-	-	-	(1,182)	-	(1,182)
Additions:							
Property, plant and equipment	-	-	226	502	728	302	1,030
Full year from <u>1 July 2020 to 30 June 2021</u>							
Segment revenue							
Revenue from external parties	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
Net fair value (loss)/gain on financial instruments	-	(19)	45	(1,922)	(1,896)	-	(1,896)
Net 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	208,802	(11,482)	(14,807)	(73,418)	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	192,839	(12,481)	(15,092)	(75,761)	89,505	(39,999)	49,506

OXLEY HOLDINGS LIMITED
Six Months and Full Year Ended 30 June 2021

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

4. Operating segments (cont'd)

4.1 Business segments (cont'd)

	Property development \$'000	Property investment \$'000	Hotel \$'000	Corporate \$'000	Continuing operations \$'000	Discontinued operations \$'000	Total \$'000
Full year from <u>1 July 2020 to 30 June 2021 (cont'd)</u>							
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	15,527	-	-	66,715	82,242	-	82,242
Investments in securities	7,291	-	-	15,404	22,695	-	22,695
Total assets	2,328,844	330,416	832,244	675,213	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
Full year from <u>1 July 2019 to 30 June 2020</u>							
Segment revenue							
Revenue from external parties	975,206	-	41,225	-	1,016,431	205,169	1,221,600
Rental income	-	11,360	-	-	11,360	-	11,360
Total revenue	975,206	11,360	41,225	-	1,027,791	205,169	1,232,960
Segment result	169,700	6,744	4,101	(31,037)	149,508	(4,874)	144,634
Net fair value (loss)/gain on financial instruments	(188)	(792)	(8,746)	5,000	(4,726)	-	(4,726)
Net fair value loss on investment properties	-	(48,709)	-	-	(48,709)	-	(48,709)
Loss on disposal of associates	-	-	-	(100,746)	(100,746)	(139)	(100,885)
Gain on disposal of investment properties	-	1,747	-	-	1,747	-	1,747
Impairment loss on receivables	(198)	(913)	-	(114,378)	(115,489)	(18)	(115,507)
Interest income	1,267	644	-	8,381	10,292	29	10,321
Operating profit/(loss)	170,581	(41,279)	(4,645)	(232,780)	(108,123)	(5,002)	(113,125)
Finance costs	(33,271)	(5,288)	(21,087)	(88,275)	(147,921)	(2,048)	(149,969)
Share of results from joint ventures and associates, net of tax	4,717	-	-	-	4,717	51	4,768
Profit/(loss) before tax	142,027	(46,567)	(25,732)	(321,055)	(251,327)	(6,999)	(258,326)
Income tax (expense)/credit	(14,809)	2,406	-	(3,088)	(15,491)	(1,272)	(16,763)
Profit/(loss) for the year	127,218	(44,161)	(25,732)	(324,143)	(266,818)	(8,271)	(275,089)
Other significant items:							
Depreciation expense	(246)	-	(13,273)	(1,457)	(14,976)	(1,129)	(16,105)
Impairment loss on development properties	(1,182)	-	-	-	(1,182)	-	(1,182)

OXLEY HOLDINGS LIMITED
Six Months and Full Year Ended 30 June 2021

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

4. Operating segments (cont'd)

4.1 Business segments (cont'd)

	Property development \$'000	Property investment \$'000	Hotel \$'000	Corporate \$'000	Continuing operations \$'000	Discontinued operations \$'000	Total \$'000
Full year from 1 July 2019 to 30 June 2020 (cont'd)							
Assets and reconciliations:							
Segment assets	3,044,543	357,956	881,273	678,316	4,962,088	91,854	5,053,942
Investments in joint ventures and associates	69,595	-	-	-	69,595	9,290	78,885
Investments in securities	7,322	-	-	6,587	13,909	882	14,791
Total assets	3,121,460	357,956	881,273	684,903	5,045,592	102,026	5,147,618
Additions:							
Property, plant and equipment	90	-	3,402	339	3,831	644	4,475
Investment properties	-	144,738	-	-	144,738	-	144,738
Liabilities and reconciliations:							
Segment liabilities	1,829,018	195,900	712,602	1,255,679	3,993,199	88,897	4,082,096

4.2 Geographical information

	Group					
	Revenue		Revenue		Non-current assets	
	Second Half Ended		Full Year Ended		30-Jun-21 \$'000	30-Jun-20 \$'000
	30-Jun-21 \$'000	30-Jun-20 \$'000	30-Jun-21 \$'000	30-Jun-20 \$'000		
Singapore	261,516	131,348	458,499	311,228	1,413,572	1,410,688
United Kingdom	73,915	196,666	341,960	443,739	20,703	33,860
Ireland	46,290	1,354	101,715	97,468	-	-
Cambodia	392,240	160,455	441,346	160,455	100,082	45,902
Malaysia	7,958	3,665	20,651	14,901	29,793	30,098
Australia	-	-	-	-	301	68,857
Others	-	-	-	-	15,531	8,706
Continuing operations	781,919	493,488	1,364,171	1,027,791	1,579,982	1,598,111
Discontinued operations	55,114	145,434	218,208	205,169	-	-
Total	837,033	638,922	1,582,379	1,232,960	1,579,982	1,598,111

4.3 Breakdown of sales

	Group	
	30-Jun-21 \$'000	30-Jun-20 \$'000
(a) Sales reported for:		
First half year	582,252	534,303
Second half year	781,919	493,488
From continuing operations	1,364,171	1,027,791
(b) Profit/(loss) after tax before deducting minority interest reported for:		
First half year	51,117	25,466
Second half year	57,978	(276,793)
From continuing operations	109,095	(251,327)

OXLEY HOLDINGS LIMITED
Six Months and Full Year Ended 30 June 2021

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

5. Revenue

	Group			
	Second Half Ended		Full Year Ended	
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
	\$'000	\$'000	\$'000	\$'000
Revenue from sale of development properties				
- recognised at point in time	512,239	358,375	884,788	701,459
- recognised over time	253,554	116,022	445,532	273,747
	765,793	474,397	1,330,320	975,206
Revenue from hotel ownership and operations				
- recognised at point in time	1,968	3,233	4,888	9,961
- recognised over time	8,114	10,742	16,864	31,264
	10,082	13,975	21,752	41,225
Rental income from investment properties	6,044	5,116	12,099	11,360
	781,919	493,488	1,364,171	1,027,791

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

	Group			
	Second Half Ended		Full Year Ended	
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
	\$'000	\$'000	\$'000	\$'000
Rental income*	6,516	5,565	13,279	12,340
Depreciation of property, plant and equipment	(9,477)	(7,231)	(17,611)	(14,976)
Net fair value loss on investment properties	(17,694)	(72,579)	(17,694)	(48,709)
Gain on disposal of investment property	-	420	-	1,747
Gain on striking off of a subsidiary	-	-	340	-
Impairment loss on investment in joint venture	(140)	-	(140)	-
Impairment loss on development properties	(32,455)	(1,182)	(32,455)	(1,182)
Impairment loss on receivables	(8,325)	(115,489)	(13,291)	(115,489)
Net fair value loss on derivative financial instruments	(852)	(8,770)	(1,896)	(4,726)
Gain on redemption of bonds	915	-	915	-
Loss on disposal of investment in associates	-	(100,746)	-	(100,746)
Net foreign exchange (loss)/gain	(14,124)	(24,285)	18,025	(23,711)
Government grant income	2,126	4,837	5,254	4,871

*Including rental income in other income

7. Income tax expense

	Group			
	Second Half Ended		Full Year Ended	
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
	\$'000	\$'000	\$'000	\$'000
Current tax expense	8,062	6,299	14,635	27,381
Deferred tax expense/(credit)	3,955	(1,411)	4,955	(11,890)
	12,017	4,888	19,590	15,491

8. Loss from discontinued operations, net of tax

On 18 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 Board of Directors of Pindan Group Pty Ltd ("Pindan Group") decided to appoint voluntary administrators for Pindan Group. The appointment of voluntary administrators has led to the Group's loss of control over Pindan Group Pty Ltd and its subsidiaries (the "Disposal Group"). As a result of the loss of control, the entire results of the Disposal Group are presented separately on the condensed interim consolidated statement of profit or loss and other comprehensive income as "Discontinued operations".

OXLEY HOLDINGS LIMITED
Six Months and Full Year Ended 30 June 2021

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

8. Loss from discontinued operations, net of tax (cont'd)

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

	Group			
	Second Half Ended		Full Year Ended	
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
	\$'000	\$'000	\$'000	\$'000
Revenue	55,114	145,434	218,208	205,169
Cost of sales	(49,167)	(133,874)	(198,934)	(185,947)
Gross profit	5,947	11,560	19,274	19,222
Other income	24	70	74	120
Interest income	1	12	11	29
Other gains	4	218	302	280
Marketing and distribution costs	(48)	(190)	(193)	(378)
Administrative expenses	(6,086)	(14,400)	(21,906)	(24,117)
Other losses	(36,838)	(100)	(37,114)	(158)
Finance costs	(612)	(1,502)	(1,569)	(2,048)
Share of results from associates and joint ventures, net of tax	-	13	-	51
Loss before tax	(37,608)	(4,319)	(41,121)	(6,999)
Income tax credit/(expense)	1,122	(2,007)	1,122	(1,272)
Loss from discontinued operations	(36,486)	(6,326)	(39,999)	(8,271)

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

	30-Jun-21	30-Jun-20
	\$'000	\$'000
Operating cash flows	(11,983)	(5,349)
Investing activities	8,776	4,250
Financing activities	2,961	11,224
Total cash flows	(246)	10,125

9. Net asset value

	Group		Company	
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
Total number of issued shares (excluding treasury shares) ('000)	4,236,583	4,218,474	4,236,583	4,218,474
Net asset value per ordinary share (excluding treasury shares) (cents)	24.79	25.26	11.68	16.10

10. Dividends

10.1 Dividends to owners of the Company

	Rate per share			
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
	Cents	Cents	\$'000	\$'000
<u>Dividend paid in respect of previous reporting year</u>				
Final tax exempt (1-tier)	0.50	0.68	21,092	28,258
Interim tax exempt (1-tier)	-	0.32	-	13,474
Special tax exempt (1-tier)	1.00	-	42,185	-
	1.50	1.00	63,277	41,732

10.2 Dividends to non-controlling interests in subsidiaries

Interim tax exempt (1-tier) dividends totaling \$531,000 were declared by certain subsidiaries to their non-controlling shareholders during the reporting year ended 30 June 2020.

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

11. Property, plant and equipment

- (a) For the reporting year ended 30 June 2021, the Group acquired property, plant and equipment amounting to \$74,834,000 (30 June 2020: \$4,475,000). The additions arising from right-of-use assets was \$72,669,000 (30 June 2020: Nil).
- (b) At the end of the reporting 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 hotel property and freehold 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.

12. Investment properties

	Group	
	30-Jun-21	30-Jun-20
	\$'000	\$'000
At fair value:		
At beginning of the year	329,749	571,077
Additions	-	144,738
Disposals	-	(367,749)
Transfer from development properties	16,831	27,819
Transfer to property, plant and equipment	(1,256)	-
Acquisition of subsidiary (Note 14.1)	-	3,014
Disposal of subsidiary (Note 14)	(3,294)	-
Fair value loss included in profit & loss under other losses	(17,694)	(48,709)
Foreign exchange adjustments	497	(441)
At end of the year	<u>324,833</u>	<u>329,749</u>

- (a) At the end of the reporting 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. Intangible assets

	Group	
	30-Jun-21	30-Jun-20
	\$'000	\$'000
Goodwill (Note 14.1)	-	21,427
Other intangible assets (Note 14.2)	-	5,755
	<u>-</u>	<u>27,182</u>

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

14. Disposal 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 disposal and the effects of the disposal were:

	<u>At the date of disposal \$'000</u>
Property, plant and equipment	15,501
Investment properties	3,294
Goodwill (Note 14.1)	21,427
Other intangible assets (Note 14.2)	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 disposal</u>	
Consideration	-
Net identifiable assets derecognised	<u>(39,999)</u>
Loss on disposal	<u>(39,999)</u>
Net cash outflow on disposal:	
Cash at Disposal Group	<u>(7,018)</u>

14.1 Goodwill

On 4 October 2019, the Group acquired remaining 60% of the share capital in Pindan Group Pty Ltd ("Pindan"), a company incorporated in Australia, for nil consideration due to settlement of a claim by the Group relating to Pindan failing to meet agreed performance target and from that date the Group gained control. Prior to the acquisition, the Group held 40% equity interest in Pindan. Pursuant to the acquisition, Pindan became a subsidiary. The transaction was accounted for by the acquisition method of accounting.

As at 30 June 2020, the fair values of identifiable assets acquired and liabilities assumed for the acquisition of Pindan and its subsidiaries and associates (collectively, the "Pindan Group") were recorded on a provisional basis and were subject to change upon completion of the purchase price allocation exercise as required under SFRS(I) 3, Business Combination. The purchase price allocation exercise has been finalised during the reporting year ended 30 June 2021.

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

14. Disposal of a subsidiary (cont'd)

14.1 Goodwill (cont'd)

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

	<u>Acquiree's carrying amounts</u>	
	Pre-acquisition book value under SFRS(I) \$'000	Fair values \$'000
Property, plant and equipment	19,072	19,335
Investment properties	3,276	3,014
Other intangible assets (Note 14.2)	-	5,755
Investments in associates	10,951	10,951
Deferred tax assets	6,324	8,911
Other receivables, non-current	7,505	7,505
Investment in securities	863	863
Inventories	1,701	1,701
Development properties	20,955	20,955
Trade and other receivables	40,036	40,036
Other assets	3,418	3,418
Cash and cash equivalents	5,749	5,749
Loans and borrowings	(23,258)	(23,258)
Trade and other payables	(70,152)	(74,179)
Other liabilities	(5,143)	(5,143)
Deferred tax liabilities	(150)	(150)
Income tax payables	(5,357)	(5,357)
Non-controlling interests	(7,359)	(7,339)
Net identifiable assets	<u>8,431</u>	<u>12,767</u>
		\$'000
Fair value of equity interest held immediately before acquisition of remaining 60% interest		34,194
Fair value of identifiable net assets acquired		<u>(12,767)</u>
Goodwill arising on acquisition (Note 14.1)		<u>21,427</u>
Net cash inflow on acquisition:		
Cash taken over		<u>5,749</u>

14.2 Other intangible assets

Other intangible assets refer to customer lists, back logs and other intangible assets arising from business combination.

15. Development properties

- (a) At the end of the reporting year, certain development properties are mortgaged to financial institutions as securities for credit facilities extended to the Group.
- (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 for the development project or comparable projects and prevailing property market conditions including 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 "cost of sales" or "other losses".

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

16. Share capital

	Group and Company			
	Number of shares issued			
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
	'000	'000	\$'000	\$'000
At beginning of year	4,245,903	4,165,043	300,700	275,922
Issue of shares under scrip dividend scheme	18,110	80,860	3,858	24,778
At end of the year	<u>4,264,013</u>	<u>4,245,903</u>	<u>304,558</u>	<u>300,700</u>

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

On 17 December 2019 and 14 May 2020, the Company issued 72,932,489 and 7,926,741 shares of no par value at an issue price of \$0.3206 and \$0.1948 per ordinary share respectively to eligible shareholders who elected to participate in the Company's Scrip Dividend Scheme.

On 15 January 2021, the Company issued 18,109,707 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.

As at 30 June 2021, the Company had 4,236,583,321 (30 June 2020: 4,218,473,614) ordinary shares, excluding treasury shares.

Convertible Notes

As at 30 June 2021, total number of shares that may be issued on conversion under the terms of the Convertible Notes is 387,187,200 ordinary shares (30 June 2020: Nil), based on the initial conversion price of \$0.25, and assuming (a) an USD: SGD exchange rate of 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 2021, total number of shares that may be issued on exercise under the terms of the Warrants is 199,810,898 ordinary shares (30 June 2020: Nil).

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 586,998,098 shares as at 30 June 2021 (30 June 2020: Nil), constituting 13.86% of the total number of issued shares (excluding treasury shares and subsidiary holdings) (30 June 2020: Nil).

Save as disclosed above, the Company had no outstanding convertibles and no subsidiary holdings as at 30 June 2021 and 30 June 2020.

17. Treasury shares

	Group and Company			
	Number of shares issued			
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
	'000	'000	\$'000	\$'000
At beginning of the year	27,429	9,300	7,638	3,943
Purchased during the year	-	18,129	-	3,695
At end of the year	<u>27,429</u>	<u>27,429</u>	<u>7,638</u>	<u>7,638</u>

Treasury shares relate to ordinary shares of the Company that are held by the Company. In the reporting year 2020, the purchase prices ranged from \$0.198 to \$0.217 per share.

As at 30 June 2021, the Company's treasury shares constituted 0.64% (30 June 2020: 0.65%) 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 reporting year ended 30 June 2021.

OXLEY HOLDINGS LIMITED
Six Months and Full Year Ended 30 June 2021

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

18. Other reserves

	Group		Company	
	30-Jun-21 \$'000	30-Jun-20 \$'000	30-Jun-21 \$'000	30-Jun-20 \$'000
Foreign currency translation reserve (Note 18.1)	6,739	(8,236)	-	-
Asset revaluation reserve (Note 18.2)	166,296	198,300	-	-
Fair value reserve (Note 18.3)	(8,586)	(17,402)	(8,586)	(17,402)
Warrant reserve (Note 18.4)	7,201	-	7,201	-
Other reserve (Note 18.5)	3,629	3,629	3,629	3,629
	<u>175,279</u>	<u>176,291</u>	<u>2,244</u>	<u>(13,773)</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 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 to be paid 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.

18.5 Other reserve

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

19. Other financial liabilities

	Group		Company	
	30-Jun-21 \$'000	30-Jun-20 \$'000	30-Jun-21 \$'000	30-Jun-20 \$'000
Amount repayable in one year or less, or on demand				
Secured	420,858	1,016,961	66,470	183,609
Unsecured	351,958	733,601	203,329	240,093
	<u>772,816</u>	<u>1,750,562</u>	<u>269,799</u>	<u>423,702</u>
Amount repayable after one year				
Secured	1,467,924	1,038,006	196,284	70
Unsecured	178,862	228,216	104,460	5,000
	<u>2,419,602</u>	<u>3,016,784</u>	<u>570,543</u>	<u>428,772</u>
Total bank borrowing and debt securities				
Derivative financial instruments	18,880	9,071	13,956	-
Lease liabilities arising from right-of-use assets	71,079	-	-	-
	<u>2,509,561</u>	<u>3,025,855</u>	<u>584,499</u>	<u>428,772</u>
Non-current portion	1,725,472	1,266,222	314,699	5,070
Current portion	784,089	1,759,633	269,800	423,702
	<u>2,509,561</u>	<u>3,025,855</u>	<u>584,499</u>	<u>428,772</u>

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

19. Other financial liabilities (cont'd)

Convertible Notes

On 19 January 2021, the Company completed the issuance of US\$72,000,000 in aggregate principal amount of Tranche A Convertible Notes under a subscription agreement entered with a third party.

As at 30 June 2021, the derivative financial instruments included fair value of unconverted Convertible Notes amounting to \$13,956,000 (30 June 2020: Nil).

Details of collaterals

- (a) First legal mortgages on the relevant property, plant and equipment, investment properties and development properties.
- (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) 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 present and future 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 \$49.0 million (30 June 2020: \$50.8 million).

Note:

The above borrowings do not include advances from non-controlling shareholders of certain subsidiaries of \$49.7 million as at 30 June 2021 (30 June 2020: \$52.9 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 \$224.1 million as at 30 June 2021 (30 June 2020 medium term notes: \$716.7 million), due in financial years 2022 to 2023.

20. Commitments

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

	30-Jun-21	30-Jun-20
	\$'000	\$'000
Development expenditure contracted for but not recognised in the financial statements	763,391	673,756

21. Categories of financial assets and liabilities

	Group		Company	
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
	\$'000	\$'000	\$'000	\$'000
Financial assets:				
At amortised cost	980,735	1,271,353	2,031,117	2,150,567
At FVTPL (equity instruments)	-	882	-	-
At FVTOCI (equity instruments)	22,695	13,909	16,467	6,587
	1,003,430	1,286,144	2,047,584	2,157,154
Financial liabilities:				
At amortised cost	2,979,808	3,575,079	1,589,773	1,521,281
At FVTPL (derivative instruments)	18,880	9,071	13,956	-
	2,998,688	3,584,150	1,603,729	1,521,281

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

22. Litigation cases

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

In May 2019, the owners of 19 units (the "Plaintiffs") at KAP Mall commenced an action against Oxley Sanctuary, a 55%-owned subsidiary of the Group, on the grounds that (i) Oxley Sanctuary's marketing agents and other co-broke agents allegedly misrepresented to the Plaintiffs in the course of marketing the units that McDonald's and Cold Storage were returning as stores at KAP Mall and they had suffered losses as McDonald's and Cold Storage did not eventually return to the KAP Mall, and (ii) Oxley Sanctuary breached an implied term of the contract that McDonald's and Cold Storage would be stores at KAP Mall. Oxley Sanctuary has refuted the Plaintiffs' claims and has joined the marketing agent as a third party in the suit. The Plaintiffs have not quantified their claim.

Oxley Sanctuary applied to strike out the Plaintiffs' claims. On 26 July 2021, the High Court held that the Plaintiffs must elect to proceed on either the misrepresentation or breach of implied term claim, and directed the Plaintiffs to make further amendments to their Statement of Claim. The proceedings are ongoing as at 26 August 2021.

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

The matters on the SGX announcements dated 26 February and 23 April 2020 are ongoing as at 26 August 2021.

23. Subsequent events

23.1 Proposed Sale Of An Overseas Asset In The Ordinary Course Of Business

On 30 June 2021, a wholly-owned subsidiary of the Group has entered into a contract (the "Contract") for the sale of a piece of land (the "Property") to a reputable buyer (the "Purchaser").

Under the Contract, the Property will be sold at the price of approximately \$100 million (the "Sale Price"). A deposit of 10% of the Sale Price has been paid upon signing of the Contract and is held in escrow by the Group's legal counsel. The deposit is refundable to the Purchaser if the sale of the Property (the "Sale") is not completed. The balance of the Sale Price shall be paid on completion of the Sale.

The Sale Price was negotiated based on the prevailing market conditions and the market prices of properties in the vicinity of the Property. The completion of the Sale is conditional upon obtaining regulatory approval to allow greater development of the site within 12 months from the date of the Contract. As at 30 June 2021, the carrying amount of the Property was approximately \$60 million. The proceeds from the Sale will contribute positively to the cash flows of the Group.

23.2 Pricing Of S\$70,000,000 6.9 Per Cent. Notes Due 2024 Under The U.S.\$1,000,000,000 Guaranteed Euro Medium Term Note Programme

On 30 June 2021, the Company's wholly-owned subsidiary, Oxley MTN Pte. Ltd. (the "Issuer") had on 30 June 2021 priced its S\$70,000,000 6.9 per cent. notes due 2024 (the "Series 4 Notes") under its U.S.\$1,000,000,000 Guaranteed Euro Medium Term Note Programme, pursuant to which the Issuer may from time to time issue medium term notes unconditionally and irrevocably guaranteed by the Company. The Series 4 Notes will bear interest at a fixed rate of 6.9 per cent. per annum and will mature on 8 July 2024. The Series 4 Notes were fully subscribed on 8 July 2021.

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

23. Subsequent events (cont'd)

23.3 Update On Subsidiaries Under Voluntary Administration In Australia

On 29 July 2021, the Group provided an update relating to the appointment of voluntary administrators by the Group's wholly-owned subsidiary in Australia, Pindan Group Pty Ltd ("PGPL"), and certain of its subsidiaries (collectively, the "Pindan Companies") as below.

The voluntary administrators (the "VAs") have issued an Administrators' Report (the "Report") to the creditors of Pindan Asset Management Pty Ltd ("PAM"), a 85% subsidiary company of PGPL. The Report informed the creditors of PAM of the following:

- (a) A second creditor meeting will be held on 29 July 2021 for the creditors to vote if PAM is to enter into a proposed Deed of Company Arrangement ("DOCA"). The DOCA will enable PAM to be restructured returning it to a position of solvency.
- (b) The proponent of the DOCA is Programmed Facility Management Pty Ltd ("PFM"). Under the terms of the DOCA:
 - (i) Shares of PAM will be transferred to PFM and PFM will take over the business and contracts of PAM.
 - (ii) Employees of PAM will receive 100% of their entitlements.
 - (iii) Unsecured creditors of PAM are likely to receive 48% to 81% of the amounts owing to them depending on the outcome of the recovery of PAM's assets.
- (c) In a liquidation scenario, the employees of PAM may receive 54% to 100% while unsecured creditors may receive 0% to 4% of the amounts owing to them respectively.
- (d) The VAs recommended that it is in the creditors' best interests that PAM executes the DOCA proposed by PFM.

The DOCA had been approved by the creditors of PAM during the creditors' meeting held on 29 July 2021.

F. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed interim statements of financial position of the Group as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed statement of changes in equity and condensed consolidated statement of cash flows for the reporting 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 2021 ("2H FY2021") and financial year ended 30 June 2021 ("FY2021") increased by 58% and 33% to \$781.9 million and \$1,364.2 million respectively, compared with \$493.5 million and \$1,027.8 million in second half year ended 30 June 2020 ("2H FY2020") and financial year ended 30 June 2020 ("FY2020") respectively, mainly due to higher revenue from the projects in Cambodia, Singapore and Ireland, partially offset by lower revenue from the project in the United Kingdom.

Gross profit margin

Gross profit ("GP") margins for 2H FY2021 and FY2021 were comparable with 2H FY2020 and FY2020, primarily a result of doubling of the proportion of revenue from The Peak project in Cambodia in FY2021 over FY2020, coupled with the project generating significantly higher than average GP margin of the Group, despite a drop in the GP margin in FY2021 compared with FY2020.

Other income

Other income for 2H FY2021 decreased by 53% to \$2.7 million, mainly due to lower government grant received in the second half of FY2021.

Interest income

Interest income for 2H FY2021 and FY2021 decreased by 12% and 10% to \$4.6 million and \$9.3 million respectively, mainly due to lower interest income from fixed deposits and advances due from related parties.

Other gains

Other gains for 2H FY2021 of \$17.5 million comprise a gain on sale of a show flat land in Cambodia, forfeited deposits from abandoned sales and write-back of provisions pertaining to dispute settlements.

Other gains for FY2021 of \$39.7 million comprise the aforesaid gains for 2H FY2021, in addition to foreign exchange gain from translation of US\$ denominated borrowings as a result of the depreciation of US dollar against Singapore dollar.

Marketing and distribution costs

Marketing and distribution costs for 2H FY2021 increased to \$6.3 million from \$3.6 million in 2H FY2020, mainly due to sales commission arising from a sale of show flat land in Cambodia while the expenses were comparable for the two financial years.

Administrative expenses

Administrative expenses for 2H FY2021 and FY2021 decreased by 9% and 21% to \$22.4 million and \$38.7 million respectively, primarily due to lower professional fees incurred for the overseas projects.

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)

Other losses

The other losses for 2H FY2021 and FY2021 of \$92.7 million and \$89.2 million comprise mainly (a) provision for impairment of hotel development cost in Cambodia of \$29.6 million, (b) fair value loss of \$17.7 million arising from the annual revaluation of an investment property in Cambodia, (c) costs incurred for rental support and finalisation of accounts of the property at 30 Raffles Place amounting to \$17.6 million, and (c) costs incurred for defect rectification, and settlement of disputes on construction and other contracts totaling \$16.8 million.

Finance costs

Finance cost for 2H FY2021 and FY2021 decreased by 15% and 24% to \$57.3 million and \$112.7 million respectively, compared with \$67.6 million and \$147.9 million in 2H FY2020 and FY2020 respectively, mainly due to repayments of fixed rate notes and bank borrowings, and drop in average interest rates.

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

Share of results from associates and joint ventures for 2H FY2021 and FY2021 were higher than 2H FY2020 and FY2020 mainly due to share of profits from the joint ventures in Singapore.

Profit before tax from continuing operations

Profit before tax from continuing operations for 2H FY2021 and FY2021 was \$58.0 million and \$109.1 million respectively, compared with losses incurred in 2H FY2020 and FY2020 due to the reasons stated above.

Loss from discontinued operations

The loss from discontinued operations for 2H FY2021 and FY2021 represents the Group's losses from the appointment of voluntary administrators for the Australia subsidiary, Pindan Group Pty Ltd since May 2021.

Income tax expense

The income tax expenses for 2H FY2021 and FY 2021 comprised (a) corporate taxes on the profits earned from the projects in Singapore, Malaysia, Ireland and the United Kingdom, 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 2021, the shareholders' fund of \$1,050.2 million represented a decrease of 1% or \$15.4 million from 30 June 2020 primarily due to the dividend payment made in January 2021. The net asset value per share of 24.79 cents as at 30 June 2021 was lower than 25.26 cents as at 30 June 2020 due to the aforesaid reason.

The Group's gearing ratio as at 30 June 2021 and 30 June 2020 were 2.18 and 2.48 times respectively. Net debt as at 30 June 2021 and 30 June 2020 were \$2.2 billion and \$2.6 billion respectively.

Current assets

The decrease in current assets of \$962.8 million or 27% as at 30 June 2021 compared with 30 June 2020 was mainly attributable to (i) decrease in carrying value of the overseas 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 when the units were completed and delivered to the buyers, (ii) lower trade and receivables arising from sales collection, and (iii) repayments of debt obligations resulting in lower cash and cash equivalents.

Non-current liabilities

The increase in non-current liabilities of \$456.2 million or 35% as at 30 June 2021 compared with 30 June 2020 was mainly due to (i) reclassification of a bank borrowing from current liabilities to non-current liabilities in accordance with SFRS(I), and (ii) recognition of a lease liability relating to a right-of-use asset at a subsidiary in Cambodia.

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

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

Statement of financial position review (cont'd)

Current liabilities

The decrease in current liabilities of \$1,421.7 million or 51% as at 30 June 2021 compared with 30 June 2020 was mainly due to (i) lower debt obligations due in the next 12 months of \$975.5 million arising from (a) repayments of bank borrowings during FY2021 and (b) reclassification of a bank borrowing from current liabilities to non-current liabilities in accordance with SFRS(I), and (ii) drop in other non-financial liabilities of \$368.9 million as the deposits were recognised as revenue upon delivery of the sold units to the buyers.

Cash flow review

Net cash flows from operating activities of \$623.6 million for FY2021 was mainly generated from completion of the sales of overseas developments.

Net cash flows used in investing activities for FY2021 was \$44.9 million, mainly due to advances made to joint venture companies in Singapore and the United Kingdom.

Net cash flows used in financing activities for FY2021 was \$711.1 million, mainly due to net repayments of borrowings comprising of fixed rates notes of US\$355 million and bank loans.

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 / 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.

Year 2021 is a turbulent time that witnesses the roller coaster ride of COVID-19 pandemic globally. The optimism that light is at the end of the tunnel hinges on the local and global recovery from COVID-19 pandemic that is dependent on vaccination progress and efficacy of existing vaccines, inflation risks and geopolitical development amongst the major economies. Singapore has embarked on a strategy to open up the economy by targeting to achieve 80% vaccination rate by September 2021. From 10 August 2021, Singapore has begun to progressively ease the restrictions.

Singapore's economy is expected to grow between 6% and 7% in 2021, according to the Ministry of Trade and Industry, as the local COVID-19 situation stabilizes, compared with the previous estimates of 4% to 6%. This is on the back of year-on-year (y-o-y) growth of 14.7% in the second quarter of 2021 (Q2 2021) from the low base in Q2 2020. The construction activities have also gradually recovered from the circuit breaker doldrums though the sector is facing escalating costs from manpower shortage that will impact new construction contracts. In addition, the enhanced safe distancing measures may affect productivity at construction sites in progress.

In Singapore, private property prices continue on the upward trend with an increase of 1% in July 2021 over June 2021 and 8% when compared with July 2020. Transaction volumes remain strong with URA releasing a survey showing 1,589 units (excluding executive condominiums) sold in the month of July 2021, an increase of 82% over June 2021.

Conversely the office and retail segments that the Group has a small exposure to are still reeling from demand contraction and decline in rental rates. The pace of recovery will depend on the speed of return to offices in the CBD after COVID-19 situation stabilizes.

Strict border restrictions and health concerns will impede recovery of the hospitality sector. This will be mitigated by a successful roll-out of programmes allowing vaccinated business travellers and opening of reciprocal green lanes for leisure travellers from certain countries where the COVID-19 situation is manageable, exempting travellers from a 14-day quarantine on arrival in Singapore. The Group's hotels are signed up as Stay-Home Notices and quarantine facilities from the onset of the virus outbreak and have been generating positive operating cash flows.

In the United Kingdom and Ireland, the Group's development projects have substantially been completed while the new projects are in the planning phases. Despite high infection rates, the populations have relatively high vaccination rates and these countries have begun to ease their lockdown restrictions. In Cambodia, more than 50% of the population are vaccinated with at least one dose and its business and construction activities have resumed substantially. On the other hand, Malaysia is in the midst of its deadliest COVID-19 wave and its vaccination drive has been hampered by political uncertainty. Business activities have slowed to a trickle in Malaysia, negatively impacting the Group's development project in Kuala Lumpur.

In Singapore, uncertain external environment and manageable inflation pressure will enable the Monetary Authority of Singapore to keep a 0% appreciation of Singapore dollar. In the United States, a surge in COVID-19 infection has put a pause in rising inflation rate and reduce the policymakers' urgency to pull back the stimulus and raise interest rates. Short-end interest rates may remain subdued in the near term and will continue to keep a lid on the Group's borrowing cost, which would be beneficial to the Group.

As at early-August 2021, the Group's total sales secured for its development portfolio amounted to \$9.6 billion, of which approximately \$4.3 billion and \$5.4 billion were attributable to the projects in Singapore and overseas respectively.

	Sales secured (\$mn)	Recognised billings (\$mn)	Future progress billings (\$mn)
Singapore	4,252	1,490	2,762
Overseas	5,380	5,003	377
Total *	<u>9,632</u>	<u>6,493</u>	<u>3,139</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)

None

(b) (i) Amount per share

None

(ii) Previous corresponding period

Final and special dividend of 0.5 and 1.0 Singapore cent per ordinary share respectively.

(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

Not applicable

(d) The date the dividend is payable

Not applicable

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

Not applicable

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

No dividend has been declared or recommended for the reporting year ended 30 June 2021 in order to preserve the Group's working capital.

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 2021.

During the six months and full year ended 30 June 2021, there were the following interested person transactions:

(a) finance costs amounting to \$650,000 for the six months and full year ended 30 June 2021 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 \$408,000 for the six months and full year ended 30 June 2021 payable to GMTTC 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 \$238,000 and \$2,151,000 for the six months and full year ended 30 June 2021 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.

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

8. Use of proceeds

On 19 January 2021, the Company issued an aggregate of US\$72,000,000 in principal amount of Tranche A Convertible Notes. The status of the use of the net proceeds is as follows:

Use of proceeds	Amount allocated (S\$' million)	Amount utilised as at the date of this announcement (S\$' million)	Balance amount as at the date of this announcement (S\$' million)
Working capital and general corporate purposes	95.68	95.68	-

The amount utilised was used mainly in the redemption of Medium Term Notes issued by Oxley MTN Pte Ltd due in April 2021.

9. 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.

10. 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.

By order of the Board

Ching Chiat Kwong
Executive Chairman and CEO
26 August 2021

Low See Ching
Deputy CEO
26 August 2021