



OXLEY HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 201005612G)

(The "Company")

Unaudited First Quarter Financial Statements
and Dividend Announcement For the Financial Period Ended
30 September 2018

1(a) Statement of Comprehensive Income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

(The figures have not been audited or reviewed by the auditors)

	Group First Quarter Ended		% Change Increase/ (Decrease)
	30-Sep-18 S\$'000	30-Sep-17 S\$'000	
Revenue	170,301	310,622	-45%
Cost of Sales	(115,199)	(257,745)	-55%
Gross Profit	55,102	52,877	4%
Other Items of Income			
Other Income	983	229	329%
Interest Income	897	612	47%
Other Gains	4,892	14,052	-65%
Other Items of Expense			
Marketing and Distribution Costs	(6,687)	(1,711)	291%
Administrative Expenses	(7,177)	(9,489)	-24%
Finance Costs	(21,891)	(8,866)	147%
Other Losses	(8,811)	(7,448)	18%
Share of (Loss) / Profit From Equity-Accounted Associates and Joint Ventures	(3,696)	14,234	N.M.
Profit Before Income Tax	13,612	54,490	-75%
Income Tax Expense	(8,843)	(8,559)	3%
Profit Net of Tax	4,769	45,931	-90%
Other Comprehensive (Loss)/ Income:			
Items that may be reclassified subsequently to profit or loss			
(Loss) / Gain on Available-for-Sale Investments	(24,623)	2,843	N.M.
Exchange (Loss) / Gain on Translating Foreign Operations	(4,721)	14,871	N.M.
Other Comprehensive (Loss) / Income	(29,344)	17,714	N.M.
Total Comprehensive (Loss) / Income	(24,575)	63,645	N.M.
Profit/ (Loss) Net of Tax Attributable to:			
-Owners of the Company	8,057	48,742	-83%
-Non-Controlling Interests	(3,288)	(2,811)	17%
Profit Net of Tax	4,769	45,931	-90%
Total Comprehensive (Loss)/ Income Attributable to:			
-Owners of the Company	(21,291)	66,571	N.M.
-Non-Controlling Interests	(3,284)	(2,926)	12%
Total Comprehensive (Loss) / Income	(24,575)	63,645	N.M.

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

	Group First Quarter Ended		% Change Increase/ (Decrease)
	30-Sep-18 S\$'000	30-Sep-17 S\$'000	
Rental Income	11,798	2,855	313%
Interest Income	897	612	47%
Interest Expenses (including interest expense accounted for in cost of sales)	(21,474)	(9,722)	121%
Gain on Sale of Investment Property	-	500	-100%
Depreciation of Properties, Plant and Equipment	(5,377)	(529)	916%
Impairment on Development Properties - Loss	-	(1,370)	-100%
Foreign Exchange (Losses) / Gains, Net	(8,690)	12,365	N.M.
Fair Value Gain/ (Loss) on Investment Properties, Net	37	(4,633)	N.M.
Derecognition of subsidiary	2,993	-	N.M.
Fair Value Gain on Financial Instruments, Net	858	1,168	-27%

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	
	30-Sep-18 S\$'000	30-Jun-18 S\$'000 Restated	30-Sep-18 S\$'000	30-Jun-18 S\$'000
ASSETS				
Non-Current Assets				
Property, Plant and Equipment	965,797	971,918	2,600	2,816
Investment Properties	1,217,451	1,213,551	-	-
Investments in Subsidiaries	-	-	42,807	40,807
Investments in Associates	217,002	211,652	490	490
Investments in Joint Ventures	60,911	75,176	16,074	16,074
Deferred Tax Assets	2,113	1,530	-	-
Other Receivables	168,271	167,036	1,857,859	1,385,080
Available-For-Sale Financial Assets	363,963	380,905	352,582	362,330
Total Non-Current Assets	2,995,508	3,021,768	2,272,412	1,807,597
Current Assets				
Inventories	72	52	-	-
Development Properties	2,575,654	2,143,716	-	-
Trade and Other Receivables	306,397	417,293	274,765	722,211
Other Assets	48,451	39,517	4,348	4,839
Asset Classified as Held for Sale	117,673	118,162	-	-
Cash and Cash Equivalents	232,345	254,980	26,675	30,830
Total Current Assets	3,280,592	2,973,720	305,788	757,880
Total Assets	6,276,100	5,995,488	2,578,200	2,565,477
EQUITY AND LIABILITIES				
Equity				
Share Capital	242,050	242,050	242,050	242,050
Treasury Shares	(3,943)	(2,575)	(3,943)	(2,575)
Retained Earnings	908,167	898,404	147,077	170,505
Foreign Currency Translation Reserve	19,801	24,526	-	-
Other Reserves	248,706	273,329	(8,708)	15,915
Equity Attributable to Owners of the Company	1,414,781	1,435,734	376,476	425,895
Non-Controlling Interests	38,028	41,282	-	-
Total Equity	1,452,809	1,477,016	376,476	425,895
Non-Current Liabilities				
Deferred Tax Liabilities	63,346	64,850	-	-
Other Financial Liabilities	3,555,548	3,213,762	397,736	402,934
Total Non-Current Liabilities	3,618,894	3,278,612	397,736	402,934
Current Liabilities				
Deferred Tax Liabilities on Asset Classified as Held for Sale	3,213	3,226	-	-
Income Tax Payable	40,780	38,239	-	-
Trade and Other Payables	434,198	475,771	1,624,587	1,545,570
Other Financial Liabilities	234,739	246,761	179,401	191,078
Other Liabilities	491,467	475,863	-	-
Total Current Liabilities	1,204,397	1,239,860	1,803,988	1,736,648
Total Liabilities	4,823,291	4,518,472	2,201,724	2,139,582
Total Equity and Liabilities	6,276,100	5,995,488	2,578,200	2,565,477

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

Amount repayable in one year or less, or on demand

As At 30 September 2018		As At 30 June 2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
120,739	114,000	142,364	104,000

Amount repayable after one year

As At 30 September 2018		As At 30 June 2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,334,484	1,220,347	2,035,767	1,177,995

Total bank borrowings and debt securities above amounted to S\$3,789.6 million (30 June 2018: S\$3,460.1 million).

The total bank borrowings and debt securities above exclude the carrying amounts of derivatives of S\$0.7 million (30 June 2018: S\$0.4 million) classified under other financial liabilities.

Details of collaterals

The above bank borrowings are secured by:

- First legal mortgages 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), tenancy agreements and sale and purchase agreements in respect of the proposed developments., property, plant and equipment and investment properties.
- Corporate guarantees by the Company
- Corporate guarantees by non-controlling shareholders of non-wholly owned subsidiaries for bank borrowings amounting to S\$55.7 million (30 June 2018: S\$56.0 million).

Note:

The above borrowings do not include advances from non-controlling shareholders of certain subsidiaries of S\$66.8 million as at 30 September 2018 (30 June 2018: S\$58.3 million). These advances, included in trade and other payables, are unsecured and without fixed repayment terms. Some of the advances are subordinated to the bank borrowings.

Unsecured borrowings include medium term notes and retail bonds of S\$1,076.8 million as at 30 September 2018 (30 June 2018: S\$1,074.3 million), due in financial years 2020 to 2022.

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

	Group	
	First Quarter Ended	
	30-Sep-18 S\$'000	30-Sep-17 S\$'000
<u>Cash Flows From Operating Activities:</u>		
Profit Before Income Tax	13,612	54,490
Adjustments for:		
Depreciation of Property, Plant and Equipment	5,377	529
Plant and Equipment Written-Off	-	180
Impairment Loss on Development Properties	-	1,370
Bad debt written-off	88	-
Interest Income	(897)	(612)
Finance Costs	21,891	8,866
Fair Value Gain on Financial Instruments	(858)	(1,168)
Fair Value Gain on Investment Properties	(37)	4,633
Gain on Sale of Investment Properties	-	(500)
Derecognition of subsidiary	(2,993)	-
Share of Loss/ (Profit) From Equity-Accounted Associates and Joint Ventures	3,696	(14,234)
Net Effect of Exchange Rate Changes	6,431	4,092
Operating Cash Flows Before Changes in Working Capital	46,310	57,646
Inventories	(20)	-
Development Properties	(436,578)	104,958
Trade and Other Receivables	107,716	(33,814)
Other Assets	(8,645)	3,758
Trade and Other Payables	(30,440)	(59,045)
Other Liabilities	18,868	11,662
Cash Flows (Used In)/ Generated From Operations	(302,789)	85,165
Income Taxes Paid	(1,844)	(22,489)
Net Cash Flows (Used In)/ Generated From Operating Activities	(304,633)	62,676
<u>Cash Flows From Investing Activities:</u>		
Additions of Property, Plant and Equipment	(75)	(32,842)
Additions of Investment Properties	(5,815)	(29,989)
Increase in Available-for-Sale Financial Assets	(14,875)	(248,817)
Investments in Joint Ventures	-	(1,400)
Dividends from Associates and Joint Ventures	13,667	-
Advances to Associates	(306)	-
Advances to Joint Ventures	(14,229)	-
Proceeds from Sale of Investment Properties	-	5,600
Other Receivables, Non-current	65	-
Interest Income Received	897	612
Net Cash Flows Used In Investing Activities	(20,671)	(306,836)
<u>Cash Flows From Financing Activities:</u>		
Purchase of Treasury Shares	(1,368)	-
Advances from/ (to) Non-Controlling Shareholders	6,915	(7,967)
Return of Capital Contribution to Non-Controlling Shareholders	(725)	-
Increase in Capital Contribution by Non-Controlling Shareholders	755	142
Proceeds from Borrowings	439,044	442,510
Repayment of Borrowings	(114,769)	(291,210)
Interest Expense Paid	(26,710)	(20,516)
Net Cash Flows Generated From Financing Activities	303,142	122,959
Net Decrease in Cash and Cash Equivalents	(22,162)	(121,201)
Effects of Exchange Rate Changes on the Balance of Cash Held in Foreign Currencies	(473)	3,363
Cash and Cash Equivalents at Beginning of Period	254,980	413,545
Cash and Cash Equivalents at End of Period	232,345	295,707

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

GROUP	ATTRIBUTABLE TO OWNERS OF THE COMPANY								Non-Controlling Interests S\$'000	TOTAL EQUITY S\$'000
	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Foreign Currency Translation Reserve S\$'000	Assets Revaluation Reserve S\$'000	Fair Value Reserve S\$'000	Other Reserve S\$'000	Total S\$'000		
Current Period:										
Balance as at 1 July 2018	242,050	(2,575)	925,621	(2,691)	257,414	12,286	3,629	1,435,734	41,282	1,477,016
Effect of adoption of Singapore Financial Reporting Standards (International)	-	-	(25,511)	27,217	-	-	-	1,706	-	1,706
Restated balance as at 1 July 2018	242,050	(2,575)	900,110	24,526	257,414	12,286	3,629	1,437,440	41,282	1,478,722
Purchase of Treasury Shares	-	(1,368)	-	-	-	-	-	(1,368)	-	(1,368)
Increase in Capital Contribution by Non-Controlling Interests of Subsidiaries	-	-	-	-	-	-	-	-	755	755
Return of Capital Contribution to Non-Controlling Interests of Subsidiaries	-	-	-	-	-	-	-	-	(725)	(725)
Total Comprehensive Income / (Loss) for the Period	-	-	8,057	(4,725)	-	(24,623)	-	(21,291)	(3,284)	(24,575)
Balance as at 30 September 2018	242,050	(3,943)	908,167	19,801	257,414	(12,337)	3,629	1,414,781	38,028	1,452,809
Previous Period:										
Balance as at 1 July 2017	163,880	(9,517)	690,347	(27,217)	227,316	-	-	1,044,809	44,072	1,088,881
Effect of adoption of Singapore Financial Reporting Standards (International)	-	-	(27,217)	27,217	-	-	-	-	-	-
Restated balance as at 1 July 2017	163,880	(9,517)	663,130	-	227,316	-	-	1,044,809	44,072	1,088,881
Increase in Capital Contribution by Non-Controlling Interests of Subsidiaries	-	-	-	-	-	-	-	-	142	142
Total Comprehensive Income / (Loss) for the Period	-	-	48,742	14,986	-	2,843	-	66,571	(2,926)	63,645
Balance as at 30 September 2017	163,880	(9,517)	711,872	14,986	227,316	2,843	-	1,111,380	41,288	1,152,668

COMPANY	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Fair Value Reserve S\$'000	Other Reserve S\$'000	TOTAL EQUITY S\$'000
Current Period:						
Balance as at 1 July 2018	242,050	(2,575)	170,505	12,286	3,629	425,895
Effect of adoption of Singapore Financial Reporting Standards (International)	-	-	-	-	-	-
Purchase of Treasury Shares	-	(1,368)	-	-	-	(1,368)
Total Comprehensive Loss for the Period	-	-	(23,428)	(24,623)	-	(48,051)
Balance as at 30 September 2018	242,050	(3,943)	147,077	(12,337)	3,629	376,476
Previous Period:						
Balance as at 1 July 2017	163,880	(9,517)	264,059	-	-	418,422
Effect of adoption of Singapore Financial Reporting Standards (International)	-	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	9,969	2,843	-	12,812
Balance as at 30 September 2017	163,880	(9,517)	274,028	2,843	-	431,234

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

There had been no changes in the Company's issued share capital since 30 June 2018 save for the purchase of a total of 3,600,000 shares by the Company and held as treasury shares during the first quarter ended 30 September 2018.

The Company had no outstanding convertibles and no subsidiary holdings as at 30 September 2018 and 30 September 2017.

As at 30 September 2018, the Company held 9,300,000 treasury shares (30 September 2017: 22,745,400), constituting 0.23% of the total number of ordinary shares outstanding (30 September 2017: 0.77%).

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

	As At 30 Sep 2018	As At 30 June 2018
No. of issued shares excluding treasury shares	4,039,150,338	4,042,750,338

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

There were no sales, transfers, cancellation and/or use of treasury shares by the Company for the current financial period ended 30 September 2018.

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

There were no sales, transfers, cancellation and/or use of subsidiary holdings for the current financial period ended 30 September 2018.

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

The figures have not been audited or reviewed by auditors.

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

Not applicable.

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

The same accounting policies and methods of computation in the FY2018 audited annual financial statements have been applied for the current reporting period, except as disclosed in Section 5 below.

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

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

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

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

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

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

Cumulative translation differences

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

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

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

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

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

Group	As at 7/1/2017			As at 6/30/2018			As at 7/1/2018		
	As previously reported S\$'000	Effects S\$'000	As restated S\$'000	As previously reported S\$'000	Effects S\$'000	As restated S\$'000	As previously reported S\$'000	Effects S\$'000	As restated S\$'000
<u>Effect on Statements of Financial Position</u>									
Retained Earnings	690,347	(27,217)	663,130	925,621	(25,511)	900,110			
Foreign Currency Translation Reserve	(27,217)	27,217	-	(2,691)	27,217	24,526			
Total Assets		NA		5,995,488	1,706	5,997,194			

NA- Not Applicable

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

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

	Group	
	First Quarter Ended	
	30-Sep-18	30-Sep-17
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares in issue	0.20 cents	1.26 cents
Weighted average number of ordinary shares in issue (excluding treasury shares)	4,039,310,121	3,861,626,433
(b) On a fully diluted basis	0.20 cents	1.26 cents
Weighted average number of ordinary shares in issue (excluding treasury shares)	4,039,310,121	3,861,626,433

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

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group As At		Company As At	
	30-Sep-18	30-Jun-18	30-Sep-18	30-Jun-18
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares)	35.03 cents	35.51 cents	9.32 cents	10.53 cents
Number of shares in issue (excluding treasury shares)	4,039,150,338	4,042,750,338	4,039,150,338	4,042,750,338

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

Profit or Loss Review

Revenue

Group revenue declined by 45% to \$170.3 million in 1Q 2019 compared with \$310.6 million in 1Q 2018. This was mainly due to lower revenue contribution from the projects in the United Kingdom and Singapore.

Gross profit margin

Gross profit margin for 1Q 2019 was 15 percentage points higher than that for 1Q 2018, mainly due to timing of completion of the Singapore and overseas development projects which had varying margins.

Other Gains

Other gains decreased \$9.2 million or 65% in 1Q 2019 compared to 1Q 2018 mainly due to the absence of foreign exchange gain from translation of foreign currency denominated balances.

Marketing and Distribution Costs

In 1Q 2019, the increase in marketing and distribution costs of \$5.0 million was mainly attributable to higher show flat expenses, advertisement expenses and marketing fees for the new projects in Singapore and Cambodia, in addition to sales & marketing expenses incurred by the hotels at Stevens Road which commenced operation in 2Q 2018.

Administrative Expenses

In 1Q 2019, the decrease in administrative expenses of \$2.3 million or 24% was mainly contributed by lower accrual of payroll related expenses, partly offset by expenses incurred by the hotel at Stevens Road which commenced operation in 2Q 2018.

Finance Costs

In 1Q 2019, finance costs increased to \$21.9 million mainly due to (i) increase in amount of bank loans and bonds to support the Group's acquisitions of properties, and for loans extended to joint ventures, and (ii) higher interest rates, in line with the interest rate hikes by the US Federal Reserve.

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

Other Losses

The increase in other losses by \$1.4 million or 18% from \$7.4 million to \$8.8 million in 1Q 2019 was mainly due to foreign exchange loss from translation of foreign currency denominated balances partly offset by the absence of a provision for impairment loss on a development property recognised in 1Q 2018.

Share of Results from Equity-Accounted Associates and Joint Ventures

The decrease in share of results from equity-accounted associates and joint ventures of \$17.9 million was mainly due to the absence of share of profit from The Bridge in Cambodia on completion of the joint venture project and share of lower results from other associates.

Profit Before Income Tax

The pre-tax profit for 1Q 2019 was \$13.6 million, 75% lower than the profit of \$54.5 million for 1Q 2018 due to the reasons stated above.

Income Tax Expense

The income tax expense was mainly due to tax on income earned from projects in the United Kingdom.

Net assets and gearing

As at 30 September 2018, the shareholders' fund of \$1,414.8 million represented a decrease of 1.5% or \$21.0 million from 30 June 2018 mainly due to the fair value adjustment on the available-for-sale financial assets. The net assets value per share of the Group was lower by 1.4% mainly due to the fair value adjustment on the available-for-sale financial assets and the increase in treasury shares of 3.6 million.

The Group's gearing ratio as at 30 September 2018 was 2.45, higher than 2.17 as of 30 June 2018, attributable to the increase in the bank borrowings to support the acquisition of Singapore development projects.

Statement of Financial Position Review

Current Assets

The increase in current assets of \$306.9 million or 10.3% in 1Q 2019 was mainly due to increase in development projects in Singapore.

Non-Current Liabilities

The increase in non-current liabilities of \$340.3 million or 10.4% over 4Q 2018 was mainly due to increase in bank loans to support the acquisition of Singapore development properties.

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

Cash Flow Review

For 1Q 2019, the Group had net cash flow used in operating activities of \$304.6 million, mainly due to the completion of the acquisition of Singapore development properties.

The cash outflow of \$20.7 million, from investing activities was mainly attributable to acquisition of quoted securities and advances to a joint venture company, partly offset by dividend from a joint venture company.

The cash inflow of \$303.1 million from financing activities arose mainly from the increase in bank borrowings to support the Group's activities.

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

The Company has not disclosed any forecast / prospect statements.

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

In the half-yearly macro-economic review in late October 2018, Monetary Authority of Singapore indicated that the negative effects of the United States-China trade war and tightening global financial conditions may affect Singapore for the rest of Year 2018 and into Year 2019. The trade war however, may benefit Singapore in the medium term as international firms reconfigure their supply chains. Growth forecast for Year 2018 is maintained at 2.5% to 3.5%.

Though the recent property cooling measures may affect the buying sentiments in the Singapore property market, the Company is in a good position as the land bank was acquired earlier at lower prices.

Statistics from Singapore Tourism Board show that tourist arrivals grew by 7.5% or 0.9 million for the first 8 months of Year 2018. The outlook for tourist arrivals continues to be positive which will benefit the Group's hotels at Stevens Road.

The outlook in the overseas markets has also been affected by a more constrained trade environment. Political developments in Europe will continue to impact the property markets with some markets more affected than others.

The United States Federal Reserve is on the path of increasing the benchmark interest rates which may increase the cost of borrowings. The path of increase is influenced by the local economic conditions and country's monetary policy.

As at early November 2018, the Group's total sales secured on the development portfolio amounted to S\$7.1 billion of which approximately S\$3.2 billion and S\$3.9 billion were attributable to the projects in Singapore and overseas respectively.

	Sales Secured (S\$mn)	Recognised Billings (S\$mn)	Future Progress Billings (S\$mn)
Singapore	3,187	1,706	1,481
Overseas	3,946	2,627	1,319
Total *	<u>7,133</u>	<u>4,333</u>	<u>2,800</u>

* Includes unbilled contract value of joint ventures and associates

11 If a decision regarding dividend has been made:-

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

None.

- (b) (i) Amount per share

Not applicable.

- (ii) Previous corresponding period

None.

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

Not applicable.

- (d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

No dividend has been declared/ recommended for the first quarter ended 30 September 2018.

13 Interested Person Transactions

None.

14 CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

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

15 CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We, Ching Chiat Kwong and Low See Ching, being Directors of the Company, do hereby confirm, on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the first quarter ended 30 September 2018 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ching Chiat Kwong
Executive Chairman and CEO
Date: 12 November 2018

Low See Ching
Deputy CEO
Date: 12 November 2018